



# US SOLAR FUND PLC ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024





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# RENEWABLE ENERGY SUSTAINABLE INVESTMENTS

**US SOLAR FUND PLC (USF OR THE COMPANY) IS A RENEWABLE ENERGY FUND THAT AIMS TO PROVIDE INVESTORS WITH ATTRACTIVE AND SUSTAINABLE DIVIDENDS WITH AN ELEMENT OF CAPITAL GROWTH BY INVESTING IN A DIVERSIFIED PORTFOLIO OF SOLAR POWER ASSETS IN NORTH AMERICA AND OTHER OECD COUNTRIES IN THE AMERICAS.**

The Company develops, acquires or constructs solar power assets that are expected to have an asset life of at least 30 years and generate stable cash flows by selling electricity to creditworthy offtakers under long-term power purchase agreements. The Company's portfolio currently consists of 41 operational solar projects with a total capacity of 443MW<sub>DC</sub>, all located in the United States.



## Company facts<sup>1</sup>

The Company is a closed-end investment trust incorporated under the laws of England (company number 11761009).

The Company's current portfolio comprises of 41 assets located in California, North Carolina, Oregon and Utah with a total capacity of 443MW<sub>DC</sub>.

The Company was admitted to the premium listing segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange on 16 April 2019.

Since 1 December 2023, the Company has been managed by Amber Infrastructure Investment Advisor, LLC (**AIIA** or the **Investment Manager**), part of the Amber Infrastructure Group (**Amber**).

The total number of Ordinary Shares in issue is 307,833,387 which are denominated in both US Dollars (ticker 'USF') and Sterling (ticker 'USFP').

\$194.2 million  
Net Asset Value

\$132.4 market  
capitalisation

## Contents

### 1 OVERVIEW

2 2024 highlights

### 4 STRATEGIC REPORT

4 Chair's Statement

8 Why Invest?

9 Market Outlook

10 Objectives

12 Portfolio Overview

18 Operating Review

31 Responsible Investment

42 Risk and Risk Management

52 Section 172

### 54 CORPORATE GOVERNANCE

54 Summary of Investment Policy

55 Board of Directors

56 Directors' Report

58 Corporate Governance Report

64 Audit Committee Report

67 Directors' Remuneration Report

69 Directors' Responsibilities Statement

### 70 FINANCIAL STATEMENTS

70 Independent Auditor's Report

78 Financial Statements (Audited)

82 Notes to the Financial Statements (Audited)

### 97 ALTERNATIVE PERFORMANCE MEASURES\*

### 98 GLOSSARY\*

### 101 KEY CONTACTS

### 102 NOTICE OF AGM

### \*APMS

Certain words and terms used throughout this Annual Report and Financial Statements are defined from page 98. Where alternative performance measures (**APMs**) are used, these are identified by being marked with an \*. In accordance with ESMA Guidelines on APMs, the Board has considered what APMs are included in the Annual Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

APMs included in the Annual Report and financial statements are identified as non-GAAP measures and are defined within the APM Section and Glossary.

### COVER IMAGES

**Front cover:** Milford 127.8MW<sub>DC</sub> (Utah)

**Photo credit:** US Solar Fund plc

**Inside cover:** Freemont (Heelstone Portfolio)  
6.4MW<sub>DC</sub> (North Carolina)

**Photo credit:** US Solar Fund plc



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<sup>1</sup> Figures as at 31 December 2024 unless otherwise specified.



# 2024 HIGHLIGHTS



## Financial highlights

**\$194.2m**

Net Asset Value (NAV)  
2023: \$258.2m

**\$0.63**

NAV per share\*  
2023: \$0.78

**(13.4%)**

NAV total return<sup>2\*</sup>  
2023: (1.7%)

**\$28.9m**

Distributions to shareholders<sup>3\*</sup>  
2023: \$18.7m

**1.10x**

Operational Dividend cover<sup>4\*</sup>  
2023: 0.50x

**\$(34.8m)**

IFRS loss for the year<sup>5</sup>  
2023: \$(43.1m) loss

**(44.3%)**

Total Shareholder Return (TSR)<sup>6\*</sup>  
2023: (34.4%)

**\$0.43**

Share price as at 31 December 2024  
2023: \$0.54

**(31.8%)**

Discount to NAV<sup>7\*</sup>  
2023: (30.8%)

<sup>2</sup> NAV total return is based on dividends paid throughout the period and NAV per share movement since inception.

<sup>3</sup> Distributions to shareholders includes dividends related to the FY (includes \$18.6m returned by way of tender offer for 2024). Distributions to shareholders excluding the tender offer distributions total to \$10.3m.

<sup>4</sup> Operational dividend cover. See pages 24 to 25 for further dividend cover analysis.

<sup>5</sup> Includes unrealised losses on the portfolio fair value for the year ended 31 December 2024.

<sup>6</sup> Total return to shareholders is based on dividends paid and reinvested (at ex-dividend date) throughout the period, and share price movement since the issue price of \$1.00. This figure excludes distributions returned to shareholders via tender offers.

<sup>7</sup> The percentage by which the closing share price on comparable dates exceeds/(falls short of) the NAV per share.



South Robeson (Granite Portfolio)  
6.3MW<sub>DC</sub> (North Carolina)

## Operational highlights

# 41

Operating solar assets  
2023: 41

# 443MW<sub>DC</sub>

Total capacity  
2023: 443MW<sub>DC</sub>

# 698GWh

Total electricity generation  
2023: 816GWh<sup>8</sup>

# (9.0%)

Generation against forecast  
2023: (7.2%)

# 10.9 years

Weighted average PPA term remaining<sup>9</sup>  
2023: 11.9 years

# BBB+

Average offtaker credit rating  
2023: BBB+

## Environmental highlights<sup>10 11</sup>

# 448,600t

tCO<sub>2</sub> emissions avoided  
2023: 480,900t

# 64,600

Equivalent US homes powered  
2023: 83,100

# 106,800

Equivalent US cars removed  
from the road  
2023: 104,500

<sup>8</sup> The total electricity generation data includes Mount Signal 2 (MS2) for the first six months of 2023.

<sup>9</sup> Remaining PPA term from 31 December 2024.

<sup>10</sup> Environmental figures use actual generation figures for the period. US CO<sub>2</sub> emissions displacement is calculated using data from the US Environmental Protection Agency's 'Avoided Emissions and geneRation Tool' (AVERT). Equivalent US homes and cars removed figures are based on CO<sub>2</sub> emissions displaced and data from the US Environmental Protection Agency and US Energy Information Administration.

<sup>11</sup> Based on the total electricity generation data includes MS2 for the first six months of 2023 for 2023 figures.

# CHAIR'S STATEMENT



2024 has been a challenging year for the Company and investment companies more widely, with tough market conditions continuing to impact trading activity and valuations. The Company has remained proactive in addressing issues within its control. ”

**GILL NOTT**  
CHAIR



## Dear Shareholders,

On behalf of the Board, I present the Company's Annual Report and Financial Statements for the period from 1 January to 31 December 2024.

2024 has been a challenging year for the Company and investment companies more widely, with tough market conditions continuing to impact trading activity and valuations. Across the sector, discounts to underlying net asset value have widened during the period, and various macroeconomic and market-specific events have had a negative impact on overall valuations.

Throughout 2024, the Company's shares traded at a sustained discount to NAV, and over the period to 31 December 2024, the Company's audited NAV decreased to \$194.2 million.

The primary reason for this decrease is an increase in discount rate assumptions. This is partially attributable to movements in base rates, but predominantly due to the widening of equity risk premiums applicable to US renewable energy assets (solar). The results of the US federal election in November 2024 and statements made by the incoming administration during the period influenced market dynamics and increased discount rates relevant to the Company's valuation.



The Company has remained proactive in addressing issues within its control and during the period has:

- delivered on its commitment to return capital to shareholders, which was achieved via a tender offer that concluded in June 2024, returning \$18.6 million to participating shareholders;
- progressed a detailed analysis of options available to the Company to refinance its existing senior debt facilities and as a result of such analysis, is taking steps to conclude a refinancing expected to be completed by the end of April 2025; achieving multiple key objectives as detailed below;
- initiated other strategies consistent with the Company's disciplined approach to capital management, including resizing the Company's revolving credit facility (**RCF**) and reducing the target dividend on an interim basis to ensure the robustness of the Company's balance sheet;
- instigated multiple asset management related activities intended to support operational efficiencies and portfolio performance, including replacing underperforming operations and maintenance subcontractors and developing a master diagnostic and remediation plan to strategically and methodically address technical issues impacting overall portfolio performance;
- continued to enhance the quality of reporting and disclosures as well as providing shareholders with regular updates in order to increase communication and transparency; and
- in furtherance of the Board's succession plan, and in direct response to shareholder feedback, concluded a recruitment process to select a new Board member following the resignation of Rachael Nutter, leading to the appointment of US-based Mark Lerdal as an independent Non-Executive Director.

## FINANCIAL PERFORMANCE

Over the period to 31 December 2024, the Company's audited NAV decreased to \$194.2 million (31 December 2023: \$258.2 million) and NAV per share to \$0.63 (31 December 2023: \$0.78).

The primary reason for this decrease was an increase in discount rates to reflect US market conditions. In addition, during the period, approximately \$18.6 million was returned to shareholders. A detailed explanation of NAV movements during the period is included on page 26 of this report.

## INCREASE IN DISCOUNT RATES

The increase in discount rate assumptions is the result of market dynamics which have negatively impacted asset valuations within the US renewables sector. This fall in wider asset valuations has been driven by multiple factors. Incentives and stimulus provided in the Inflation Reduction Act (**IRA**) enacted in 2022 accelerated the development of new solar projects in the US. Anecdotally, this inflated the valuation of development assets and large-scale development platforms, to the detriment of smaller platforms and portfolios focused on operational assets.

Statements made by the President-elect during his campaign for the November 2024 US federal election, and subsequently, which contained anti-clean energy and anti-IRA sentiments, have created near-term uncertainties in the US renewable energy market due to the wide array of potential policy outcomes<sup>12</sup>.

Notable areas of uncertainty include the extent to which the new administration will modify existing federal programs (such as those established under the IRA) aimed at supporting renewables development in the US. This uncertainty created headwinds impacting confidence in near-term renewables development including (i) potentially longer development timelines for early-stage projects placing pressure on near-term cashflows and (ii) lack of capital sources to fund development pipelines. Among other consequences, this could lead to US renewables developers and owners pursuing strategies to recycle their own capital, including selling off operational assets adding to the supply of projects for sale and depressing prices for operational assets during 2025. Proposed tariffs potentially impacting the supply chain for renewable components also increased uncertainty.

Collectively, the outcome is that higher discount rate assumptions have been applied by the Company's independent valuer, having an overall negative impact on the Company's 31 December 2024 valuation. The Board is of the view that the decreased NAV resulting from the movement in discount rates during the period does not reflect the fundamental long-term value of the Company's assets.

<sup>12</sup> An Executive Order entitled 'Unleashing American Energy' issued on the date of inauguration, 20 January 2025, followed up on statements made by the President-elect prior to and after the US federal election November 2024, creating policy objectives which continue to create uncertainty within the US renewable market and more broadly. <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>

# CHAIR'S STATEMENT CONTINUED



**The Board and I maintain an optimistic outlook for the Company because of its robust operational portfolio with assets located in states which continue to support renewable generation. ”**

## PORTFOLIO PERFORMANCE

Portfolio performance during the period trailed expectations, with total portfolio generation 9.0% below budget, due in part to below forecast solar irradiance but predominantly due to technical (non-weather) related issues.

Performance during the first quarter of 2024 was materially impacted by below forecast solar irradiance particularly impacting Milford (the Company's largest asset). Performance during the second, third, and fourth quarters of 2024 were materially impacted by non-weather factors including losses due to unscheduled outages and unscheduled maintenance, and lower than forecast inverter availability, resulting in lost generation at key sites.

Among other objectives, the diagnostic and remediation plan that has been developed by the Investment Manager's asset management team during the period, focuses on reducing the time taken to identify individual outages, improving the availability of replacement parts, and reducing lead times for repair crews to mobilise to site and complete repairs. The plan also prioritises the analysis of more substantive initiatives such as re-powering at some of the Portfolio's older sites. In addition, steps taken to enhance data collection, including in-housing of data analytics, will continue to enable earlier detection and remediation of issues.

Continuing to implement the diagnostic and remediation plan is an ongoing priority. The Investment Manager is confident in a positive outlook for portfolio performance as the diagnostic and remediation plan continues to be implemented and expects that the asset management initiatives progressed during 2024 will result in improved performance in 2025 and beyond.

## CAPITAL MANAGEMENT AND REFINANCING

During the period, the Board reduced the RCF from \$40 million to \$20 million. The updated facility size reduced costs whilst maintaining a smaller facility to support the Company's operational/ongoing liquidity requirements, particularly given the Company does not intend to make further investments. During the period, and currently, the RCF remained undrawn. The Board will continue to assess the ongoing need of the RCF.

The Board announced in April 2024 its intention to carry out a potential refinancing of existing debt facilities through the long-dated financing available in the US private debt markets. Based on subsequent analysis, the Board determined a bank refinancing to be a more attractive option for the Company because of the greater flexibility of refinancing terms. The proposed refinancing will proactively address the near and medium-term refinancings required in connection with the Euryalus, Heelstone and Milford portfolios, as well as improving near-term distributable cashflow and optimising the Company's capital structure. The Board expects the proposed refinancing to conclude by the end of April 2025.

## RETURN OF CAPITAL AND DIVIDENDS

Over the period, the Board delivered on its previously stated commitment to return capital to shareholders, which was achieved via a tender offer which concluded in June 2024. The Company acquired approximately 7% of its issued share capital at a significant premium to the prevailing market price, returning \$18.6 million to participating shareholders.

Alongside the tender offer and consistent with its objective to improve operational cash dividend coverage, the Board determined it was prudent to reduce the target dividend on an interim basis to 2.25 cents per share. During the period, the Company approved \$10.3 million in dividends, in line with its interim annual dividend target. As previously stated, the Board intends to revisit the interim dividend target once the proposed refinancing is concluded and the extent of improvements to coverage are determined.



## GOVERNANCE

Mark Lerdal was appointed as an independent Non-Executive Director effective as of 1 October 2024. Mark is based in the US and has over thirty years of experience in the energy and renewables sectors with a long-standing track record of realising value in the US solar market. The Board now has two US-based directors with extensive experience in the solar sector, which has been invaluable during the recent consideration of refinancing options and the ongoing strategic exercise to maximise shareholder value. Further information on the recruitment process for Mark Lerdal and the composition of the Board can be found on page 55.

We have undertaken and continue to engage in shareholder meetings to understand views and reflect on options available to the Company to maximise value for our shareholders.

We have also closely monitored the activities of the Company's peers to ensure relevant benchmarks are considered. We have carefully reviewed recent trends within the sector to change management fee arrangements. Given the recent appointment of the Investment Manager as of 1 December 2023, on terms which were presented at a general meeting of shareholders in November 2023, the scale of the Company, and its immediate objectives, we do not consider that it would serve the interests of the Company to change the current management fees at this time.

## DISCONTINUATION VOTE

Because the Company has traded at an average discount to NAV in excess of 10% over the course of 2024, the Company's Articles require that a special resolution be proposed at the Company's forthcoming Annual General Meeting (**AGM**) on 20 May 2025, for shareholders to vote to wind up or otherwise reconstruct the Company. If a discontinuation resolution is passed, the Company's Articles provide the Board with four months to put forward a proposal to shareholders. Given worsening US market conditions, the Board believes it would be very difficult to achieve a realisation of the Company's assets other than at a distressed price, and does not recommend a discontinuation.

## OUTLOOK

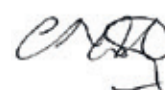
In spite of the uncertainties created by the breadth of the Unleashing American Energy Executive Order, the long-term outlook for renewable energy in the US remains strong on the back of state-level mandates and the overall cost competitiveness of renewable energy.

The Board and I maintain an optimistic outlook for the Company because of its robust operational portfolio with assets located in states which continue to support renewable generation. For existing operational projects (such as the Company's portfolio), these are less likely to be impacted by the new administration's policy objectives, which appear to focus on development assets rather than assets in their operational phase. Trading conditions are likely to remain positive for the Company, particularly if the development of new renewable resources fails to meet expected rising demand, leading to price increases.

In respect of matters within our control, we are confident that the long-standing financial and technical expertise that resides within the Investment Manager and its asset management team will deliver shareholder value through proactive management of the portfolio and disciplined capital management of the Company.

The Board continues to believe that the current discount to NAV, driven by prevailing market conditions, does not reflect the underlying long-term value of the Company and remains committed to preserving shareholder value. The Board and Investment Manager will continue to monitor the market for comparable sales of performing operational portfolios, with a view to realising value from the Company's assets when the time is right. The current volatile and uncertain market conditions means that now is not the right time to attempt a sale of the Company's portfolio. For this reason, the Board recommends that shareholders vote against the discontinuation of the Company at the forthcoming AGM.

Thank you for your continued patience and support.



**GILL NOTT**  
CHAIR

9 April 2025



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# WHY INVEST?

Freemont (Heelstone Portfolio)  
6.4MW<sub>DC</sub> (North Carolina)

The Company's investment objective is to provide investors with attractive and sustainable dividends with an element of capital growth by investing in a diversified portfolio of solar power assets in North America and other Organisation for Economic Co-operation and Development (**OECD**) countries in the Americas.

## 80%

Over the next ten years, approximately 80% of forecast revenue will be generated from contracted sources

## 40

of 41 assets within the Company's portfolio are certified as Qualifying Facilities, and are therefore eligible for favourable treatment for revenue recontracting

## 41%

As at 31 December 2024, the Group's Gearing\*, calculated as total debt outstanding to GAV, was approximately 41%

### MARKET OPPORTUNITY

Opportunity to invest in the renewable energy market in the US

- Portfolio of 41 operational assets located in states that are committed to policies supportive of renewable energy generation
- Long-term demand for power supported by increasing demand for electricity
- The impact of potential changes in US federal energy policy arising from the November 2024 US federal election may benefit existing operational solar assets such as the US Solar portfolio

### INVESTMENT OPPORTUNITY

- Stable cash flow profile underpinned by long-term power purchase agreements (**PPAs**) with investment grade offtakers
- Highly diversified portfolio across locations and counterparties
- Conservative capital structure and mature portfolio that is not reliant on federal tax incentives



# MARKET OUTLOOK

Solar generation continued to grow strongly during 2024. New installations of solar generation assets of circa 50GW<sub>DC</sub>, represented a 21% increase from 2023<sup>13, 14</sup>. The US renewables market continues to be supported by;

- State and local mandates for renewable energy generation. Mandated reductions in carbon emissions from regional electricity supply systems create binding renewable procurement requirements for local utilities and energy suppliers.
- Corporate sustainability objectives create additional demand for renewable energy.
- Federal tax credits and other long standing government incentives, continue to provide funding support for new projects.
- New technology such as battery storage capacity allows system operators to better manage and mitigate intermittent renewable generation.
- Forecast load growth from the projected build-out of data centres and growing domestic investment in the onshoring and reshoring of manufacturing capacity in critical industries<sup>15</sup>.

Demand for renewable energy remains strong. However, new development activity continues to face headwinds created by several factors including bottlenecks in connecting to the grid, trade policy and tariffs increasing the costs of imported equipment, long order lead times for key equipment, and resistance to new development in urban and other populated areas.

Additionally, recent executive orders and policy statements issued by the new federal administration<sup>16</sup> have introduced new uncertainties to the US renewable energy industry relating to potential changes to federal energy policy and to renewable energy tax credits, which could impact new development activity.

M&A transaction volumes in the US renewable energy market achieved a modest improvement in 2024 compared to

2023 levels, albeit well below the levels experienced in 2021–2022<sup>17</sup>. While some market analysts expect US renewable energy M&A transaction volumes to increase again in 2025 versus 2024, the near-term outlook remains “complex”<sup>18</sup> for all market participants given the current uncertainties relating to US energy policy and renewable energy tax credits.

Average solar PPA prices rose across the US in 2024, according to data from LevelTen Energy<sup>19</sup>. Powerprices remain robust and have consistently remained higher than the historical lows experienced in 2019 over the last 5 years.

The states in which the Company's assets are located, and its primary offtake counterparties, continue to provide a supportive backdrop for renewable generation.

State	MW <sub>DC</sub>	State mandates	Utility targets <sup>20</sup>
North Carolina	168	Net-zero emissions electricity by 2050	<b>Duke Energy:</b> corporate target of 50% reduction in CO <sub>2</sub> emissions by 2030. In Carolinas, aiming to reach 15GW of solar by 2038
Oregon	140	Net-zero emissions electricity by 2040	<b>Portland General Electric:</b> corporate target of 80% carbon reduction by 2030
Utah	128	Voluntary goal of 20% renewable by 2025	<b>PacifiCorp:</b> corporate target of ~70% reduction in system-wide carbon emissions from 2005 level by 2030, and net-zero by 2050
California	7	60% renewable energy by 2030, and net-zero emissions electricity by 2045	<b>California Public Utility Commission:</b> has identified a need for 57.5GW of new solar capacity by 2045 to achieve stated emissions reduction targets

<sup>13</sup> SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight 2024 Year in Review. (Solar Market Insight Report 2024 Year in Review – SEIA).

<sup>14</sup> Energy Information Administration Short-Term Energy Outlook, March 2025 (Short-Term Energy Outlook – U.S. Energy Information Administration (EIA)).

<sup>15</sup> Grid Strategies (National-Load-Growth-Report-2023.pdf (gridstrategiesllc.com)).

<sup>16</sup> See White House Executive Order “Unleashing American Energy” 20 January 2025.

<sup>17</sup> LevelTen Energy, Renewable M&A State of the Market Report – H2 2024.

<sup>18</sup> FTI Consulting, U.S. Renewable Energy M&A: Review of 2024 and Outlook for 2025.

<sup>19</sup> LevelTen Energy, Q4 2024 North America PPA Price Index, (LevelTen Energy Q4 2024 PPA Index).

<sup>20</sup> Sources: Duke Energy 2023 Carolinas Resource Plan (<https://duke-energy.com>); Portland General Electric: PGE 2023 Environmental, Social and Governance Report (<https://portlandgeneral.com/>); PacifiCorp 2023 Integrated Resource Plan (<https://pacificorp.com>); CPUC 2023 Preferred System Plan (<https://www.cpuc.ca.gov/>).

# OBJECTIVES



The Company's financial, operational and environmental highlights are set out on pages 2 to 3.

Allia's objective as Investment Manager of the Company is to provide ongoing advice to the Board and shareholders on actionable options to maximise shareholder value. One such option is the sale of the Company's portfolio.

On an ongoing basis, the Investment Manager evaluates (i) opportunities to enhance the attractiveness of the Company and (ii) prevailing market conditions and the likely impact of such conditions on realising the value of the Company's assets, in each case to ensure that the Company is in the best position to access and transact upon options that maximise shareholder value.

During the period, the Investment Manager focused on (i), introducing asset management initiatives to improve portfolio performance and (ii) capital management strategies to enhance the robustness of the Company's balance sheet.

The Board believes that, during the period, prevailing market conditions were not conducive to the Company completing a sale of the assets or the Company and a such did not initiate a process to further realise the value of the portfolio of assets.

The Board and Investment Manager will continue to closely monitor changes to market conditions that might suggest a favourable environment capable of delivering value to shareholders. Relevant market indicators may include evidence of comparable portfolios transacting at appropriate valuations, a constructive market dynamic for sellers of operational assets (i.e.. supply exceeds demand), strong trading volumes, a stable policy outlook, and a more favourable interest rate environment.

In the meantime, the Investment Manager will continue to act as a responsible steward of the Company and its assets, and remain focused on taking steps to optimise, enhance and position the Company for a future liquidity event which delivers value to shareholders.

## REPORTING AND DISCLOSURE

**Improving the general approach to disclosure and providing information to shareholders allowing comparison across the peer group.**

Under the Investment Manager's guidance, USF has improved disclosures and provided additional information in its reports for the benefit of existing and prospective shareholders.

As part of increased transparency in reporting, an operational dividend cover has been included in addition to the total dividend cover as previously reported. A more detailed explanation of the buildup of NAV and portfolio movement bridge, enhancements to the portfolio's forecast cash generation disclosures along with clear disclosure on the fixed elements of the revenue streams are also included.



Cotten Farm (Heelstone Portfolio)  
6.8MW<sub>DC</sub> (North Carolina)

## ASSET MANAGEMENT

**Disciplined approach to asset management focused on decreasing unplanned outages.**

A diagnostic and remediation plan has been developed by the Investment Manager's asset management team and is now being implemented which focuses on:

- Reducing the time taken to identify individual outages
- Improving the availability of replacement parts
- Reducing lead times for repair crews to mobilise to site and complete repairs
- Prioritising analysis of more substantive initiatives such as re-powering at some of the portfolio's older sites

Ongoing improvements to enhance data collection, including in-housing of data analytics, will continue to be pursued to enable earlier detection and remediation of issues.

The Board and Investment Manager have taken a pro-active approach to making changes aimed at improving the asset management and asset performance during the year. It is believed that the improvements made through 2024 should result in improved performance in 2025 and beyond.

## COMMUNICATION

**AIIA and the Board are focused on improving shareholder communication and will seek to address issues that are taking up time and attention for each shareholder.**

Both the Investment Manager and the Board are committed to providing regular and transparent communications to the Company's shareholders.

## CAPITAL STRUCTURE

**The Investment Manager and the Board are seeking to optimise the current capital structure to align with the Company's stated objectives of ensuring the balance sheet remains robust in the current macroeconomic environment.**

The Board and the Investment Manager have reduced the RCF from \$40 million to \$20 million and will continue to assess the ongoing need for the RCF.

The Board announced its intention to carry out a potential refinancing in April 2024. Following analysis, a bank refinancing was determined to be the more attractive option and is expected to conclude by the end of April 2025.

# PORTFOLIO OVERVIEW

As at 31 December 2024 the Company owned 41 utility scale solar projects, totalling 443MW<sub>DC</sub>. All assets in the Company’s portfolio are operational and are generating revenue for the Company.

**Oregon**

The Company owns ten solar assets located in Oregon with a collective capacity of 140MW<sub>DC</sub>.

These assets comprise the Euryalus portfolio (four assets acquired by the Company in 2020 pre-COD) and a portion of the Heelstone portfolio (six assets acquired by the Company as operational assets in 2020).

10

Assets

140MW

Capacity

41

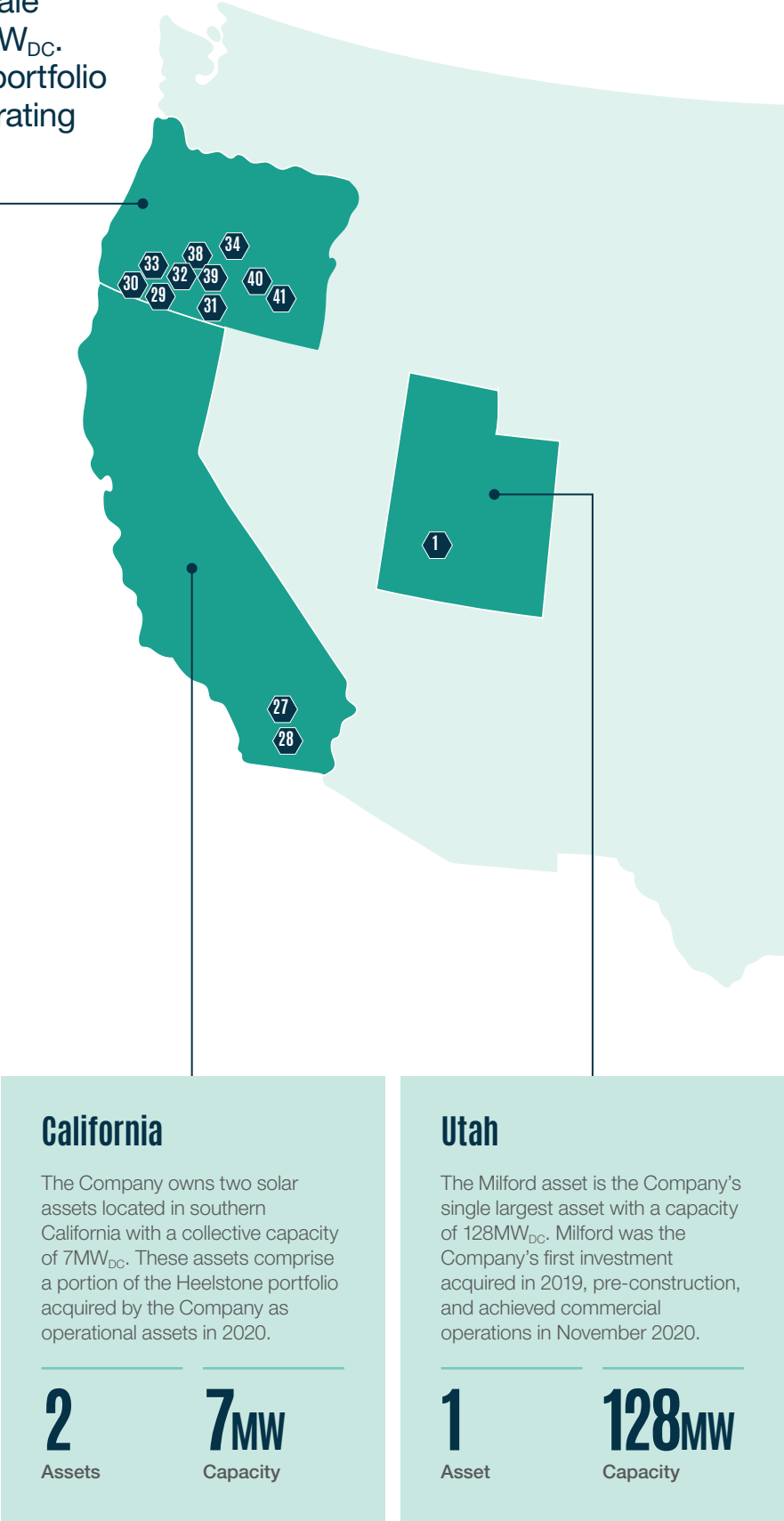
Assets

4

States

443MW<sub>DC</sub>

Total capacity



**California**

The Company owns two solar assets located in southern California with a collective capacity of 7MW<sub>DC</sub>. These assets comprise a portion of the Heelstone portfolio acquired by the Company as operational assets in 2020.

2

Assets

7MW

Capacity

**Utah**

The Milford asset is the Company’s single largest asset with a capacity of 128MW<sub>DC</sub>. Milford was the Company’s first investment acquired in 2019, pre-construction, and achieved commercial operations in November 2020.

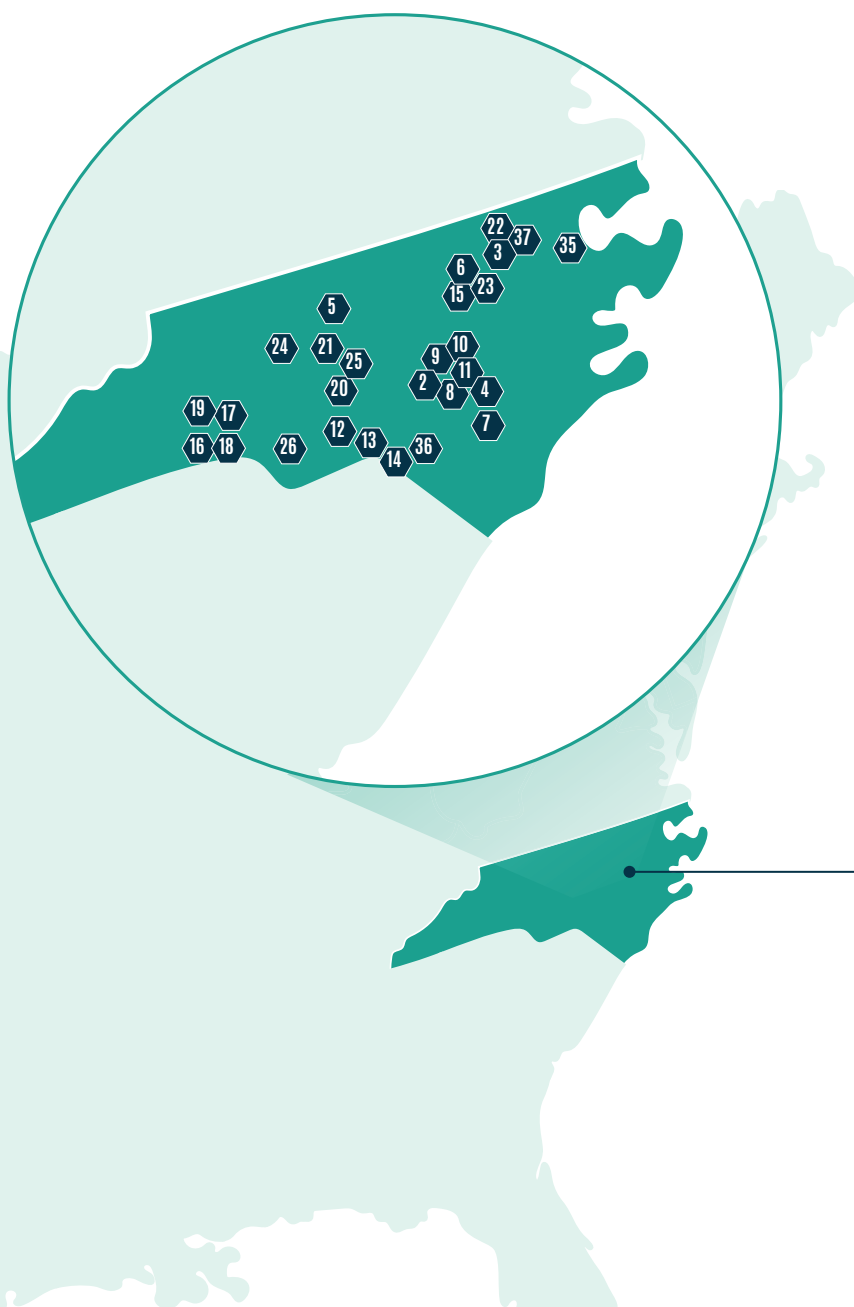
1

Asset

128MW

Capacity





## North Carolina

The Company owns 28 solar assets located in North Carolina with a collective capacity of 168MW<sub>DC</sub>.

These assets comprise the Granite (eight assets acquired USF as operational assets in late 2019/early 2020) and the Olympos portfolio (six assets acquired by the Company in late 2019, pre-COD) portfolios as well as a portion of the Heelstone portfolio (14 assets acquired by the Company as operational assets in 2020).

**28**

Assets

**168MW**

Capacity

## Assets by portfolio



MILFORD

**1**

Asset

**128MW<sub>DC</sub>**

Capacity



OLYMPUS

**6**

Assets

**39MW<sub>DC</sub>**

Capacity



GRANITE

**8**

Assets

**39MW<sub>DC</sub>**

Capacity



HEELSTONE

**22**

Assets

**176MW<sub>DC</sub>**

Capacity



EURYALUS

**4**

Assets

**61MW<sub>DC</sub>**

Capacity

# PORTFOLIO OVERVIEW CONTINUED

## 41 PROJECTS ACROSS 4 STATES

#	Portfolio	Asset	Capacity (MWDC)	Location	Commercial operation date	Acquisition date
1	Milford	Milford	127.8	UT	November 2020	September 2019
2	Olympos	Benson	5.7	NC	August 2020	December 2019
3	Olympos	Eagle Solar	5.6	NC	August 2020	December 2019
4	Olympos	Lane II	7.5	NC	July 2020	December 2019
5	Olympos	Pilot Mountain	7.5	NC	September 2020	December 2019
6	Olympos	Tate	6.5	NC	August 2020	December 2019
7	Olympos	Willard	6.0	NC	October 2020	December 2019
8	Granite	Faison	2.3	NC	June 2015	December 2019
9	Granite	Four Oaks	6.5	NC	October 2015	December 2019
10	Granite	Nitro	6.2	NC	July 2015	December 2019
11	Granite	Princeton	6.5	NC	October 2015	December 2019
12	Granite	Progress Solar 1	2.5	NC	April 2012	January 2020
13	Granite	Progress Solar 2	2.5	NC	April 2013	January 2020
14	Granite	S. Robeson	6.3	NC	July 2012	January 2020
15	Granite	Sarah	6.3	NC	June 2015	December 2019
16	Heelstone IX	County Home	2.6	NC	September 2016	March 2020
17	Heelstone IX	Mariposa	6.4	NC	September 2016	March 2020
18	Heelstone IX	Freemont	6.4	NC	December 2016	March 2020
19	Heelstone IX	Sonne Two	7.0	NC	December 2016	March 2020
20	Heelstone X	Sedberry	6.2	NC	December 2016	March 2020
21	Heelstone X	Siler 421	6.9	NC	December 2016	March 2020
22	Heelstone X	Schell	6.9	NC	December 2016	March 2020
23	Heelstone X	Red Oak	6.9	NC	December 2016	March 2020
24	Heelstone X	Tiburon	6.7	NC	December 2016	March 2020
25	Heelstone X	Cotten Farm	6.8	NC	November 2016	March 2020
26	Heelstone X	Monroe Moore	6.6	NC	December 2016	March 2020
27	Heelstone XI	Granger	3.9	CA	September 2016	March 2020
28	Heelstone XI	Valley Center	3.0	CA	December 2016	March 2020
29	Heelstone XII	Turkey Hill	13.2	OR	December 2017	March 2020
30	Heelstone XII	Merrill	10.5	OR	January 2018	March 2020
31	Heelstone XII	Lakeview	13.7	OR	December 2017	March 2020
32	Heelstone XII	Dairy	14.0	OR	March 2018	March 2020
33	Heelstone XII	Chiloquin	14.0	OR	January 2018	March 2020
34	Heelstone XII	Tumbleweed	14.0	OR	December 2017	March 2020
35	Heelstone XIII	Davis Lane	7.0	NC	December 2017	March 2020
36	Heelstone XIII	Gauss	7.0	NC	October 2018	March 2020
37	Heelstone XIII	Jersey	7.0	NC	December 2017	March 2020
38	Euryalus	Alkali	15.1	OR	June 2020	June 2020
39	Euryalus	Rock Garden	14.9	OR	June 2020	June 2020
40	Euryalus	Suntex	15.3	OR	June 2020	July 2020
41	Euryalus	West Hines	15.3	OR	June 2020	June 2020

Milford is the only asset within the Company's portfolio that is not a qualifying facility (**QF**), as defined under the Public Utility Regulatory Policies Act (**PURPA**). QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility. In the case of the Company's portfolio, its assets (other than Milford) are eligible small power production facilities, being generating facilities with a production capacity of less than 80MW whose primary energy source is renewable. Among other benefits, being a QF affords the asset owner certain rights to sell energy or capacity to a utility, the right to purchase certain services from utilities such as back-up power at a reasonable rate, and relief from certain regulatory obligations.



## Milford

# 127.8MW<sub>DC</sub>

CAPACITY

# 278,781MWh

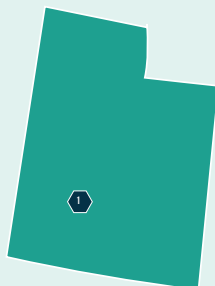
ANNUAL PRODUCTION (P50)

# NOV 2020

COD

# 1

# OF PLANTS

Milford 127.8MW<sub>DC</sub> (Utah)

### Portfolio details

<b>USF Acquisition</b>	September 2019 (from Longroad Energy Partners, LLC)
<b>PPA</b>	Investment grade offtaker   Busbar PPA   MW Weighted Avg. Remaining Term: 21.4 years <sup>19</sup>   <b>Unbundled</b>
<b>REC Agreement</b>	Investment grade offtaker   MW Weighted Avg. Remaining Term: 21.4 years <sup>21</sup>
<b>QF Eligible</b>	No <sup>22</sup>
<b>Site Control</b>	Long-term lease
<b>Debt</b>	Mini-perm term loan + LC facility   Legal maturity 2027   Outstanding balance \$46.5m <sup>21</sup>
<b>Tax Equity</b>	Yes. Scheduled buyout 2028.

## Olympos

# 39MW<sub>DC</sub>

CAPACITY

# 60,518MWh

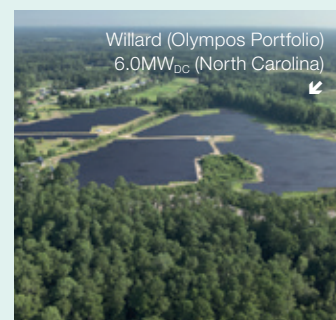
ANNUAL PRODUCTION (P50)

# JUL-OCT 2020

COD

# 6

# OF PLANTS

Willard (Olympos Portfolio)  
6.0MW<sub>DC</sub> (North Carolina)

### Portfolio details

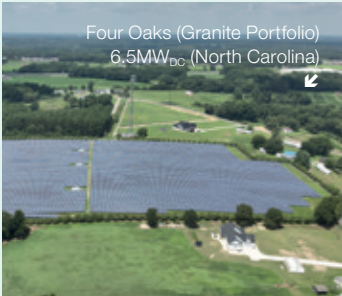
<b>USF Acquisition</b>	December 2019 (from Cypress Creek Renewables)
<b>PPA</b>	Investment grade offtakers   Busbar PPA   MW Weighted Avg. Remaining Term: 9.3 years <sup>21</sup>   <b>Unbundled</b>
<b>REC</b>	Unrated offtakers   Remaining term of 2.5 years <sup>21</sup>
<b>QF Eligible</b>	Yes
<b>Site Control</b>	Long-term leases
<b>Debt</b>	None
<b>Tax Equity</b>	Yes. Scheduled buyout 2025.

<sup>21</sup> As at 31 December 2024.

<sup>22</sup> Milford is the only asset within the Company's portfolio that is not a qualifying facility (QF), as defined under the Public Utility Regulatory Policies Act (PURPA). QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility. In the case of the Company's portfolio, its assets (other than Milford) are eligible small power production facilities, being generating facilities with a production capacity of less than 80MW whose primary energy source is renewable. Among other benefits, being a QF affords the asset owner certain rights to sell energy or capacity to a utility, the right to purchase certain services from utilities such as back-up power at a reasonable rate, and relief from certain regulatory obligations.

# PORTFOLIO OVERVIEW CONTINUED

## Granite



Four Oaks (Granite Portfolio)  
6.5MW<sub>DC</sub> (North Carolina)



39MW<sub>DC</sub>

CAPACITY

46,279MWh

ANNUAL PRODUCTION (P50)

2012 (Progress Solar 1; South Robeson)

2013 (Progress Solar 2)

2015 (Faison; Four Oaks; Nitro;  
Princeton; Sarah)

COD

8

# OF PLANTS

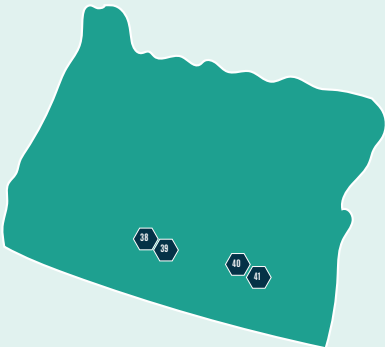
### Portfolio details

USF Acquisition	January 2020 (from Greenbacker Renewable Energy)
PPA	Investment grade offtaker   Busbar PPA   MW Weighted Avg. Remaining Term: 5.5 years <sup>21</sup>   <b>Unbundled</b>
REC Agreement	Rated and unrated offtakers   Remaining term of 6 years <sup>21</sup>
QF Eligible	Yes
Site Control	Long-term leases
Debt	None
Tax Equity	None (buyout completed 2020).

## Euryalus



Suntex (Euryalus Portfolio)  
15.2MW<sub>DC</sub> (Oregon)



61MW<sub>DC</sub>

CAPACITY

105,333MWh<sub>DC</sub>

ANNUAL PRODUCTION (P50)

JUNE 2020

COD

4

# OF PLANTS

### Portfolio details

USF Acquisition	May 2020 (from Southern Current)
PPA	Investment grade offtaker   Busbar PPA   MW Weighted Avg. Remaining Term: 7.1 years <sup>12</sup>   <b>Bundled</b>
QF Eligible	Yes
Site Control	Long-term lease
Debt	Mini-perm term loan + LC facility   Legal maturity 2026   Outstanding balance \$34.3m <sup>21</sup>
Tax Equity	Yes. Scheduled buyout 2025.

<sup>21</sup> As at 31 December 2024.



## Heelstone

**177MW<sub>DC</sub>**

CAPACITY

**294,772MWh**

ANNUAL PRODUCTION (P50)

**2016-2018**

COD

**22**

# OF PLANTS

Oregon

**45%**



California

**4%**



North Carolina

**51%**



### Portfolio details

<b>USF Acquisition</b>	March 2020 (from Heelstone Renewable Energy)
<b>PPA</b>	Investment grade offtaker   Busbar PPAs   MW Weighted Avg. Remaining Term: 7.4 years <sup>21</sup>   <b>Bundled</b>
<b>REC Agreement</b>	Investment grade and unrated offtakers   MW Weighted Avg. Remaining Term: 6.7 years <sup>21</sup>
<b>QF Eligible</b>	Yes
<b>Site Control</b>	Long-term leases
<b>Debt</b>	Mini-perm term loan + LC facility   Legal maturity 2028   Outstanding balance \$63.9m <sup>21</sup>
<b>Tax Equity</b>	None (buyout completed 2023).

<sup>21</sup> As at 31 December 2024.



# OPERATING REVIEW: ACTIVE ASSET MANAGEMENT

## PORTFOLIO

As at 31 December 2024, the Company has a portfolio with a total operational capacity of 443MW<sub>DC</sub> (31 December 2023: 329MW<sub>AC</sub>) comprised of 41 solar assets across four states.

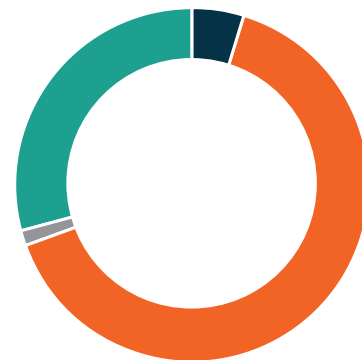
**PORTFOLIO GEOGRAPHY (BY MW<sub>DC</sub>)**



**ASSET SIZE IN MW (BY NUMBER)**



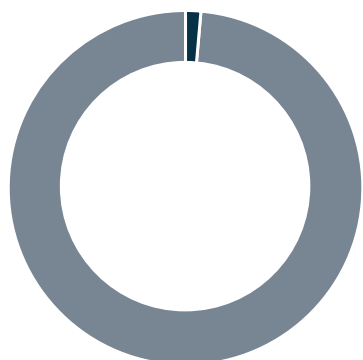
**REMAINING ENERGY PPA TERM (BY MW<sub>DC</sub>)**



As at 31 December 2023

Note: includes energy offtake agreements only (excludes standalone Renewable Energy Contract (REC) Agreements)

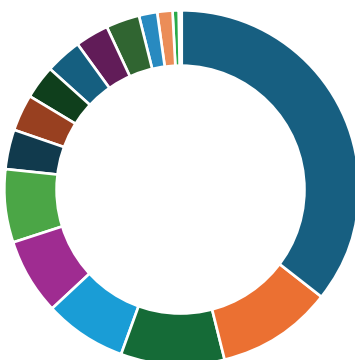
**ENERGY PPA OFFTAKERS (BY MW<sub>DC</sub>)**



A- 7  
BBB+ 436

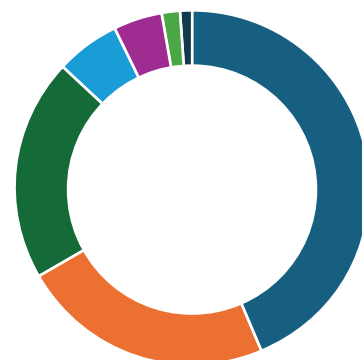
Note: includes energy offtake agreements only (excludes standalone Renewable Energy Contract (REC) Agreements)

**SOLAR MODULES MANUFACTURER (% MW<sub>DC</sub>)**



First Solar 35.8%  
Trina 10.6%  
Seraphim 9.5%  
Astronergy 7.4%  
Boviet 6.9%  
Adani 6.8%  
SolarWorld 3.5%  
Hyundai 3.4%  
Solar Frontier 3.2%  
CSUN 3.2%  
Hanwha Qcells 3.1%  
Talesun 3.0%  
ET Solar 1.6%  
BYD 1.6%  
Canadian Solar 0.6%

**INVERTERS BY MANUFACTURER (% MW<sub>DC</sub>)**



TMEIC 43.3%  
SMA 22.9%  
Sungrow 20.0%  
Eaton 5.8%  
Huawei 4.5%  
Advanced Energy 1.6%  
Schneider 1.6%

All near-term PPA expiries within the Company's portfolio relate to assets that are QF under PURPA. At the appropriate time in advance of these expiry dates, recontracting efforts will focus on outreach to existing utility offtakers to seek new offtake contract offers in accordance with PURPA requirements as implemented in each applicable state. The Company's next PPA expiries are scheduled in 2027. All RECs in high value jurisdictions (California and Oregon) are bundled with existing long-term PPAs. The Company will seek opportunistic recontracting of RECs in other markets as existing agreements expire.



## PORTFOLIO PERFORMANCE

Total generation by the Company's portfolio was 698GWh (versus 715GWh in 2023 excluding MS2). The overall generation of the Company's portfolio was 9.0% below budget (versus 7.2% below budget in 2023), with 2.9% attributable to below forecast solar irradiance (versus 2.0% in 2023), and 6.1% attributable to unscheduled outages and other non-irradiance related factors (versus 5.2% in 2023), such as utility grid outages.

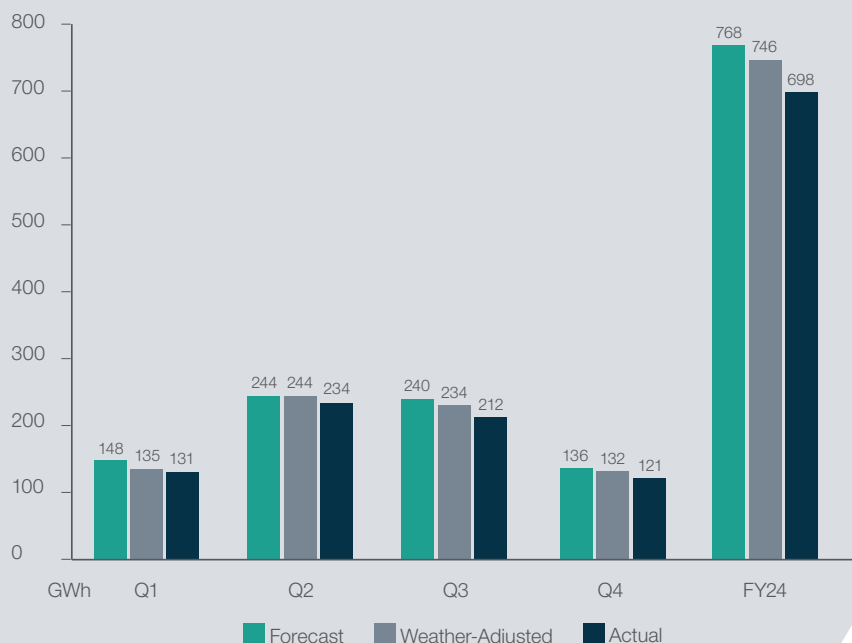
Uncontrollable factors such as solar irradiance and utility grid outages both contributed to the higher levels of underperformance in 2024 versus 2023. Frequent, low impact unscheduled outages, failures of inverters and other electrical components were a key cause of lost generation in 2024. Initiatives to improve production and reduce the length of unscheduled outages have been enacted during the year.

'Forecast' means the generation forecast per the base case (P50) generation forecasts prepared for each project by third-party technical advisors and inclusive of assumptions relating to solar irradiance, module efficiency and degradation, scheduled downtime for maintenance activities, and performance degradation due to grid outages, and weather events (e.g. snow), measured in gigawatt hours (GWh).

'Weather-Adjusted' means the project base case forecasts adjusted for actual solar irradiance experienced at each project during the applicable period, measured in GWh.

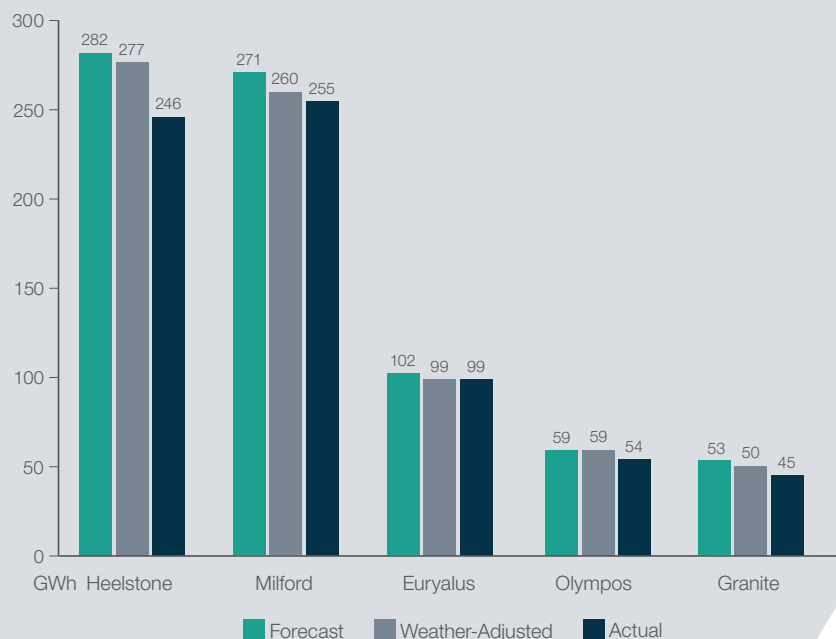
'Actual' means actual measured production in GWh.

### QUARTERLY GENERATION VARIANCE (FY24)



Note: Figures may not sum due to rounding

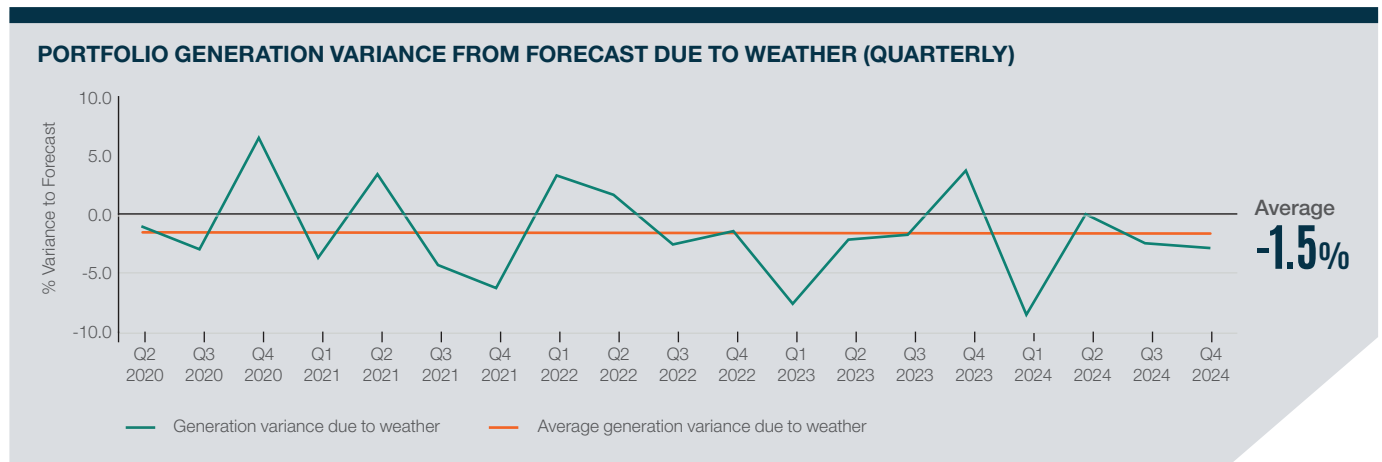
### PORTFOLIO GENERATION VARIANCE (FY24)





## OPERATING REVIEW: ACTIVE ASSET MANAGEMENT CONTINUED

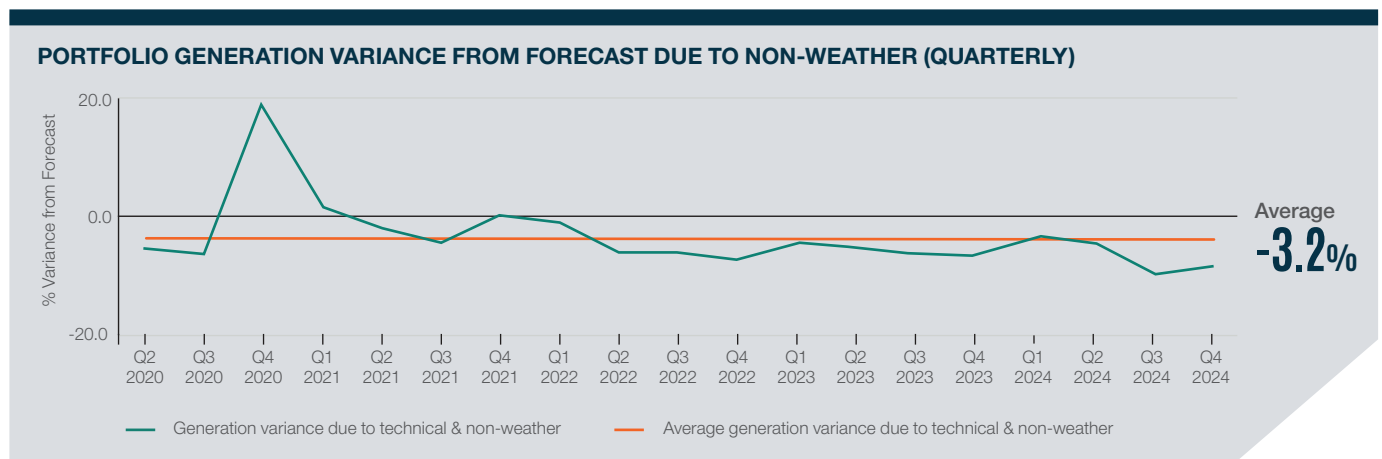
The following chart shows the historical trend of generation performance related to weather conditions since IPO<sup>23</sup>



Factors including actual irradiance, ambient temperatures, and performance specifications of solar modules contribute to variances in the weather-adjusted generation of the portfolio in each period.

The portfolio was impacted by unfavourable weather during the period, particularly during the first quarter of 2024. Data provided by the US National Oceanic and Atmospheric Administration indicates that during 2024 Oregon, California and North Carolina experienced above average precipitation, with “record warmest” average temperatures recorded across the United States.

The following chart shows the historical trend of generation performance related to technical and non-weather factors since IPO<sup>23</sup>.



### NON-WEATHER RELATED PORTFOLIO PERFORMANCE

- **Heelstone:** Portfolio generation was approximately 11% below the weather-adjusted forecast, with the largest individual losses attributable to multiple short-term utility grid outages at Dairy, which had been resolved by the end of the period, and intermittent feeder line outages at Chiloquin within the portfolio’s Oregon sites. Site tracker failures, transformer outages, and inverter outages at Granger and Valley Center within the portfolio’s California sites, and utility site communications issues in North Carolina affected Gauss. Assessment of potential corrective actions for Chiloquin and Gauss remained ongoing at the end of the period, and certain inverter repair work at Granger and Valley Center remained outstanding at the end of the period due to unavailability of spare parts
- **Milford:** Portfolio generation was approximately 2% below the weather-adjusted forecast due to slow supplier response times for inverter outages
- **Euryalus:** Portfolio generation was in-line with expectations during 2024, with generation less than 1% below the weather-adjusted forecast
- **Olympos:** Portfolio generation was approximately 10% below the weather-adjusted forecast, attributable to inverter outages across the portfolio

<sup>23</sup> Generation variances for Q1 2021 to Q4 2024 reflects the current 41 asset portfolio. Weather variances for 2020 reflect partial results given the Granite portfolio was acquired in Q1 2020, the Heelstone portfolio was acquired in Q2 2020, the Euryalus assets commenced operations in Q2 and Q3 2020, and Milford commenced operations in November 2020.

- **Granite:** Portfolio generation was approximately 9% below the weather-adjusted forecast, attributable to premature module failures at two sites (that remain under ongoing warranty claims with applicable module suppliers), intermittent inverter outages at various sites, and inverter part availability lead times

### ACTIVE ASSET MANAGEMENT AND PORTFOLIO OPTIMISATION

During the year, the Investment Manager, led by its internal asset management team, continued to implement various initiatives targeted at reducing unscheduled outages and generally improving the operating performance of the portfolio. Examples of such initiatives progressed during the year included:

- Completion of an in-depth review of Operations and Maintenance (**O&M**) subcontractor performance across the Company's portfolio, including in relation to the quality of maintenance organisations, responsiveness to unscheduled outages, and reporting quality. This review resulted in the replacement of the O&M subcontractor for the Granite and Heelstone portfolios, and progressing recontracting with the existing O&M subcontractor for the Euryalus portfolio
- Continued enhancement of data collection, data analysis, and management tools to improve the collection of and insights gained from data from the Company's portfolio. During the period, the internal asset management team completed the migration of data collection and tracking to internal systems, and a software pilot to improve remote site monitoring, both of which are intended to improve the oversight of third-party subcontractors and strengthen internal reporting
- Commenced the analysis of projects needing inverter replacements or other capital expenditure projects that will reduce outages and improve generation
- Initiated a refreshed Spare Parts Strategy to limit unscheduled outages and increase inverter reliability

Current priorities for the Investment Manager in 2025 include:

- continuing to enhance data collection, analytics and reporting of production data across the Company's portfolio to enable accurate monitoring of performance against forecasts and inform prioritisation of O&M activities and resources;
- strengthen spare parts management across the Company's portfolio including increasing the inventory of long-lead time and high failure parts, to support maintenance effectiveness and initiatives to reduce outage times;
- progress detailed assessments of site repowering at selected sites within the Company's portfolio in California and North Carolina; and
- continue with O&M subcontractor performance reviews at Milford and Olympos.

### REVENUE

In accordance with the Company's investment policy, a high level of revenue contracting is maintained across the Company's portfolio. Over the next ten years, approximately 80% of forecast revenue will be generated from contracted sources. While the energy offtake agreements in place for all of the Company's assets have fixed pricing with no escalation, as is common in the US market, these contracts provide substantial protection against merchant price fluctuations over the near-to-medium term.

Contracted revenue contribution over the next ten years is illustrated in the chart below.

As at 31 December 2024, existing offtake contracting has a capacity-weighted average remaining life of 10.9 years (down from 11.9 years as at 31 December 2023 due to the passage of time). The Company expects to seek recontracting opportunities for all assets at the appropriate time closer to the expiration of existing offtake agreements.

CONTRACTED REVENUE PROPORTION (US\$'000S)







## OPERATING REVIEW:

### ACTIVE ASSET MANAGEMENT CONTINUED

Market	Number of assets	Capacity (MWDC)	Share of total capacity (%)	Average PPA term remaining years
North Carolina	28	168	38.0%	6.8
Oregon	10	140	31.6%	6.7
California	2	7	1.6%	11.8
Utah	1	128	28.8%	20.9
<b>Total</b>	<b>41</b>	<b>443</b>	<b>100%</b>	<b>10.9 (average)</b>

North Carolina has the largest capacity by market, accounting for 38% of the total portfolio. Oregon and Utah account for 32% and 29% of the portfolio capacity respectively.

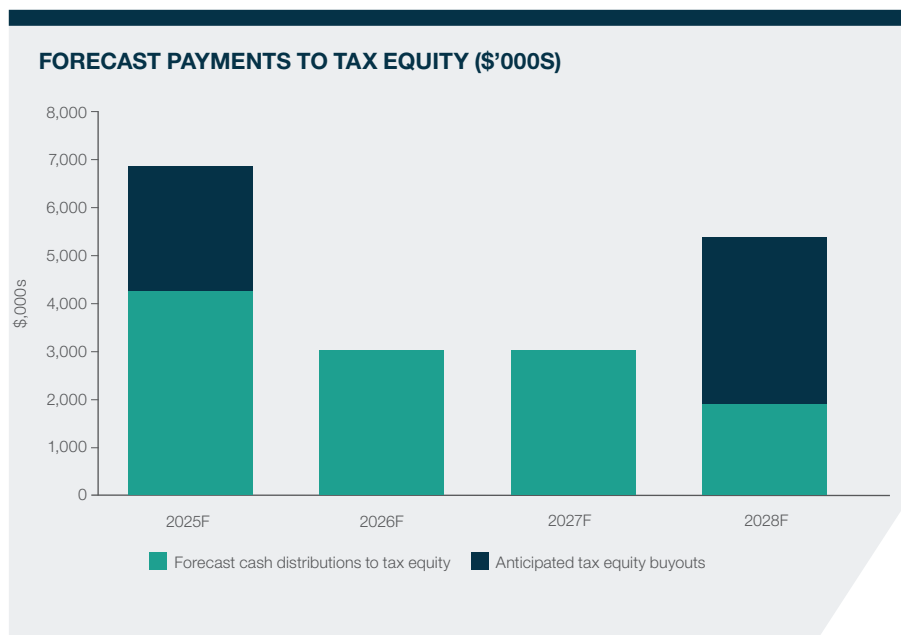
Most of the solar assets in North Carolina and Oregon are expected to be recontracted in the next ten years. The assets in California have longer durations on existing PPAs and would be recontracted in the mid-2030s. Milford, the solar asset in Utah is expected to be recontracted in the mid-2040s. Further market information is included on page 9.

### PORTFOLIO FINANCING

Tax equity was raised to support the construction of all assets within the Company's portfolio.

As at 31 December 2024, tax equity partnerships and obligations relating to the Granite and Heelstone portfolios have been fully bought out in accordance with original payment schedules (the Granite portfolio tax equity buy out completed in 2020 and the Heelstone portfolio tax equity buy out completed in December 2023).

As at 31 December 2024, tax equity obligations remain active for the Milford, Euryalus and Olympos portfolios. The Company expects buyout amounts in the order of approximately \$2.6 million in 2025 and \$3.5 million in 2028, which are considered in projected cash flows.



US\$'000s	2025F	2026F	2027F	2028F
Forecast cash distributions	\$4,200	\$3,000	\$3,000	\$1,900
Forecast buyouts	\$2,600	–	–	\$3,500

Non-recourse, portfolio-level debt is currently in place for the Milford, Euryalus and Heelstone portfolios, which collectively represent approximately 82% of total portfolio capacity. Each of these facilities include amortising loans, and associated letter of credit facilities to support collateral posting requirements. Both Olympos and Granite portfolios are unlevered, although provide collateral support to the corporate revolving credit facility.

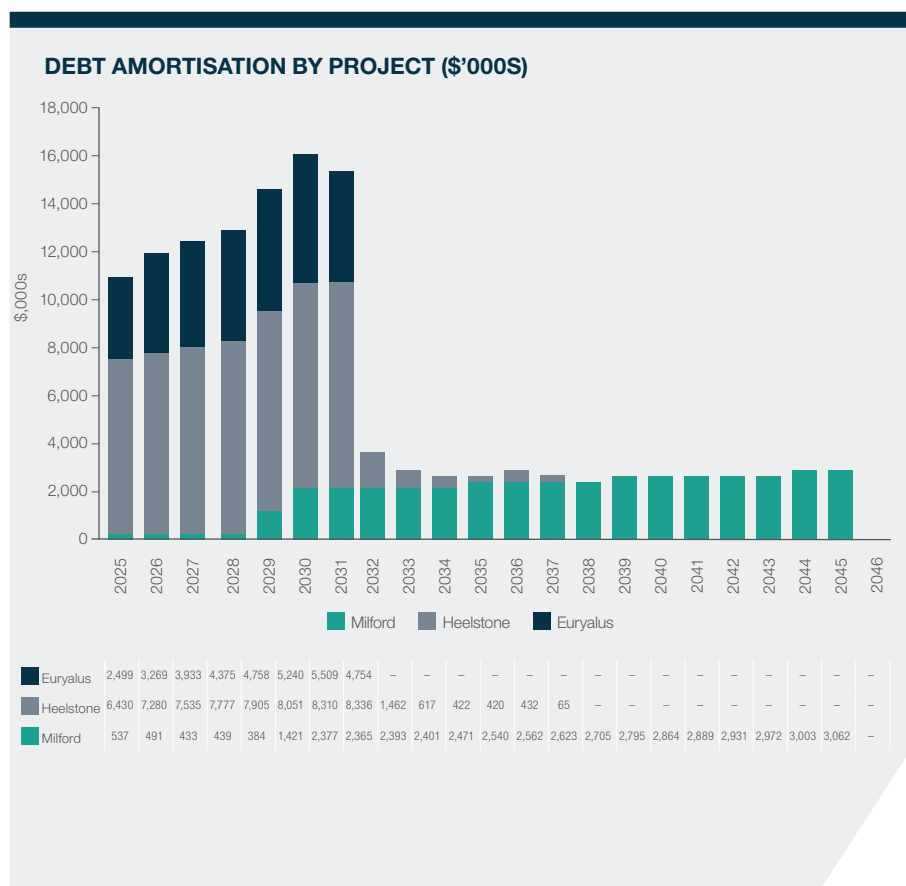
Outstanding portfolio-level debt is summarised in the table below:

Portfolio	Loan type	Outstanding loan balance	LCs on issue	Legal maturity	Amortisation profile
Milford	Mini-perm term loan + LC facility	\$46.1m	\$12.2m	2027 (7yr term)	2020–2045 (25yr profile)
Olympos	None	–	–	–	–
Granite	None	–	–	–	–
Heelstone	Mini-perm term loan + LC facility	\$58.6m	\$6.8m	2028 (7yr term)	2021–2037 (16yr profile)
Euryalus	Mini-perm term loan + LC facility	\$31.8m	\$4.5m	2026 (6yr term)	2020–2031 (11yr profile)
<b>Total</b>		<b>\$136.0m</b>	<b>\$23.5m</b>		

A 'mini-perm term loan' is a loan where the amortisation period and the legal tenor of the loan are different. For example, the Company's portfolio-level facilities have longer amortisation periods aligned with the term of existing PPAs (see 'Amortisation Profile' in the above table), whereas the legal tenors are for shorter periods (see 'Legal Maturity' in the above table).

'LC' means letter of credit, used to satisfy collateral posting requirements under the Milford PPA and to support debt service reserve account requirements.

The amortisation schedule for the Milford, Heelstone and Euryalus debt is shown below.



## GEARING

As at 31 December 2024, the Group's Gearing, calculated as total debt outstanding to GAV, was approximately 41% (31 December 2023: 36%).



# OPERATING REVIEW: FINANCIAL MANAGEMENT



Progress Solar 1 (Granite Portfolio)  
2.5MW<sub>DC</sub> (North Carolina)

## APPROACH

The Company looks to maintain an efficient balance sheet, as well as identifying opportunities to optimise the capital structure of the portfolio to maximise returns.

## OPERATIONAL PERFORMANCE

- During 2024, the portfolio generated \$44.9 million of project revenues\*
- International Financial Reporting Standards (IFRS) loss for the year was \$34.8 million (31 December 2023: Loss of \$43.1 million). The loss was primarily the result of the reduction in the overall unrealised fair value of the Company's assets due to factors including increased discount rates (driven largely by the increase in risk premium used as part of the valuation process) and changes to underlying asset cash flow forecasts.
- During the year c.\$18.9 million was distributed on account of the tender offer that concluded in June 2024 (\$18.6 million returned to shareholders and \$0.3 million of costs incurred by the Company in administering the tender offer). This utilised the remaining proceeds from the sale of the Company's interest in the MS2 asset which closed in June 2023

- The Company has now fully utilised \$53.2 million MS2 proceeds as follows: full repayment of the revolving credit facility in 2023 (\$4.5 million), tax equity buyouts completed in 2023 (\$3.2 million), 2023 dividend (\$11.2 million), cash collateral to comply with the rating requirements of an offtaker (\$10.4 million), REC termination costs (\$3.0 million), Company operating costs (\$2.1 million) and the concluded tender offer (\$18.9 million)

## CORPORATE DEBT FACILITY POSITION

- The Company has access through USF Avon LLC (a wholly owned subsidiary of the Company) to a \$20.0 million RCF. The RCF provides liquidity for capital expenditures, working capital and general corporate purposes
- The Company's RCF was extended for two years on 30 August 2023, and has a maturity date of 22 September 2025
- The facility was undrawn as at 31 December 2024

## DIVIDENDS

- Dividends of 2.25 cents per share, totalling \$6.9 million have been achieved for the financial year 2024 (December 2023 \$18.8 million). During the period, it was announced that dividends would be rebased in order to be fully covered by operational cash flows, with a target dividend of 2.25 cents per share for the financial year 2024. The 2024 dividend target is forecast to be fully covered by cash generated from operations
- Operational dividend cover for the period was 1.10x (December 2023: 0.50x). Dividend cover is calculated as net operating cash generation\* divided by dividends paid in the year. The operational dividend cover ratio seeks to reflect the sustainability of the level of dividends paid by looking at underlying cash generation from the portfolio, excluding one off items not expected to be recurring in nature. Total dividend cover\*, which includes one off cash flows not expected to be recurring, was 0.57x (December 2023 0.95x)



## SUMMARY OF PORTFOLIO CASH GENERATION

\$'m	Year ended 31 December 2024	Year ended 31 December 2023
Project revenue	44.9	46.7
Project operating expenses	(13.3)	(13.7)
Payments to tax equity	(4.5)	(7.1)
Portfolio debt expenses	(13.8)	(11.5)
<b>Project cash flows after debt service</b>	<b>13.3</b>	<b>14.4</b>
Management fees	(2.5)	(3.0)
Corporate operating expenses	(3.1)	(1.7)
Revolver interest and fees	(0.1)	(0.3)
<b>Net operating cash generation (A)</b>	<b>7.6</b>	<b>9.4</b>
One off cash flow adjustments (related to the strategic review, REC resolution, gains on sale and carried forward reserves)	(3.7)	8.4
<b>Total cash generation (B)</b>	<b>3.9</b>	<b>17.8</b>
<b>Dividends payable for the year (C)</b>	<b>(6.9)</b>	<b>(18.8)</b>
Total dividend cover (B)/(C)	0.57x	0.95x
Operational dividend cover (A)/(C)	<b>1.10x</b>	<b>0.50x</b>

## ONGOING CHARGES

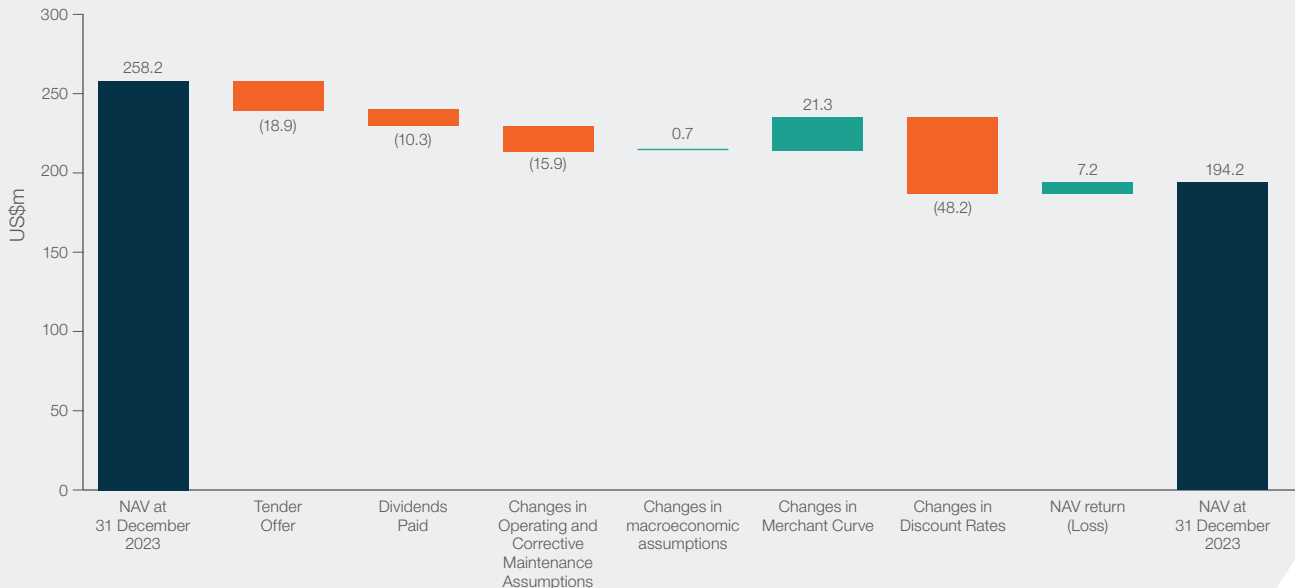
The ongoing charges ratio for the Company on recurring costs were 1.54% for 2024 (December 2023: 1.39%). Whilst the costs have decreased in the year, this increased percentage reflects the impact of the decline in average NAV over the year to 31 December 2024 on the costs base of the Company. The ratio has been calculated using the Association of Investment Companies (AIC) recommended methodology and is set out in the table below.

\$'m	Year ended 31 December 2024	Year ended 31 December 2023
Total administrative expenses per financial statements	(3.8)	(7.1)
Adjust for non-recurring costs	(0.2)	(3.1)
<b>Total</b>	<b>(3.6)</b>	<b>(4.0)</b>
Average NAV	233.9	287.5
<b>Ongoing charges ratio</b>	<b>1.54%</b>	<b>1.39%</b>



# OPERATING REVIEW: INVESTOR RETURNS

## NET ASSET VALUATION MOVEMENTS (US\$m)



Note: Figures may not sum due to rounding

### PERFORMANCE

Net Asset Value as at 31 December 2024 was \$194.2 million (NAV per share \$0.63), representing a decrease compared to the December 2023 NAV of \$258.2 million (NAV per share \$0.78). Several factors contributed to this overall decrease. Shareholder distributions totalled \$28.9 million, which includes \$10.3 million of dividends recognised in the period and the \$18.9 million (less \$0.3 million costs) tender offer which concluded in June 2024.

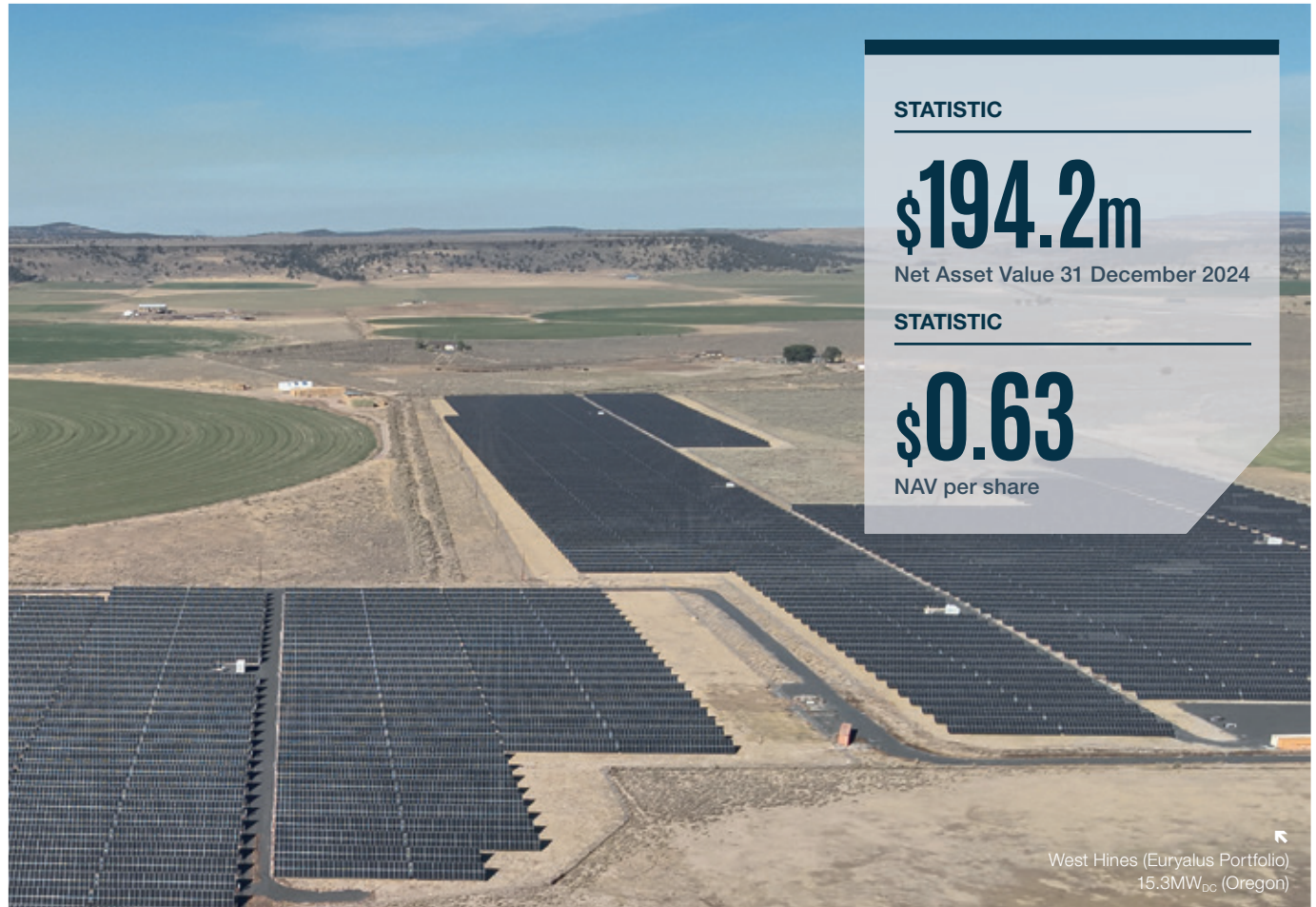
Underlying asset valuations were impacted by an increase in risk free rates and the risk premiums in the year, which resulted in an increase in the discount rates used in the valuation of the assets. There were also changes in underlying asset forecasts including changes in merchant curves and operating cost assumptions. Further analysis of the NAV movement is provided above.

### TOTAL SHAREHOLDER RETURN AND NAV TOTAL RETURN

The Company's annualised TSR since inception to 31 December 2024 was (44.3%) (31 December 2023 total loss of (34.4%)). The NAV total return from inception to 31 December 2024 was (13.4%) (31 December 2023: (1.7%)).

### VALUATIONS NAV BRIDGE

- During the period \$18.9 million was incurred in the tender offer that concluded in June 2024: c.\$18.6 million was returned to shareholders and costs of c.\$0.3 million were incurred by the Company in administering the tender offer. This utilised the remaining proceeds from the sale of MS2
- Distributions of \$10.3 million were paid to shareholders in the year
- The changes in operating assumptions reflect the valuation impact of the revisions made to revenue and cash flow assumptions. This category includes the change the cash flow assumptions for expected revenue arising from the REC contracts related to the Heelstone Oregon assets which were entered into in November 2023 under the direction of the Company's previous investment manager. In isolation, these cash flows amount to approximately \$8 million. Over the period, the Company has increased its forecast spending on corrective maintenance and management of spare parts
- Macroeconomic assumptions including changes to inflation and depositary rates contributed to an uplift of \$0.7 million to NAV
- Changes in the merchant curves contributed an uplift of \$21.3 million to NAV
- The risk free rate used in the discount rate for portfolio valuations is the US 20 year treasury yield has increased from 4.2% to 4.9% over the course of the year. This increase resulted in a \$19.7 million reduction in FV. The remaining difference is due to the widening of equity risk premiums as a result of current market conditions for small operational solar assets and the uncertainty arising from policy announcements that allude to anti-clean energy and IRA sentiments<sup>10</sup>. The weighted average discount rate used is 10.8% (December 2023: 8.8%), the discount rates are presented on a pre-tax basis
- The NAV return of \$7.2 million reflects the valuation impacts of cash distributions from the underlying assets, RCF reduction, timing impact of moving forward the valuation date to 31 December 2024, net working capital and other adjustments (including the payment to be made as a result of the termination of the Heelstone Oregon REC contracts)



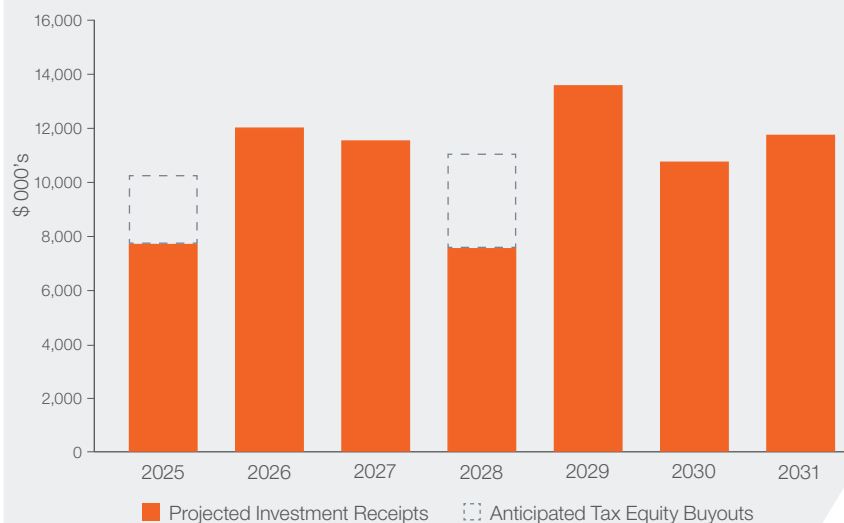
### PROJECTS CASH FLOWS

The chart forecasts the operating cash flow receipts as at 31 December 2024 based on the current portfolio financial models.

The projections are provided on a post-tax basis. The projections include project debt service, tax equity buyouts, operating costs, holding company costs, and estimated state and federal tax payable based on the current capital structure (i.e. prior to any refinancing).

The projections exclude investment management fees. This chart is not intended to provide profit guidance and actual outcomes may vary from those presented.

### PROJECTED CASH FLOWS FROM USF'S OPERATING PORTFOLIO







# OPERATING REVIEW: VALUATION METHODOLOGY

## VALUATION PROCESS

The NAV approved by the USF Board takes into account the overall valuations of portfolio assets assessed by the Independent Valuer on a semi-annual basis as at 30 June and 31 December 2024. These valuations form part of the NAV calculation of the Company, which is subject to review/audit respectively.

The Company engaged KPMG as the Independent Valuer to calculate the fair value of its assets. KPMG is one of the largest valuation firms in the US with significant experience in estimating the fair value of solar and other renewable energy assets. In line with USF policy, all of its operating assets were externally valued at 31 December 2024.

The Administrator, in conjunction with the Investment Manager, calculates the NAV and the NAV per Ordinary Share, based on the valuation range provided by the Independent Valuer. This is submitted to the Board for its approval. The valuation has been calculated in accordance with Uniform Standards of Professional Appraisal Practice (**USPAP**) as applied to PV electricity generation systems in the US.

Fair value for operational solar assets is derived from a discounted cash flow (**DCF**) methodology using pre-tax cash flows and a pre-tax discount rate. In a DCF analysis, the fair value of the assets is the present value of the asset's expected future cash flows, based on a range of operating assumptions for revenues and costs and an appropriate discount rate range.

The Independent Valuer has reviewed a range of sources in determining the fair market valuation of the solar assets, including but not limited to:

- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes;
- quality of cash flow forecasts in terms of operations;
- the level of gearing at each investment level; and
- capital asset price model outputs and implied risk premium over relevant risk-free rates.

A broad range of assumptions are used in valuation models. Where possible, assumptions are based on observable long-term historical market or market observations. The budgeted operational costs are based on technical data and the implicit financing costs for leveraged investments are based on market data. The Company also engages technical experts to provide a long-term electricity price forecast which is a critical datapoint used to forecast revenues.

## VALUATION ASSUMPTIONS AND SENSITIVITIES

The key assumptions the Directors believe would have a material impact upon the fair value of the investments are set out below.

A sensitivity analysis is used to assess the impact of changes in key assumptions on the fair value of the Company's investments. The sensitivities shown assume the relevant input is changed over the entire useful life of each of the assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

## DISCOUNT RATE

Discount rates used in the valuation of the portfolio are derived from long term government bond yields, plus an investment specific risk premium, reflecting the risk of investing in that particular investment. The discount rate also reflects the Independent Valuer's view of the transactional activity in the relevant market along with implied execution discount rates.

As at 31 December 2024, the weighted average discount rate was 10.8% (December 2023: 8.8%). The discount rates are presented on a pre-tax basis.

The sensitivity demonstrates the impact of a change in the discount rate applied to the pre-tax, cash flows from all of the Company's assets as at 31 December 2024. A range of +/- 1.0% has been considered to determine the resultant impact on the Company's NAV per share and the fair value of its assets. A sensitivity of +/-1.0% is in line with discount rate sensitivities utilised by the Company's peers.

## CHANGES IN CENTS PER SHARE

Electricity production (P90/P10)	(16.27)%	(10.26)	9.29	14.74%
Discount rate (+/- 1.0%)	(10.17)%	(6.41)	7.67	12.16%
Inflation rate (-/+ 1.0%)	(7.84)%	(4.94)	6.38	10.11%
Electricity prices (-/+ 10%)	(10.18)%	(6.42)	5.92	9.39%
Operating expenses (+/- 10%)	(7.99)%	(5.04)	5.55	8.80%
Operating expense Inflation rate (+/- 1.0%)	(6.87)%	(4.33)	3.98	6.30%
Useful life (-/+ 3 years)	(3.40)%	(2.14)	1.89	3.00%
Tax rate (+/- 5%)	(2.09)%	(1.32)	1.31	2.08%



↗  
South Robeson (Granite Portfolio)  
6.3MW<sub>DC</sub> (North Carolina)

## ELECTRICITY PRODUCTION

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

This sensitivity estimates the impact on the fair value of the assets and NAV per share of a change of production estimates to P90 (90% probability of being exceeded) and a P10 generation estimate (10% probability of being exceeded).

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

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

## MERCHANT PERIOD ELECTRICITY PRICES

Each of the Company's assets have long-term PPAs in place with creditworthy offtakers. PPA prices are not impacted by energy price changes. For the post-PPA period of each asset, the Board uses long-term electricity price forecasts that have been prepared by market consultants in their determination of the fair value of the Company's assets. These forecasts from market consultants take into consideration climate change related factors when pricing the electricity price forecasts.

Long-term electricity price forecasts are obtained every six months from two leading independent power price forecasting firms for each jurisdiction in which the solar assets are located. The two most recent electricity price forecasts from each firm are averaged and provided to the Independent Valuer to project the prices at which existing PPAs will be recontracted. The averaging of curves and providers is used to prevent the valuation of the portfolio being unduly influenced by one forecaster's set of

assumptions; to mitigate potential forecaster errors in a particular period; and to reduce the timing risk inherent in valuing the portfolio shortly before curve updates are released. The Independent Valuer assesses these forecast prices for reasonableness against their own internal forecasts and others in the marketplace.

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



## OPERATING REVIEW: VALUATION METHODOLOGY CONTINUED

### OPERATING EXPENSES

The operating costs of the Company's assets include annual O&M, asset management, insurance expenses, land lease expenses, major maintenance, and general administration expenses. O&M and AM costs are mostly contracted for periods of up to five years; the costs of operations, maintenance and asset management activities for the assets covered by these contracts are subject to change upon recontracting.

The Investment Manager carried out a review of the operating costs in the underlying financial models where the costs were aligned with the most recent budgets approved by the relevant asset management teams. Costs that are not contractual have been escalated at the Investment Manager's long term inflation forecasts.

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

### OPERATING LIFE

The useful operating life of a solar asset is generally accepted by Independent Valuers to be the lesser of the lease term for the asset site and the independent engineer's assessment of the asset's useful life. The useful life assumption for each asset is typically 35–40 years.

The sensitivity above assumes a three year increase/decrease in the useful operating life of the Company's solar assets, and the resultant impact on the Company's fair value of investments and NAV per share.

### TAX

The US imposes a tax on profits of US resident corporations at a rate of 21%. The sensitivity assumes the US corporate tax rate increases/decreases by 5% (to 26%/16%) and shows the resultant impact on the Company's fair value of investments and NAV per share.

### OTHER VALUATION INPUTS INFLATION

USF considers inflation in terms of potential impact on cash flows from the existing portfolio and NAV. Following a period of higher inflation, there has been a gradual downward trend which is expected to continue.

Higher inflation generally has a positive impact on the Company's NAV through increased merchant pricing expectations, but would be expected to negatively impact the Company's short to medium term portfolio cash flows. This is a result of increased costs, including insurance, wages, equipment and other costs which may materialise on expiry of short-term O&M and AM contracts versus the more stable revenue from USF's long-term PPAs.

### OPERATING EXPENSE INFLATION RATE

Where there are uncontracted operating costs, the Investment Manager has assumed these costs will be recontracted at existing price levels, escalated in accordance with long term inflation assumptions. The sensitivity above assumes a 10% increase/decrease in inflation rates applied to long term operating costs for all underlying assets and the resultant impact on the Company's fair value of investments and NAV per share.

### INTEREST RATE ON DEBT FACILITIES

Base interest rates on the Company's drawn amortising debt facilities are fully hedged for the amortisation period of the relevant loan which includes the initial term and one or more subsequent refinancings. In general, the amortisation period on term loans matches the PPA term.

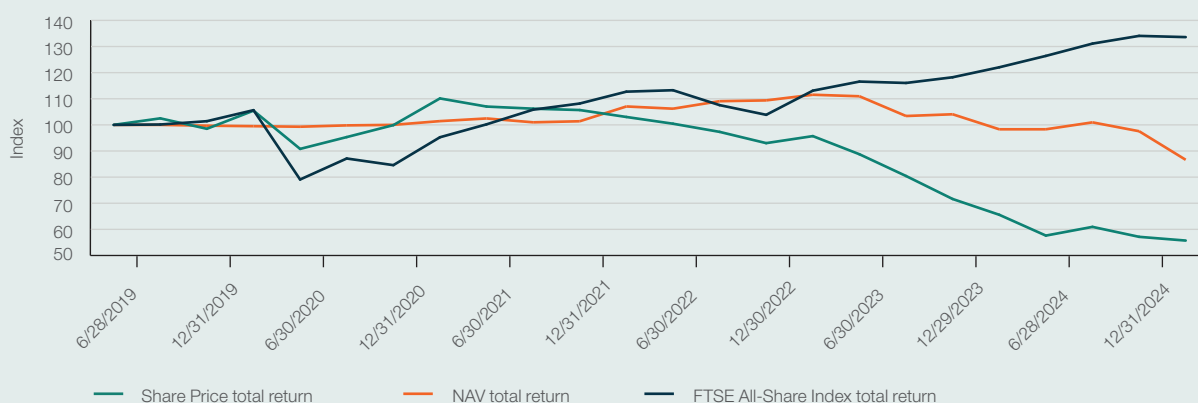
### SHARE PRICE PERFORMANCE AND DIVIDENDS

In line with the broader renewable energy infrastructure sector<sup>24</sup>, and in the wake of widespread macroeconomic volatility, further compounded by the uncertainty created by the Company's strategic review and the departure of the USF's previous Investment Manager, the Company's share price traded at a sustained discount to NAV. The share price based on closing price as at 31 December 2024 was \$0.43 representing a 31.8% discount to the 31 December 2024 NAV (December 2023: 30.8% discount). Dividends of \$10.3 million were paid to investors over 2024 (December 2023 \$18.7 million).

The graph below represents the Company's performance over the reporting periods since the Company's Ordinary Shares were first listed on the London Stock Exchange, and shows share price total return and net asset value total return performance. The share price total return exhibits share price movement plus dividends assumed to be reinvested since IPO. The NAV total return is based on the NAV movement plus dividends paid since the IPO.

All series are rebased to 100 at 16 April 2019, being the date the Company's shares were listed.

### SHARE PRICE AND NAV TOTAL RETURN



24 -33.1% (weighted average) and -39.6% (simple average). (Morningstar, 28 February 2025).





# RESPONSIBLE INVESTMENT

## APPROACH TO RESPONSIBLE INVESTMENT DISCLOSURES

### APPROACH

USF was established to contribute to global efforts to address the impacts of climate change and better manage the world's resources for present and future generations. The Company is focused on sustainability, both in its driving purpose as an investor in solar generation capacity, and also in the way the Company is managed. In addition to USF's sustainable fundamentals, the Company seeks to conduct its business in a sustainable way, to ensure that its impact is positive and that the risk of potential adverse impacts is reduced or removed entirely. To do this, the Company draws on several benchmarks and frameworks to guide its approach to Environmental, Social and Governance (ESG) risk and opportunity management.

### APPLICATION OF SUSTAINABILITY FRAMEWORKS

Part of the process for data selection involves using international sustainability frameworks and reporting standards as guidance. There are several frameworks with which the Company aligns partially (using the framework as a starting point from which to develop accounting practices) or fully (complying with the framework requirements). These are summarised below.

### SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Company supports the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alignment with the SDGs is a key part of the Company's approach to ESG integration. The Company contributes towards the SDGs in two main ways: the positive environmental and social characteristics of its investments and its approach to active asset management.

### SUSTAINABLE FINANCE DISCLOSURE REGULATION

The Company is not required to report through the Sustainable Financial Disclosure Regulation (SFDR) framework, and is not currently aligned with full SFDR disclosures. However, the Board and Investment Manager recognise the value of the framework broadly and the specific relevance to EU based shareholders.

Since its 2019 IPO, USF has consistently reported on ESG and sustainability considerations throughout its interim and annual reports. In February 2022, the Company published its first annual Sustainability Report covering 2021. In March 2024, the Company published its second Sustainability Report covering 2023. These reports represent meaningful alignment with the European Union SFDR by providing Principal Adverse Impact (PAI) data in the format prescribed in Annex 1 of the Delegated Regulation (EU) 2022/1288 (the 'Delegated Act').

### SUSTAINABILITY DISCLOSURE REQUIREMENT

USF is not required to report in line with the UK Sustainability Disclosure Requirements. Notwithstanding that the rules do not directly apply to the Company, the Board has a strong commitment to clear and transparent disclosures for investors and, working with the Investment Manager, aims to comply with the anti-greenwashing rule and associated guidance.

### TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Company is required to provide TCFD disclosures in line with UKLR 9.8.6R of the FCA Handbook. The disclosures on the following pages summarise USF's position against all 11 of the TCFD recommendations. The Company commenced reporting against the TCFD framework in the 2021 Annual Report to further assist shareholders and other market participants to review and understand the Company's consideration of, and approach to, ESG and sustainability risks and opportunities.

### PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS

The Partnership for Carbon Accounting Financials (PCAF) is a global initiative that encourages transparency within the financial industry. The Company's financed emissions have been quantified in accordance with the PCAF Financed Emissions Standard<sup>25</sup>, which aligns with GHG disclosures set out in the SFDR Principal Adverse Impacts as well as the TCFD's recommended metrics for asset managers. This includes the disclosure of investments-level Scope 1 and 2 Emissions, and this year, material Scope 3 Emissions.

### OTHER ESG FRAMEWORKS

The Company will continue to monitor other developing ESG frameworks closely, such as the EU sustainability reporting standards drafted by the European Financial Reporting Advisory Group (EFRAG) as part of the Corporate Sustainability Reporting Directive (CSRD). The Company will also closely follow the developments of the International Financial Reporting Standards Foundation's International Sustainability Standards Board (ISSB) in their aim of establishing global sustainability disclosure standards as well as the Taskforce on Nature-related Financial Disclosures (TNFD), which is a developing framework for assessing nature-related risks. The Company aims to provide shareholders with disclosures required for their own reporting purposes.

<sup>25</sup> PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.



# RESPONSIBLE INVESTMENT CONTINUED

## Portfolio alignment to the SDGs

41

Solar powered plants in the United States

443MW<sub>DC</sub>

Total portfolio capacity

c.1.3m

Solar panels generating emissions-free electricity

698GWh

Electricity produced year to date 2024

64,600

US equivalent homes powered

106,800

Equivalent US cars displaced

448,600t

Tonnes of CO<sub>2</sub> displaced annually

## CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

The Company draws on the SDGs to demonstrate the positive environmental and social characteristics of its investments. This page highlights the primary SDGs that are supported by the Company's investments, alongside alignment of the full portfolio by fair value.

7 AFFORDABLE AND CLEAN ENERGY



### AFFORDABLE AND CLEAN ENERGY

The 41 solar power projects in USF's portfolio had a combined capacity of 443MW<sub>DC</sub> during 2024. This power replaces fossil-fuel generated power, thereby displacing CO<sub>2</sub>e emissions. USF's 41 assets were responsible for displacing the equivalent of 448,600 tonnes of CO<sub>2</sub>e in 2024, equivalent to powering 64,600 US homes or removing 106,800 equivalent US cars from the road.

8 DECENT WORK AND ECONOMIC GROWTH



### DECENT WORK AND ECONOMIC GROWTH

Solar farms create employment opportunities throughout their lifecycle, from construction and installation to operation and maintenance. These projects stimulate economic growth by attracting investment, fostering innovation in the renewable energy sector, and supporting local businesses involved in supply chains.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

Solar farms drive innovation in technology and infrastructure related to solar energy generation, such as photovoltaic cell efficiency, energy storage solutions, and smart grid technologies. They contribute to the development of sustainable infrastructure by expanding the renewable energy infrastructure and enhancing energy access and reliability.

13 CLIMATE ACTION



### CLIMATE ACTION

Solar farms play a crucial role in combating climate change by reducing reliance on fossil fuels and decreasing carbon emissions. By generating clean energy, they help to mitigate the impacts of climate change, such as extreme weather events, sea-level rise, and disruptions to ecosystems and communities. Solar energy also contributes to building climate resilience by diversifying energy sources and increasing energy security.

The statistics show the positive contributions the Company's investments are making in support of the SDGs described above.

## FINANCED GHG EMISSIONS

### APPROACH

The Company seeks to monitor GHG emissions across its portfolio and support decarbonisation initiatives where possible. In current carbon accounting models, ownership of GHGs associated with investments and lending activities is considered part of a financial institution's carbon footprint. Specifically, GHG protocol accounting standards define these GHGs as Scope 3 Category 15 investment emissions or 'financed emissions'.

Quantifying the financed emissions of the investment portfolio is important for the Company to help develop decarbonisation strategies and to better understand its own climate-related Transition Risks.

The Company has self-assessed the data quality of its financed emissions, in line with the PCAF approach, and has quantified a weighted data quality score of 4.0 for its portfolio GHG emissions (High Quality = 1 Low Quality = 5). Data is a combination of primary data and estimated primary data to inform greenhouse gas emissions for the portfolio.

### PORTFOLIO EMISSIONS

As described on the following page, the Company has applied the PCAF guidance to calculate its total attributed GHG emissions (the Company's Scope 3 category 15 investment emissions). This includes the Scope 1, 2 and material Scope 3 Emissions of each investment, attributed to the Company based on its proportional share of the equity and debt in each investment.

The carbon footprint metric aligns with PCAF's 'economic emission intensity' and is the Company's total attributed emissions, normalised by the total equity and debt the Company invests across the portfolio. For the GHG intensity of investments metric the Company has applied the TCFD recommended approach for calculating a Weighted Average Carbon Intensity (**WACI**).

As shown in the figures below, the Company's financed emissions are significantly lower than the emissions avoided due to financing solar installations.

Scope 3 Financed emissions indicator	Scope	31 December 2024	31 December 2023
Total attributed GHG emissions (tCO <sub>2</sub> e)	Scope 1 of investments	108	147
	Scope 2 of investments	0	0
	Scope 3 of investments	292	190
	<b>Total Scope 1, 2 and 3</b>	<b>400</b>	337
Carbon footprint (tCO <sub>2</sub> e/£m invested)	<b>Total</b>	<b>0.89</b>	0.62
GHG intensity of investments (tCO <sub>2</sub> e/£m revenue)	<b>Total</b>	<b>12.99</b>	12.20
GHG emissions avoided <sup>26</sup> (tCO <sub>2</sub> e)	<b>Total</b>	<b>448,600</b>	480,903

<sup>26</sup> Emissions avoided have been calculated using the US Environment Protection Agency AVERTE.





## RESPONSIBLE INVESTMENT CONTINUED

### SUSTAINABLE FINANCE DISCLOSURE REGULATION

#### PRINCIPAL ADVERSE IMPACT INDICATORS

The Company aims to minimise any negative impacts that may arise from its investments. In support of this aim, the Company has expanded its data collection process to include SFDR Principal Adverse Impact indicators from 2022.

Although the Company does not follow the format prescribed within the SFDR Regulatory Technical Standards (**RTS**) for considering Principal Adverse Impacts, it is drawing on data collected to inform its approach to asset management. These disclosures apply to most of the investments

in the Company's portfolio and are in line with the definitions of the 14 core indicators listed in Annex 1 of the Delegated Act, which include nine environmental disclosures and five social indicators.

Data covering the 2024 reporting period are displayed quantitatively on the following page. The definitions of these indicators and calculation methodologies are in the Appendix of the Sustainability Report.

#### EU TAXONOMY

The Company and its investments do not fall within the EU Taxonomy regulation, either by location or threshold. Whilst the Company is

not required to consider alignment with the EU Taxonomy, it recognises the potential benefit that Taxonomy disclosures could provide to the Company's shareholders. As such, during 2025 the Company will continue to explore the benefit of working towards developing disclosures that may support assessing whether the Company's investments are aligned with the EU Taxonomy.

PAI indicators for the Company's investments covering the year are displayed in a quantitative form below.



Sustainability linked indicator	Metric	Unit	31 December 2024 <sup>27</sup>	31 December 2023
Investment GHG emissions <sup>28,29</sup>	Scope 1 GHG emissions	tCO <sub>2</sub> e	108	147
	Scope 2 GHG emissions	tCO <sub>2</sub> e	0	0
	Scope 3 GHG emissions	tCO <sub>2</sub> e	292	190
	Total GHG emissions	tCO <sub>2</sub> e	400	337
	Carbon footprint	tCO <sub>2</sub> e/£m invested	0.89	0.62
	GHG intensity of investee companies	tCO <sub>2</sub> e/£m revenue	12.99	12.20
	Share of investments in companies active in the fossil fuel sector %	%	0	0
	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% (production) 100% (consumption)	0% (production) 100% (consumption)
Biodiversity <sup>29</sup>	Share of investments in investee companies with sites/ operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	0	0
Water <sup>29</sup>	Tonnes of emissions to water generated by investee companies per million GBP invested, expressed as a weighted average	Tonnes/£m	0	0
Waste <sup>29</sup>	Tonnes of hazardous waste and radioactive waste generated by investee companies per million GBP invested, expressed as a weighted average	Tonnes/£m	0	0
Social and employee matters <sup>30</sup>	Share of investments in investee companies that have been involved in violations of the UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises	%	0	0
	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
	Average unadjusted gender pay gap of investee companies	%	N/A	N/A
	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	25	20
	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0	0

27 PAI indicators cover 100% of the Company's investments.

28 GHG emissions calculations are based on primary source data for 70% of the portfolio on a Fair Value basis, with estimates used for the remaining 30%. Where source data was not available, the Company will work with its supply chain over time to improve its data collection processes.

29 Attributed based on the Company's share of each investments' total equity and debt.

30 Share of investments based on Fair Value.



# RESPONSIBLE INVESTMENT CONTINUED

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate change presents both transitional and physical risks to the Company's investments. As such, it continues to be a high priority for the Company. USF commenced reporting against the TCFD framework in the 2021 Annual Report to further assist investors and other market participants to review and understand USF's approach and consideration of ESG and Sustainability risks and opportunities. The disclosures on the following pages were prepared in line with the recommendations of TCFD. USF has complied with UKLR 9.8.6R by including climate-related financial disclosures consistent with 8 of the 11 Recommended Disclosures, explaining against Strategy (a, b and c).

The Company has not yet performed climate-related risk scenarios analysis which it recognises is needed to be compliant with Strategy (a, b and c).

To address these shortfalls, the Company will work with its Investment Manager to continue to explore its internal capabilities by drawing on specialised expertise, data analytics tools, and scenario modelling frameworks dedicated to assessing climate-related risks and opportunities across our investment portfolio where economically viable. Additionally, the Company will explore engaging with industry experts, stakeholders, and relevant regulatory bodies to ensure alignment with best practices and regulatory expectations.

### GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

#### **a) Describe the Board's oversight of climate-related risks and opportunities**

The USF Board has overall responsibility and oversight of risks and opportunities, which includes climate change. The Board consists of four independent Directors with diverse backgrounds, experience in various industries and investment trusts, and demonstrated governance and stewardship skills. A summary of their skills and experience is set out in the Corporate Governance section of the Annual Report. The experience of the USF Board, particularly around governance, sustainability and clean energy, supports USF's environmental credentials derived from its core business as an investor and owner of utility-scale solar energy assets.

The Company's policies, including those pertaining to sustainability, are reviewed by the Board and monitored on an ongoing basis as needed. The Board and Investment Manager discuss risks related to climate change twice a year and have ultimate oversight of the Company's risk management framework. Climate change is also considered within the Company's risk register at each Board meeting. The Board considers the impacts of climate-related events through its discussions with the Investment Manager, notably with respect to opportunities through the Company's annual strategy reviews and risks through the Company's risk management framework.

USF's Board has an Audit Committee whose function is to ensure that the Company maintains standards of integrity, financial reporting, internal control and risk management systems and corporate governance. One of the main duties of the Audit Committee is reviewing the risks facing the Company and monitoring the risk register. These include climate-related risks. Meeting at least semi-annually, the Audit Committee is required to report formally to the Board on its findings after each meeting on all matters within its duties and responsibilities.

The Board monitors and reviews performance of the portfolio on a quarterly basis and updates on climate-related data on an annual basis.



## GOVERNANCE

## b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Investment Manager monitors climate-related legal and regulatory developments in the US and globally and notes the changing dynamics of weather patterns and local climates that may impact the day-to-day production of USF's solar projects. This data informs the investment and operating decisions of the Investment Manager who reports to the Board at least quarterly on generation performance and any critical changes.

Amber's Executive Committee is responsible for the stewardship of its business and affairs. The Executive Committee discharges its sustainability responsibilities directly through its internal Risk Committee, ESG Steering Committee and Corporate Social Responsibility Sub-Committee. The ESG Steering Committee is chaired by its Chief Operating Officer. The Committee's primary role is to integrate and strengthen its ESG considerations within investment and asset management activities at a corporate level. The Investment Manager is supported by a dedicated ESG team, where the Head of ESG was appointed in 2018. Amber's ESG Committee will engage with USF Audit Committee and Management Engagement Committee on climate change issues where relevant.



## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

## a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

All of the Company's investments are exposed to physical climate hazards of varying types and severity. Flood, extreme wind and heat (leading to wildfire) and significant changes in insolation and precipitation are the most important hazards for the Company's portfolio. There is a risk that changing weather patterns due to climate change will impact electricity production. For some investments, there is a risk that climate change and extreme weather may damage physical assets, cause business interruption and create additional costs for maintenance and upgrades.

The Company recognises that the key climate-related opportunity impacting its business is the positive impact and demand for renewable energy. USF was established to meet this demand and recognises that the pace of transition to clean energy and the associated government policies in the US will impact the size of the Company's investment opportunity.

However, the Company acknowledges that it is currently unable to provide a comprehensive disclosure of climate-related risks and opportunities over the short, medium, and long term. The disclosure that has not been addressed pertains to the detailed analysis and quantification of specific physical climate-related risks and opportunities over various time horizons using scenario analysis.

This shortfall in disclosure arises due to several factors. Firstly, the complexity and evolving nature of climate-related risks and opportunities require robust data collection, analysis, and scenario modelling, which necessitates additional time and resources beyond what is currently available. Secondly, while the Company has initiated efforts to assess climate-related risks and opportunities, we acknowledge that our methodologies and frameworks are still in development and refinement stages.



# RESPONSIBLE INVESTMENT CONTINUED

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

### STRATEGY

#### b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

The Company was established to take advantage of efforts to increase the share of renewable or clean energy in the US. This is core to all business activities of the Company. The Company considers risks from climate change to be a principal risk. The Company manages the impact of climate-related risk on both the production of its assets and the stability of its cash flows, primarily through geographic diversification and by securing long-term PPAs to mitigate pricing volatility risk. USF has a portfolio of 41 solar projects across four states in the US, using geographic diversification to reduce the portfolio's exposure to any one extreme weather or environmental event (i.e. wildfires, heavy rainfall, extreme heat, heavy snowfall). The Company aims to minimise the impacts of medium-term climate-related risks including generation performance of solar assets, ongoing maintenance costs and forecast merchant power prices on revenue. This is actioned by undertaking sensitivity analysis, policy monitoring, engaging O&M contractors to respond to physical risks (e.g. additional panel cleaning, vegetation management for fire risk reduction), improved grid monitoring, having a geographic mix of asset locations and acquiring operating assets that have long-term PPAs in place (with a minimum target PPA term of 10 years for each project or portfolio acquisition and a weighted average remaining PPA term of 10.9 years for the Company's entire portfolio). Medium-term contracts are also entered into with O&M providers to provide stability to maintenance costs.

In line with the disclosure listed above, the Company is unable to comprehensively describe the physical impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. The impact has not been fully assessed as the Company is still in the process of establishing how to consider the potential impacts of scenario analysis. To address this shortfall, the Company will work with its Investment Manager to enhance the Company's capabilities by drawing on specialised expertise, data analytics tools, and scenario modelling frameworks dedicated to assessing climate-related risks and opportunities across our investment portfolio. Additionally, the Company will explore engaging with industry experts, stakeholders, and relevant regulatory bodies to ensure alignment with best practices and regulatory expectations. However, the Company notes its stated ambition to realise value over the short term, and this will inform its approach to considering climate to that strategy.

#### c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In 2022, USF used a sensitivity analysis to determine the impact of changes in key assumptions on the fair value of the Company's investments. Many of the key assumptions used are impacted by climate-related risks, particularly electricity production and electricity prices which may be impacted by major environmental or weather events. Based on the analysis, the Directors consider the changes in inputs to be within a reasonable expected range based on their understanding of market transactions and current industry and insurer views on longer-term climate volatility.

High physical risk scenarios, considered over the useful life of the portfolio, associated with a 3–4°C increase in temperatures, included:

- Reduction in availability of assets due to severe weather events and flooding, wildfires linked to higher temperatures.
- Reduced operating life of assets resulting from climate-related risks.

To mitigate these risks, USF's near-term cash flows are insulated from volatility in wholesale power prices because of its long-term contracted cash flows. USF's revenues from electricity sales are 100% contracted through the PPA period. USF's exposure to power price fluctuation is only after the PPA period, at which point the Company may choose to recontract at the prevailing price. Equally, geographical diversification is essential for limiting physical climate change risks for solar investments by enhancing resilience, mitigating weather-related disruptions, optimising resource utilisation, and leveraging diverse market opportunities across different regions.

The Company's climate-related risks and opportunities matrix recognises climate/weather risk, and this risk is assessed relative to the whole suite of financial, operational, legal and regulatory risks faced by USF.

In line with the disclosure provided, the Company acknowledges its current inability to comprehensively describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. This limitation stems from the ongoing process of establishing how to consider the potential impacts of scenario analysis. Specifically, the Company is exploring options to enhance its capabilities to assess the resilience of its strategy in various climate-related scenarios, including a 2°C or lower scenario.

## RISK MANAGEMENT

Disclose how the organisation identifies, assesses and manages climate-related risks

### a) Describe the organisation's processes for identifying and assessing climate-related risks.

The Board is ultimately responsible for the oversight and effectiveness of the Company's system of internal controls and for setting the risk appetite of the Company. The Board defines the level and type of risk that the Company considers appropriate in accordance with the Company's investment objective and investment policy.

As an externally managed investment company, the Company has contractually delegated day-to-day management of the Company's portfolio and risk monitoring to the Investment Manager. This means the Company is also reliant upon the internal systems and controls of the Investment Manager and its other service providers to manage risk effectively.

The Investment Manager has designed an extensive risk management framework to identify, assess and manage principal and emerging risks, which are reviewed with the Company's Audit Committee semi-annually. This includes assessing both the probability of occurrence and impact along with key mitigants. In the case of new or emerging risks and changes to existing risks, assessment occurs as needed outside this semi-annual cycle in response to such new or emerging risks or changes. The identification, assessment and management of risk are fundamental to the Investment Manager's role of managing the Company's portfolio on a day-to-day basis.

USF's Board and Investment Manager review and update the risk register twice a year, including assessing climate risks as relevant based on legal and regulatory developments, industry reports and research and data gathered from its own portfolio of assets. USF's Sustainability Report is a valuable practice for the Board and Investment Manager to engage with climate-related risks and opportunities, noting that USF was created to take advantage of investment opportunities in the US arising from the decarbonisation of energy generation and usage. The Company considers existing and emerging regulatory requirements.

This includes UK Sustainability Disclosure Requirements but also the proliferating regulatory environment in the US. The Company notes the potential rollback of climate-related reporting at the federal level within the US being in juxtaposition to state-led climate disclosure regulation in states such as California, Illinois, Colorado and New York.

The Board will explore approaches to assessing the physical risks of climate change, including adopting scenario analysis methodologies. This proactive stance will enable USF to better understand and prepare for various potential climate-related impacts on its assets and operations. By incorporating scenario analysis into its risk assessment framework, USF aims to enhance its resilience and responsiveness to evolving climate dynamics, thereby safeguarding its investments and contributing to long-term sustainability goals. This forward-looking approach underscores USF's commitment to prudent risk management and responsible stewardship in the face of climate uncertainty. However, this should be balanced by the potential cost of undertaking such analysis and how that aligns with investor requirements.

In addition, the Board will explore how to evolve its approach to managing climate risks at the asset level. Currently, environmental site assessments are completed for all assets during due diligence including certification that all projects comply with applicable local, state or federal law. Vegetation clearance is maintained at or below county regulations and in accordance with insurance requirements.

### b) Describe the organisation's processes for managing climate-related risks.

The Investment Manager's asset management team is responsible for reviewing asset performance, operations and maintenance and external asset management providers to ensure project-level environmental and climate risks are being managed and mitigated at the project level, including design loading, geographic diversity, insurance, snow clearing and panel cleaning. Further disclosure is included in the Principal Risks and Uncertainties section, including mitigants noted for operational and climate related risks.

Materiality assessment is based on informed judgment taking account of both the probability of occurrence and the potential impact of risks. The Company considers factors such as financial significance, stakeholder expectations, and operational impacts when evaluating risks and opportunities. The Company's approach involves careful analysis and consultation with stakeholders to determine the significance of issues to its solar investment portfolio.

### c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

The Investment Manager maintains an enterprise-wide risk register and updates are presented to the Board semi-annually for review and updating. Climate-related risks are included in this framework with risk assessed in terms of likelihood of occurrence, and potential impact. The USF Board and the Investment Manager are acutely aware of the significance of climate-related risks in terms of the performance of individual assets, and the extent to which correlated events may have an overall effect on the performance of the portfolio.





# RESPONSIBLE INVESTMENT CONTINUED

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

### METRICS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

**a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**

The Company invests in and sells energy generated by its solar assets to energy offtakers, directly contributing to renewable energy infrastructure and renewable power generation. The Company uses a variety of metrics to monitor the contribution to mitigating climate change, including GWh of renewable energy generation, tonnes of carbon dioxide emissions displaced and number of homes powered by clean energy<sup>31</sup>. The Company and Investment Manager considers several metrics that relate to climate related risks and opportunities. At this stage, the metrics are used to manage a pool of climate-related risks, rather than specific metrics for specific risks, including:

- Proportion of asset life and revenues with fixed price off-take agreements, which influences the extent to which changes in merchant prices affects forecast cash flows and the portfolio valuation<sup>32</sup>
- Generation performance to expectations, where variances are examined for root causes, including longitudinal climate-related impacts on potential asset availability<sup>33</sup>
- Regional diversification is a critical aspect of USF's climate risk management with budget generation, revenue and NAV spread across 41 projects and four states. Performance metrics for 2024 as follows:

State	% of Actual Generation MWh <sup>34</sup>		% of Budget Generation MWh <sup>34</sup>		% of Weather-Adjusted Budget Generation MWh <sup>34</sup>		% of Revenue <sup>34</sup>		% of NAV	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
North Carolina	30.7%	27.3%	31.5%	27.6%	30.7%	28.0%	33.1%	32.3%	51.8%	53.0%
Oregon	31.6%	27.1%	31.3%	27.4%	31.6%	27.0%	47.0%	35.8%	36.4%	34.9%
Utah	36.4%	31.9%	35.4%	30.8%	36.4%	30.4%	17.7%	18.4%	9.3%	10.0%
California	1.3%	13.7%	1.8%	14.2%	1.3%	14.5%	2.2%	13.5%	2.5%	2.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Company does not use an internal carbon price. As the Company has no employees, performance metrics are not incorporated into remuneration policies. Board remuneration is fixed. Details of the fees paid to Directors in the period are set out in the Directors' Remuneration Report on pages 67 to 68.

**b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.**

Due to the nature of its business, the Company has no Scope 1 or Scope 2 greenhouse gas emissions. The Company's Scope 3 emissions primarily relate to the emissions of its investments (total of investment Scope 1, 2 and 3 emissions).

The Company seeks to monitor its Scope 3 investment emissions (financed emissions) across its portfolio and support decarbonisation initiatives where possible. However, due to the nature of the Company's investments, emissions associated with the operation of its investments are considered a low risk.

During 2024, the Company's Investment Manager undertook a data collection exercise to capture a complete set of Scope 1, 2 and material Scope 3 emissions data for all of its investments. The Company requested Scope 1 and 2 emissions as a minimum from all of its investments, along with Scope 3 emissions where available. Amber collected comprehensive GHG activity data (e.g. mobile fuel usage), which was used to quantify Scope 1, 2 and 3 emissions using its bespoke carbon tool.

The Company's financed emissions were quantified, on an operational control basis<sup>35</sup>, in accordance with the PCAF Financed Emissions Standard, which aligns with GHG disclosures set out in the SFDR PAIs as well as the TCFD's recommended metrics for asset managers.

This approach included the attribution of financed emissions to the Company using a ratio of the value of the Company's investment in relation to the total equity and debt of an investment, as set out in the PCAF standard. Further information on this approach can be found in the Appendix.

<sup>31</sup> Data disclosed on Page 32 of this report.

<sup>32</sup> Data is for internal purposes and not disclosed due to potential market sensitivities.

<sup>33</sup> Please refer to portfolio performance section of the Annual Report for more information.

<sup>34</sup> Portfolio generation data includes the second tranche of MS2 from 1 January 2023 to 20 June 2023. As the divestment closed in late June 2023, it is excluded in from the NAV split at 31 December 2023 but has been included in performance data through the transaction date.

<sup>35</sup> A control approach can be subclassified as either financial control or operational control, and companies using the control approach must pick between these two options for reporting. Using the operational control approach, an organisation shall account for 100% of emissions from operations over which it or one of its subsidiaries has control and the authority to introduce and implement operational policies.

## METRICS

**b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.**  
continued

USF SCOPE 3 FINANCED EMISSIONS INDICATOR	Scope	31 December 2024	31 December 2023
<b>Total attributed GHG emissions</b>	Scope 1 of investments	<b>108</b>	147
tCO <sub>2</sub> e	Scope 2 of investments	<b>0</b>	0
	Scope 3 of investments	<b>292</b>	190
	<b>Total</b>	<b>400</b>	337
<b>Carbon footprint</b> (tCO <sub>2</sub> e/£m invested)	<b>Total</b>	<b>0.89</b>	0.62
<b>GHG intensity of investments</b> (tCO <sub>2</sub> e/£m revenue)	<b>Total</b>	<b>12.99</b>	12.20
<b>Emissions avoided</b> (tCO <sub>2</sub> e)	Total emissions avoided <sup>36</sup>	<b>448,600</b>	480,903

**c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**

As the Company's core business is generating clean energy, the core performance metric is the amount (in GWh) of electricity generated from its portfolio of utility scale solar projects. In addition, the following secondary performance metrics are monitored to track the levels of CO<sub>2</sub> generated by the business, and the net CO<sub>2</sub> avoided by the renewable power generated by the portfolio:

- tracking weather-adjusted performance of each plant<sup>37</sup>;
- tracking plant and grid outages and causes<sup>37</sup>; and
- CO<sub>2</sub> emissions displaced<sup>38</sup>.

USF's portfolio comprises 41 operational solar plants and the portfolio was responsible for displacing an estimated 448,600 tonnes of CO<sub>2</sub>e emissions during 2024.

As the business's whole operations are to invest in the generation of renewable energy, targets such as emissions reductions are not deemed applicable at this point.

<sup>36</sup> Emissions avoided have been calculated using the US Environment Protection Agency AVERT.

<sup>37</sup> Please refer to portfolio performance section of the Annual Report for more information.

<sup>38</sup> Disclosed on page 32.

# RISK AND RISK MANAGEMENT

The Company is exposed to a broad range of events which have the potential to disrupt the Company's business model and/or adversely impact the Company's reputation, financial or operational performance. Utilising a well developed risk management framework can mitigate the likelihood of occurrence and the impact of such events.

The Board is ultimately responsible for the oversight and effectiveness of the Company's system of internal controls and for setting the risk appetite of the Company. The Board defines the level and type of risk that the Company considers appropriate in accordance with the Company's investment objective and investment policy.

As an externally managed investment company, the Company has contractually delegated day-to-day management of the Company's portfolio and risk monitoring to the Investment Manager. This means the Company is also reliant upon the internal systems and controls of the Investment Manager and its other service providers to manage risk effectively.

The Investment Manager has designed an extensive risk management framework to identify, assess and manage principal and emerging risks, which are reviewed with the Company's Audit Committee semi-annually. In the case of new or emerging risks and changes to existing risks, assessment occurs as needed outside this semi-annual cycle in response to such new or emerging risk or change. The identification, assessment and management of risk are fundamental to the Investment Manager's role of managing the Company's portfolio on a day-to-day basis.

Ongoing risk management at the asset and Company level reduces both the likelihood and impact of the principal risks that the Company is exposed to. The Board maintains a risk register that is subject to annual review under the risk management framework, with a focus on ensuring appropriate controls are maintained and implemented.

## RISK CATEGORISATION

The Board and Investment Manager have categorised the most relevant risks to the Company into the following five key categories:

- (a) legal, regulatory and compliance risks;
- (b) political risks;
- (c) macroeconomic and market risks;
- (d) operational risks; and
- (e) climate-related risks (refer to disclosures made in the Responsible Investment section).

These key risk categories have not changed during the period.

There have been no significant changes in the nature or assessment of the principal and emerging risks identified in the 2023 Annual Report.

During the period, the geopolitical environment (including the continued existence of major conflicts and territorial tensions) continued to impact global structures and relationships. The outcome of the US federal election in November 2024, and subsequent initiatives of the new federal administration, have introduced significant global uncertainty, impacting the stability of financial markets generally and the US renewable market specifically. While these factors likely contribute to the ongoing trading discount of the Company's shares, these factors have not directly impacted performance of the Company's portfolio.

Set out on pages 44 to 50 is a summary of the principal and emerging risks along with mitigants, which the Company considers the most relevant given the nature of its business. These risks are a subset of a broader set of risks which are reviewed and assessed on an ongoing basis at an asset, portfolio and corporate level.

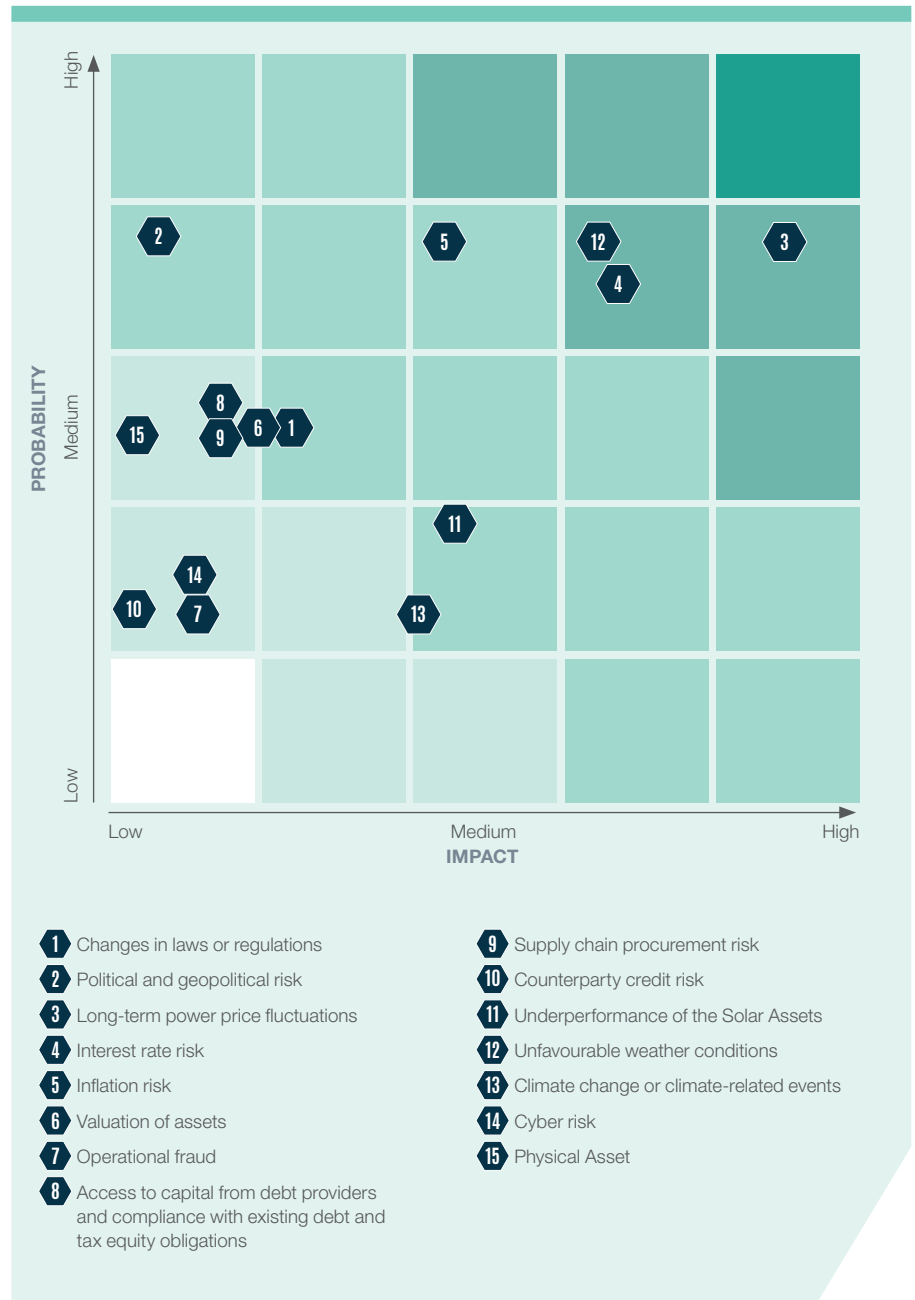
Each risk has been assessed as either remaining the same, increasing or decreasing over the period since 31 December 2023.



## RISK HEAT MAP

The diagram is a visual representation of the principal and emerging risks summarised on pages 44 to 50 mapped alongside their probability of occurrence and impact.




## PRINCIPAL RISKS



A detailed analysis of each risk identified above is displayed overleaf in the 'Summary of key principal and emerging risks and mitigants'.


# RISK AND RISK MANAGEMENT CONTINUED

## MOVEMENT:

 Increase
  No change
  Decrease

Summary of key principal and emerging risks and mitigants



### a) LEGAL, REGULATORY AND COMPLIANCE RISKS

Risk	Impact on Company	Key mitigants	Movement
<b>1. Changes in laws or regulations</b>	<p>Regulation changes may adversely affect the business and performance of the Company. This includes state and federal laws and regulations relating to the operation of renewable energy and energy generation assets within the four US states where the Company's assets are located.</p> <p>The Company is sensitive to tax changes for example, including but not limited to income tax, investment tax credits and tax restrictions on renewables. An adverse change in tax legislation may impact the Company's overall returns.</p> <p>The Company is reliant on the ongoing compliance by its Investment Manager with regulations governing its operations. Non-compliance by the Investment Manager, or changes to regulations that adversely affect the operations of the Investment Manager may disrupt the Company's business.</p>	<ul style="list-style-type: none"> <li>– The Company and Investment Manager closely monitor changes in legislation at both a federal level and in the states where the Company's assets are located. The Company and Investment Manager also consult with tax, legal and regulatory experts as required.</li> <li>– State legislation in each of California, North Carolina, Oregon and Utah remains supportive of renewable generation which is not expected to change in the short or medium term.</li> <li>– Potential changes to federal legislation (including existing investment tax credit regimes) foreshadowed in statements made by the incoming administration prior to and after the US federal election in 2024, were targeted at assets which are in development, pre-construction or under construction. As the Company's assets are all operational, it is not expected that changes to these tax regimes would have a material impact to the portfolio. There is a high likelihood of changes in policy initiatives under the new administration but the nature of such changes and subsequent impacts on the business and performance of the Company remains uncertain.</li> <li>– As a registered investment advisor regulated by the US Securities and Exchange Commission (<b>SEC</b>), the Investment Manager is subject to a suite of regulatory and compliance obligations applicable to its role as Investment Manager to the Company. Amber has a comprehensive framework to monitor internal compliance, which provides comfort and protection to the Company that the risk of non-compliance is well mitigated.</li> </ul>	

### b) POLITICAL RISK

<b>2. Political and geopolitical risk</b>	<p>Political risks often translate to elevated political uncertainties and have detrimental effects on investment and currency markets.</p> <p>Broader geopolitical risks influence investment decisions and market dynamics, having the potential to undermine investor confidence generally, and adversely affect the Company's investor base and share price. Broader geopolitical risks may also affect the Company's ability to procure certain spare parts which are manufactured overseas, including in China or by Chinese-owned companies.</p>	<ul style="list-style-type: none"> <li>– The Company's assets are located within host states that remain committed to net-zero targets and progressive policies compatible with renewable generation. State based policies are unlikely to materially change regardless of potential changes to federal legislation or policies.</li> <li>– Trade restrictions between the US and China and other countries targeted by US Federal tariff and trade policies and stated initiatives are being monitored for potential impacts to the Company's supply chain in order to mitigate the risk of a supply shortage for key operating components and cost increases.</li> </ul>	
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## c) MACROECONOMIC AND MARKET RISKS

Risk	Impact on Company	Mitigant	Movement
<b>3. Long-term power price fluctuations</b>	<p>PPA terms are generally shorter than the expected useful life of solar assets so price forecasts are used to estimate the value of cash flows between PPA expiry and the end of the asset's useful life. Lower or higher wholesale electricity price forecasts can reduce or increase the revenue that the solar assets are expected to generate after PPA expiry, thereby impacting asset valuations.</p>	<p>The Company secures revenue by acquiring assets that have long-term PPAs in place (with a minimum PPA term of 10 years for each project or portfolio acquisition and a target weighted average PPA term of approximately 15 years for the Company's entire portfolio at acquisition).</p> <p>The Company continues to monitor changes in energy price forecasts and ensures these are appropriately factored into asset valuations. The Company averages forecasted price curves from two reputable providers over their most recent two periods (i.e., four curves in total) to mitigate the impact on asset values from any one forecaster changing views.</p> <p>As of 31 December 2024, approximately 36% of the NAV is attributable to contracted cashflows, with the remaining balance attributable to uncontracted cashflows, demonstrating the substantial value provided by existing revenue contracting within the portfolio, that is not exposed to power price fluctuations.</p>	
<b>4. Interest rate risk</b>	<p><i>Corporate Debt Facility</i></p> <p>The Company has debt facilities with both fixed and floating interest rates. The Company is also exposed to interest rate risk through holding variable rate bank deposits. As such, changes in interest rates may have a positive or negative impact directly on the Company's net income and consequently the profits of the Company.</p> <p><i>Valuation Discount Rate</i></p> <p>Changes in interest rates may also affect the discount rates used in the valuation of the assets.</p> <p>Movements in headline Central Bank interest rates and the resulting effects on government bond yields may directly impact the discount rate used to value the Company's investments.</p>	<ul style="list-style-type: none"> <li>– The base interest rate for all amortising debt (namely the debt facilities at Milford, Euryalus and Heelstone as described on page 23) are fully hedged for the term of the relevant loan, providing resilience in the portfolio's cash flows against movements in interest rates</li> <li>– The \$20 million revolving credit facility has a floating interest rate which is not hedged. The RCF is available through September 2025 and remained undrawn during 2024. The RCF is currently undrawn</li> <li>– The Company does not bear interest rate risk on its loan to USF Holding Corp. as the loan rate is fixed for the duration of the loan facility</li> </ul> <p>Future increases in market interest rates could also lead to increases in discount rates used in the valuation of the assets, and a resultant reduction in NAV. Please refer to the interest rate sensitivities provided on page 28 for further detail on this exposure.</p>	





# RISK AND RISK MANAGEMENT CONTINUED

## c) MACROECONOMIC AND MARKET RISKS CONTINUED



Risk	Impact on Company	Mitigant	Movement
<b>5. Inflation risk</b>	<p>Increases in inflation may result in higher:</p> <ul style="list-style-type: none"> <li>– operating and maintenance costs;</li> <li>– revenues from higher spot and PPA electricity prices;</li> <li>– interest rates for servicing debt (refer above); and</li> <li>– discount rates for valuing equity in existing projects.</li> </ul> <p>The net impact of inflation on the Company's portfolio is uncertain given such impact is determined by multiple factors (including changes to post-PPA revenue, O&amp;M contractual arrangements, prevailing O&amp;M costs, debt service costs and valuation effects from higher discount rates).</p>	<ul style="list-style-type: none"> <li>– In the current elevated inflation environment, there is greater uncertainty around how long high inflation will last. In the US, there has been a gradual downward trend since June 2022 which is expected to continue. Informed by existing inflation, past inflationary trends and the medium and long-term inflation targets articulated by the Federal Reserve, the Company has adopted what it considers to be prudent assumptions for 2024, 2025 and 2026 onwards. Detailed sensitivity analysis is carried out to test the impact on NAV of variations to these assumptions (for further details see page 28)</li> <li>– The Company has existing O&amp;M contracts in place which are partially or fully fixed fee contracts subject to fixed annual escalators, which partially mitigates the impact of increased O&amp;M costs based on increases in inflation above current forecasts. While these contracts typically have two-five year terms, which is a shorter term than for existing project PPAs, the recontracting market for O&amp;M services is robust and is expected to provide the Company with flexibility to recontract O&amp;M on comparable and competitive terms</li> <li>– As presented in Valuation Methodology section the portfolio valuation (NAV) has a positive correlation with inflation. While USF's existing long-term PPAs provide price stability, these contracts are not indexed with inflation and as such the Company will not potentially benefit from increases in power prices until these contracts come up for re-contracting, albeit the overall impact on the portfolio remains positive over the useful life of the portfolio</li> </ul> <p>Please refer to the inflation sensitivities provided on page 28 for further detail on this exposure.</p>	

## d) OPERATIONAL RISKS

Risk	Impact on Company	Mitigant	Movement
<b>6. Valuation of assets</b>	Valuations of the Company's assets may be under or overstated.	<ul style="list-style-type: none"> <li>– The Company's assets are valued on a quarterly basis. The Company appoints an independent valuation firm to undertake valuations of its solar assets twice a year (valued as at 30 June and 31 December) and such valuations are rolled forward by the Investment Manager (as at 31 March and 30 September)</li> <li>– Valuations presented by the Investment Manager are supported by comparative analysis of other market transactions and confirmed by long term discounted cashflow models. The valuations are reviewed and challenged by the Board on a quarterly basis</li> <li>– The Company publishes sensitivities showing how the performance or valuation portfolio may be affected by changes in various underlying assumptions. Please refer to page 28 for further detail on these sensitivities</li> </ul>	
<b>7. Operational fraud</b>	The Company is potentially exposed to financial losses from fraudulent activities related to receipts from counterparties or wholesale markets, or payments made to vendors and suppliers.	<ul style="list-style-type: none"> <li>– The Investment Manager maintains and adheres to policies, processes and controls designed to prevent and detect fraud and other irregularities in payment processes</li> <li>– In addition, all of the Company's assets are operational and the majority of payments to service providers are repeat payments flowing from existing contractual arrangements with known counterparties, further mitigating the risk of large one-off payments to unfamiliar parties (such as may exist during the construction phase of an asset's life)</li> </ul>	

# RISK AND RISK MANAGEMENT CONTINUED

## d) OPERATIONAL RISKS CONTINUED

Risk	Impact on Company	Mitigant	Movement
<b>8. Access to capital from debt providers and compliance with existing debt and tax equity obligations</b>	<p>The Company may not be able to source funding from suitable debt providers at competitive terms and costs which will introduce uncertainty and potentially higher capital costs for the Company when refinancing existing debt arrangements.</p> <p>The Company may be exposed to risks from its contractual relationships in relation to tax equity financing with any tax equity partner.</p>	<ul style="list-style-type: none"> <li>Three of the Company's five portfolios have amortising debt facilities – Milford, Heelstone and Euryalus. While these facilities were all sized on the basis of the long-term contracted cash flows of each portfolio, these facilities will need to be refinanced between 2026 and 2028. Risks relating to future refinancings are reduced by the good operational track record of the Company's portfolio, and conservative gearing across the overall portfolio (both Olympos and Granite portfolios are presently unlevered). The Investment Manager is actively pursuing a bank debt financing of these facilities, which will proactively address near and medium-term refinancing requirements</li> <li>While tax equity financings were raised to support the construction of all five of the Company's portfolios, subsequently tax equity partners for both the Granite and Heelstone portfolios have been fully bought out as expected. As of 31 December 2024, active tax equity investments remain in place for the Olympos, Euryalus and Milford portfolios, with scheduled tax equity buyout dates between 2025 and 2028 respectively. The Company continues to carefully monitor compliance for active tax equity financing provisions</li> <li>The Company's \$20 million USF Avon LLC corporate revolving credit facility remained undrawn as of 31 December 2024</li> </ul>	
<b>9. Supply chain procurement risk</b>	<p>The Company may inadvertently acquire equipment that has been manufactured with input from forced labour, modern slavery, or other behaviours contrary to the Company's sustainability policy.</p> <p>Supply chain disruptions can also delay scheduled maintenance and extend outages during unscheduled maintenance events, resulting in lost revenues.</p>	<p>In response to risks relating to procuring parts or equipment impacted by forced labour or other factors contrary to the Company's sustainability policies, the Company has adopted heightened due diligence procedures for new counterparties/suppliers or where material concerns arise.</p> <p>In response to procurement delay risks, where feasible, the Investment Manager works with O&amp;M contractors to hold adequate inventories of spare parts. In addition, industry connections are maintained with component manufacturers, engineering advisors and other industry participants to enable the early identification of potential supply chain issues.</p>	




## d) OPERATIONAL RISKS CONTINUED

Risk	Impact on Company	Mitigant	Movement
<b>10. Counterparty credit risk</b>	There is the potential for losses to be incurred due to defaults by material contract counterparties	<p>The Company and the Investment Manager diversify credit risk across multiple investment-grade counterparties. No financial transactions are permitted with counterparties with a credit rating of less than BBB- from Standard &amp; Poor's or Baa3 from Moody's unless specifically approved by the Board.</p> <p>The Investment Manager will continue to monitor credit market conditions, including as they apply to PPA counterparties.</p> <p>There have been no material changes to the creditworthiness of any of the USF counterparties since 31 December 2023.</p>	
<b>11. Under-performance of the Solar Assets</b>	The underperformance of solar assets may lead to reductions in energy generated and thereby a reduction in revenue that the asset would be expected to produce. Underperformance can be caused by both factors within the Company's control and influence (for example maintenance plans and procedures), and those entirely outside of the Company's control (for example weather, and actions taken by transmission and distribution utilities).	<ul style="list-style-type: none"> <li>– Production forecasts utilised in the Company's budgeting process were prepared by reputable third-party advisory firms, to provide assurance that reasonable generation assumptions are utilised. These production forecasts are subject to review if prolonged, uncharacterised losses of a sufficiently material level occurs at any of the Company's assets</li> <li>– The Company's portfolio benefits from diversification of geography (the assets are located across multiple regions within the US impacted by different weather patterns); technology; equipment manufacturers, revenue streams and offtakers, meaning no one single issue should itself compromise the performance resilience of the Company's portfolio</li> <li>– The Company has engaged capable O&amp;M subcontractors to operate and manage the performance of Company's portfolio, overseen by the Company's asset management resources. The effectiveness of the asset management oversight is further supported by ongoing investment in data capture and analysis tools to more effectively and quickly identify and address performance issues that arise</li> </ul> <p>Please refer to the generation sensitivities provided on page 28 for further detail on this exposure.</p>	
<b>12. Unfavourable weather conditions</b>	The Company may be exposed to a lower-than-expected volume of revenue generation produced by the solar assets caused directly by unfavourable weather conditions (such as low solar irradiation) and indirectly via the risk of damage to the Company's assets or power transmission infrastructure caused by extreme weather events.	<ul style="list-style-type: none"> <li>– The Company's portfolio is diversified across a variety of geographies, which provides a degree of protection against location-specific weather systems and low solar irradiance</li> <li>– Project-specific generation forecasts are calibrated to the historical and expected weather conditions at each specific site</li> <li>– The sensitivity of the Company's NAV to deviations from energy generation expectations is provided on page 28</li> </ul>	



# RISK AND RISK MANAGEMENT CONTINUED

## d) OPERATIONAL RISKS CONTINUED

Risk	Impact on Company	Mitigant	Movement
<b>13. Climate change or climate-related events</b>	The Company may be exposed to lower than expected revenue generation caused indirectly via the risk of damage to the Company's assets or power transmission infrastructure caused by climate change of climate related events.	<ul style="list-style-type: none"> <li>– The Company's portfolio is diversified across a variety of geographies, which provides a degree of protection against the occurrence and impact of climate related events</li> <li>– The Company's exposure is mitigated through appropriate insurance arrangements including property insurance and business interruption insurance. The Investment Manager works closely with the Company's insurer to ensure coverage is appropriate to properly manage climate-related events having regard to the location and other asset specific factors. Identified climate-related risks, which are evaluated by the Company's insurer annually on a per asset basis, and scored according to proprietary climate modelling tools, include flood, earthquake, wildfire, earth movement and tornado/hail</li> </ul>	
<b>14. Cyber risk</b>	The Company may be exposed disruption to its operations caused by a cyber attack (via a hacker or virus) which may attempt to access the IT systems of the Company, the Investment Manager, the Administrator or one of the project companies and attempt to destroy or use asset or Company data for malicious purposes, as part of a targeted or random act.	The Company relies on those of its service providers, principally the Investment Manager and Administrator, which have procedures in place to prevent and detect cyber attacks and have robust business continuity plans in place.	
<b>15. Physical asset</b>	The Company may be exposed to disruptions in operations, reductions in generation and/or financial penalties resulting from physical damage to the Company's assets or if the Company's assets cause damage or harm to its users in some way.	<ul style="list-style-type: none"> <li>– The Company's exposure is mitigated through appropriate insurance arrangements including property insurance and business interruption insurance. The Investment Manager works closely with the Company's insurer to ensure coverage is appropriate to properly manage physical risks faced by the Company's assets, and compliance with insurance requirements set by the Company's offtakers, grid operators and other key counterparties</li> <li>– All assets within the Company's portfolio maintain documented site security and controlled access protocols, with O&amp;M scopes including responsibility for administering site access and maintaining the integrity of site fencing and access controls</li> <li>– Asset designs include circuit breakers and safety switches that will isolate and disconnect a section of an asset or an entire facility in the event of electrical and/or system faults</li> <li>– O&amp;M and asset management subcontractors maintain training requirements and health and safety protocols for all on-site staff</li> </ul>	

# LONGER TERM VIABILITY

The Board is responsible for financial reporting and controls, including the approval of the Annual Report and Accounts, the dividend policy, any significant changes in accounting policies or practices, and treasury policies including the use of derivative financial instruments.

The Board of the Company is also required to assess the long-term prospects of the Company according to the AIC Code. The Board has assessed the principal risks facing the Company set out above over a five year period, which it considers appropriate given the long-term nature of the Company's investments and its long-term planning horizon. The Board considers a five year timeframe to be reasonable on the basis that the Company is in the initial stage of operating assets. The key risks facing the Company have been individually assessed by the Board. The likelihood and impact of each risk on the Company prior to and after specific risk mitigation controls have taken place have been evaluated.

The Company owns a portfolio of solar assets in the US that are fully constructed, operational and generating renewable electricity. As a result, it benefits from substantially predictable and reliable long-term cash flows and is subject to a set of risks that can be identified and assessed. Each solar asset is supported by a detailed financial model at acquisition and incorporated into the Company's valuation model for quarterly valuations, which are independently reviewed every half year. The Board believes the geographical diversification within the Company's portfolio of solar assets helps to withstand and mitigate many of the emerging and principal climate, regulatory and operational risks the Company is likely to face. The Company's revenues from investments provide substantial cover to the operating expenses of the SPVs, USF Holding Corp., and the Company and any other costs likely to be faced by any of them over the viability assessment period. The Investment Manager also prepares a rolling detailed monthly two-year short-term cash flow forecast to address and specifically consider the sustainability of the dividends.

After assessing these risks, and reviewing the Company's liquidity position, together with the Company's commitments, available but undrawn credit facilities, and forecasts of future performance under various scenarios, the Board has a reasonable expectation that the Company is well positioned to continue to operate and meet its liabilities over the short term and the five year outlook period. While the Board has no reason to believe that the Company will not be viable beyond the specified outlook period, it is aware that it is difficult to foresee the viability of any business, including the potential impacts of climate related risks, over a longer period given the inherent uncertainty involved. As noted in the going concern statement in the Directors' Report the Directors have considered the upcoming discontinuation vote expected at the Company's AGM on 20 May 2025 in this assessment. The current uncertain and volatile conditions following the US election are not conducive to the Company realising the value of its assets and the Directors unanimously recommend that shareholders vote against it. The Board and Investment Manager will continue to monitor the market for similar assets as those held by the Company, with a view to the realisation of value from the Company's assets when the time is right. That time is not now based on prevailing market conditions described in the Chair's Statement which are not conducive to a sale for value.

Reflecting this view and initial feedback from some shareholders (and considering the 75% threshold required) the discontinuation vote is not expected to be passed. Should the discontinuation vote be passed the Directors would be required to put forward proposals to shareholders at a general meeting of the Company, to be held within four months of the Discontinuation Resolution being passed, to wind up or otherwise reconstruct the Company, having regard to the illiquid nature of the Company's underlying assets. Any such process given the past strategic review, and to ensure appropriate value is returned to shareholders, would be expected to ultimately conclude more than 12 months after the balance sheet date but would conclude within the viability period. The assumption used in the Viability Statement is that the vote will not be passed.

The Company has access through USF Avon LLC (a wholly owned subsidiary of the Company) to a \$20.0 million RCF. The RCF provides liquidity for capital expenditures, working capital and general corporate purposes until September 2025. The facility is currently undrawn with no forecast drawings expected. Whilst an ongoing refinancing exercise continues across the portfolio which is expected to replace the facility (see page 6), as the current facility expires in September 2025, for prudence this has not been assumed to be available in the viability assessment. The proposed refinancing will proactively address the near medium term refinancings required between 2026 to 2028 with the first debt expiring for Euryalus in June 2026. The proposed refinancing is expected to conclude by the end of April 2025.

It is important to note that the risks associated with investments within the solar infrastructure sector, including elevated inflation and climate related risks resulting in unfavourable weather conditions for extended periods, could result in a material adverse effect on the Company's performance and value of Ordinary Shares. When required, experts will be employed to gather information, including tax advisers, legal advisers, and environmental advisers.



**GILL NOTT**  
CHAIR  
9 April 2025

# SECTION 172

Section 172 of the Companies Act 2006 recognises that Directors are responsible for acting fairly as between members and in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, they are also required to consider the broader implications of their decisions and operations on other key stakeholders and their impact on the wider community and the environment. Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders. The Company's engagement with key stakeholders and the key decisions that were made or approved by the Directors during the year are described below:

## 1. SHAREHOLDERS

The Board is accountable to the shareholders for running the business of the Company, making key strategic decisions and all key service provider appointments. As covered in the Corporate Governance Report (pages 58 to 62), the Board communicates with shareholders and solicits their views where it considers it is appropriate to do so including throughout the strategic review process. The Board is non-executive and independent and delegates certain key activities, including the day-to-day investment management and asset management to the Investment Manager, and administration and company secretarial functions to the Administrator. The Board works closely with the Investment Manager, Company Secretary and its Corporate Brokers, to ensure it is aware of shareholders' needs or concerns. The Investment Manager liaises with shareholders through specified reporting of Company performance, strategy and outlook at set dates in the calendar, as well as ad hoc reporting of major announcements, and sessions organised by the Company's brokers. In addition, shareholders have the opportunity to meet the Board at the AGM. The Board also endeavours to respond to any written queries made by shareholders during the course of the period, or to meet with major shareholders if so requested. In addition to the formal business of the AGM, representatives of the Investment Manager and the Board are available to answer specific questions a shareholder may have from time to time.

## 2. LENDERS

The Company relies on Lenders in connection with existing debt facilities. The Company reduced its corporate RCF during the period. The Company through its Investment Manager works in close coordination with Lenders and provides project-level performance reports as well as ad hoc reporting of major announcements as required by the relevant financing arrangements. This maintains a constructive relationship with Lenders.

## 3. SERVICE PROVIDERS

The Company works with a number of key corporate service providers, including the Investment Manager, Administrator, Registrar and Independent Auditor, who provide services to ensure the smooth operation of the Company, including in the case of the Independent Auditor, periodic independent review of financial statements. The Board meets once a year to discuss and review the performance of the key service providers. The Board has regular contact with the two main service providers: the Investment Manager and Administrator through quarterly Board meetings. The Independent Auditor typically attends a number of the Audit Committee meetings scheduled throughout the year, to present their reports on the interim review and annual audit. The Company's underlying project companies also have project suppliers, including O&M and external asset managers. While there are currently no projects under construction, the Investment Manager's asset management team maintains relationships with all project suppliers, including landowners for leased sites, and grid operators. The Company has no employees, however the Board reviews health and safety metrics from external O&M service providers at each quarterly Board meeting.

## 4. GOVERNANCE

The Board regularly considers how it meets regulatory and statutory obligations and follows voluntary and best-practice guidance, including how any governance decisions it makes impact its stakeholders both in the short and long term. The AIC shapes the influence of the growing listed investment company segment in the London market, and the Company seeks to apply AIC guidelines where relevant to its operations, including the 2019 AIC Code of Corporate Governance.

## 5. PPA OFFTAKERS

The offtakers for the Company's assets provide the main source of revenue received by the Company, and the Company requires offtake agreements be entered into with credit-worthy counterparties as part of its investment mandate. The Company through its Investment Manager maintains regular contact with the PPA offtakers, including through project-level performance and ad hoc reporting. No offtaker is a related party of the Board or Investment Manager.

## 6. LOCAL COMMUNITIES

The local communities within which the Company's projects are based provide local support as well as human resources to work on the project sites. The Company works with landholders and city councils through the Investment Manager, to resolve matters including egress and access, erosion, and land management issues.

Complaint handling procedures are in place at all sites, with one minor complaint received during the year. This was in relation to access road re-grading at Chiloquin, part of the Heelstone portfolio, which is scheduled to be addressed when the weather allows in 2025.

Section 172(1) Statement Area	Comments and References
The issues, factors and stakeholders the Directors consider relevant in complying with section 172(1)(a)-(f) and how they have formed that opinion.	At each quarterly meeting, the Board receives a comprehensive report from the Investment Manager, serving as the primary information source regarding subsections (a)-(f). Additionally, the Investment Manager provides updates on specific customer, supplier, and contractor matters, including any disputes. Corporate brokers also furnish updates at alternating quarterly meetings to ensure awareness of existing and prospective shareholder concerns and an on ad-hoc basis raise any material concerns. The Company's risk register and reporting mechanisms facilitate the identification of items pertinent to the Board's Section 172(1) statement, and the Board actively engages the Investment Manager in dialogue concerning stakeholder concerns and the optimal strategies for addressing them to maintain positive engagement.
(a) The likely consequences of any decisions in the long term.	The Board considers the likely long-term impacts of its decisions on key stakeholders given the long-term nature of its investments. Refer to pages 58 to 62 – Corporate Governance Report.
(b) The interests of the Company's employees.	The Company has no employees.
(c) The need to foster the Company's business relationships with suppliers, customers and others.	Specific risks regarding the Investment Manager, Administrator and Lenders are set out above. Please also refer to pages 58 to 62 – Corporate Governance Report and pages 44 to 50 – Risk and Risk Management.
(d) The impact of the Company's operations on the community and environment.	The impact of the Company's operations on the local communities is set out above (refer to Principal Risks and Uncertainties). Please also refer to Responsible Investment – pages 31 to 41.
(e) The desirability of the Company maintaining a reputation for high standards of business conduct.	The Board aims to demonstrate excellence in stewardship and governance, and the independent Non-Executive Directors set the tone for maintaining and enhancing the Company's reputation. This includes maintaining ethical behaviour and respecting the environment. The Audit Committee complements the Board to ensure the highest standards of conduct, integrity, financial reporting, internal control and risk management systems, and corporate governance. Refer to pages 58 to 62 – Corporate Governance Report and pages 64 to 66 – Audit Committee's Report
(f) The need to act fairly as between members of the Company.	<p>The Company has a single class of Ordinary Shares and welcomes the views of shareholders.</p> <p>The Company produces a complete set of results documents twice a year which are available on its website, and senior members of the Investment Manager make themselves available to meet with principal shareholders as soon as it is reasonably practicable to do so following a request. The Board is kept fully informed of all relevant market commentary on the Company by the Company's public relations agency, as well as receiving relevant updates from the Investment Manager and Corporate brokers. The Company reports formally to shareholders twice a year and will hold an AGM in London on 20 May 2025 which shareholders will be able to attend, and members of the Board will be available to answer questions from shareholders. The Company Secretary and Company Registrar monitor voting at the AGM, and the results of voting at the AGM are announced by the Company promptly, and other notices and information are provided to shareholders on an ongoing basis through RNS announcements and on the Company's website.</p> <p>Shareholders may contact the Board through the Company Secretary, whose contact details are found on page 101 – Key Contacts. Please also refer to pages 58 to 62 – Corporate Governance Report</p>



# SUMMARY OF INVESTMENT POLICY



Rock Garden (Euryalus Portfolio)  
14.9MW<sub>DC</sub> (Oregon)

## OVERVIEW

The Company invests predominantly in utility-scale solar power plants primarily in the United States, but it may also invest in other OECD countries in the Americas.

The Company targets development, construction ready, in construction, or operational solar power assets that are designed and constructed to have an asset life of at least 30 years and are expected to generate stable electricity output and revenue over the lifespan of the asset.

The Company's Investment Policy was changed by ordinary resolution of the shareholders in accordance with the UK Listing Rules on 17 November 2023. The changes were principally clarificatory in nature, bringing the Company's Investment Policy into line with the market and its peer group as well as expressly including late-stage development investments in scope for the Company. The Investment Policy is summarised below and available in full here: [https://www.ussolarfund.co.uk/sites/default/files/267093\\_us\\_solar\\_fund\\_circular\\_web.pdf](https://www.ussolarfund.co.uk/sites/default/files/267093_us_solar_fund_circular_web.pdf)

## INVESTMENT PARAMETERS

Maintaining the performance of the existing portfolio is the Company's key focus.

Revenue exposure to merchant power prices is managed by the Company with the appropriate use of PPAs, REC Agreements, capacity contracts or other similar revenue contracts with creditworthy (predominantly investment grade) private and public sector offtakers. PPAs may be structured as physical electricity contracts, contracts for difference, or other hedge-based arrangements.

To the extent that a solar power asset generates electricity in addition to volumes required under a PPA, such excess may be sold into a wholesale market if available or the Company may seek to sell such electricity to another offtaker under a short or long-term contract.

To the extent attractive opportunities to expand the portfolio arise, the Company may acquire, directly or indirectly, develop and/or construct and operate solar power assets.

The inclusion of development stage assets will allow for greater diversification of investments and facilitate opportunities for future accretive growth of the Company. The Company will only target late-stage development assets which, at a minimum, have secured grid connection, planning approvals and appropriate revenue arrangements, which minimises exposure to development risks but maximises the Company's competitive advantage compared to mature asset acquisitions.

The Company expects that construction-ready or in-construction solar power assets will be operational within 12 months from commitment. As some offtakers execute PPAs more than 12 months in advance of the required commencement date, the Company may commit to acquire assets which will be operational more than 12 months from the time of commitment but seeks to limit capital commitments before construction commences.

## INVESTMENT RESTRICTIONS

In order to spread its investment risk, the Company has adopted certain investment restrictions, in each case to be measured at the time of the relevant investment, including:

- the Company may invest up to 30% of total assets in a single asset;
- the Company may invest up to 15% of total assets in development stage assets;
- the aggregate value of the Company's investment in assets under contract to any single offtaker will not exceed 40% of total assets; and
- Solar assets in the US will represent at least 85% of total assets.

As a London Stock Exchange listed company, the Company is also subject to certain restrictions pursuant to the UKLA Listing Rules.

# BOARD OF DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and policy and its investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the supervision and control of the Investment Manager. The Directors have delegated responsibility for managing the assets comprising the portfolio to the Investment Manager. Further information on the Board is provided at [www.ussolarfund.co.uk](http://www.ussolarfund.co.uk).



**GILL NOTT**  
NON-EXECUTIVE CHAIR

**DATE OF APPOINTMENT:**  
15 February 2019

## BACKGROUND AND EXPERIENCE

Gill has spent the majority of her career working in the energy sector, including positions with BP. In 1994 she became CEO of ProShare, a not-for-profit organisation promoting financial education, savings and investment, and employee share ownership. She was a Non-Executive Director of the Financial Services Authority from 1998 until 2004. Subsequently she has held numerous board roles, including being a Non-Executive Director of Liverpool Victoria Friendly Society, a leading insurer, and deputy chair of the Association of Investment Companies. Gill has served as both a Non-Executive Director and chair of a number of venture capital trusts and investment trusts. She is currently chair of Premier Miton Global Renewables Trust plc, PMGR Securities 2025 plc and Gresham House Renewable Energy VCT 1 plc.

## ROLE:

Chair | Member of the Audit Committee, Remuneration and Nomination Committee and Management Engagement Committee



**THOMAS PLAGEMANN**  
NON-EXECUTIVE DIRECTOR

**DATE OF APPOINTMENT:**  
29 June 2020

## BACKGROUND AND EXPERIENCE

Thomas has almost 30 years of experience originating and executing financings and investments in energy and infrastructure assets. Currently, Thomas is the Chief Executive Officer of ClearLight Solar LLC, a residential solar platform backed by Blackstone Credit and Insurance. Thomas previously served as the chief financial officer for PosiGen Inc., a New Orleans based residential solar and energy efficiency company focused on energy efficiency upgrades and installation of solar on homes in low-income communities. Prior to that, Thomas was the chief commercial officer at Vivint Solar, a leading residential solar business in the US and held senior positions at Santander Global Banking and Markets, First Solar and GE Capital. Thomas is an elected director on the board of the Solar Energy Industry Association, a non-profit trade association of the solar-energy industry in the US.

## ROLE:

Member of the Audit Committee, the Remuneration and Nomination Committee and Management Engagement Committee



**JAMIE RICHARDS**  
NON-EXECUTIVE DIRECTOR

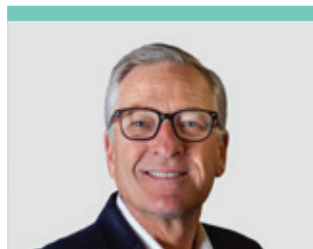
**DATE OF APPOINTMENT:**  
15 February 2019

## BACKGROUND AND EXPERIENCE

Jamie is a chartered accountant and has 30 years' experience in fund management, banking and corporate recovery with a focus on the infrastructure and solar sector. Jamie was previously a partner at Foresight Group having joined in 2000. Between 2007 and 2018 he had overall responsibility from inception for the group's infrastructure and solar business in the UK, Australia, Italy, Spain and the US. As a member of the investment committee, he oversaw more than 100 solar projects representing the group's approximately £1.5 billion solar portfolio at the time and led the IPO of Foresight Solar Fund Limited. Prior to Foresight, Jamie worked at PwC, Citibank and Macquarie.

## ROLE:

Chair of the Audit Committee | Chair of the Remuneration and Nomination Committee | Member of the Management Engagement Committee



**MARK LERDAL**  
NON-EXECUTIVE DIRECTOR

**DATE OF APPOINTMENT:**  
1 October 2024

## BACKGROUND AND EXPERIENCE

Mark is based in San Francisco, and is an experienced board director with over thirty years' experience in the energy and renewables sectors. He began his career working with developers, including as CEO of Kenetech, a large wind and alternative energy developer, constructor and operator. Mark has held several other senior renewables roles including Executive Chair at Leaf Clean Energy, a renewable energy and sustainable technology investment firm formerly listed on the AIM division of the London Stock Exchange. Mark has a number of board/advisory roles including as an adviser to Adapture Renewables and a board member of BluePath Finance.

## ROLE:

Chair of the Management Engagement Committee | Member of the Audit Committee and the Remuneration and Nomination Committee

# DIRECTORS' REPORT

## PRINCIPAL ACTIVITY AND STATUS

US Solar Fund plc was incorporated as a Public Company, limited by shares, in England and Wales on 10 January 2019 with registered number 11761009. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF. Its share capital is denominated in US dollars (USD or \$) and currently consists of Ordinary Shares. The Company's principal activity is to invest in a diversified portfolio of solar power assets located in North America and other countries forming part of the OECD in the Americas.

## DIRECTORS

All Directors are Non-Executive Directors.

The Company maintains £20 million of directors' and officers' liability insurance coverage which was in place throughout the period, and which continues in effect at the date of this report. As at the date of this report, and in so far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Details of the fees paid to Directors in the period are set out in the Directors' Remuneration Report on pages 67 to 68.

In accordance with UKLR 6.6.6(1)R, Directors' interest in the shares of the Company (in respect of which transactions are notifiable to the Company under FCA Disclosure and Transparency Rule 3.1.2(R)) as at 31 December 2024 are shown below:

Director	Ordinary Shares	% of issued share capital
<b>Gill Nott</b>	126,000	0.04%
<b>Jamie Richards</b>	185,112	0.06%
<b>Mark Lerdal</b>	—	—
<b>Thomas Plagemann</b>	—	—

## SIGNIFICANT SHAREHOLDING

As at 31 December 2023, the Company was aware of or had received notification in accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 5 of the following interests in 3% or more of USF's shares to which voting rights are attached:

Shareholder	Ordinary Shares	% of total voting rights
<b>Weiss Asset Management LP</b>	29,090,857	21.21% <sup>39</sup>
<b>CCLA Investment Management</b>	23,087,540	7.50%
<b>Baillie Gifford</b>	20,790,604	6.75%
<b>Sarasin &amp; Partners LLP</b>	19,828,810	6.44%
<b>Cantor Fitzgerald Asset Management Europe</b>	15,519,047	5.04%
<b>Almitas Capital LLC</b>	8,609,579	4.27% <sup>40</sup>
<b>Gravis Advisory Ltd</b>	11,931,066	3.88%
<b>Privium Fund Management BV</b>	11,205,386	3.64%
<b>Hargreaves Landsdown Asset Management</b>	11,173,441	3.63%
<b>Metage Capital Ltd</b>	9,710,944	3.15%

Since the year end, the Company has been notified of the following changes in holding of voting rights in the Company:

Shareholder	Date threshold crossed or reached	Total % of voting rights	
		Position of previous notification	Resulting situation on date threshold was crossed or reached
<b>Weiss Asset Management LP</b>	9 January 2025	21.56%	22.21% <sup>41</sup>

There have been no other changes notified to the Company in respect of the above holdings, and no other new holdings notified, since year end.

<sup>39</sup> This comprises of 9.45% voting rights attached to Ordinary Shares and 12.11% voting rights through financial instruments.

<sup>40</sup> This comprises of 2.8% voting rights attached to Ordinary Shares and 1.47% voting rights through financial instruments.

<sup>41</sup> This comprises of 9.66% voting rights attached to Ordinary Shares and 12.55% voting rights through financial instruments.

## GOING CONCERN

The Board has reviewed a set of financial projections of the cash flow and distribution profile of the Company prepared by the Investment Manager. The Board has assessed the prospects of the Group by reviewing its short-term cash flow forecast which covers a two-year period and completed a detailed assessment to support the going concern conclusion for the 12 months following the signing of the Annual Report. After assessing these risks, and reviewing the Company's liquidity position, together with forecasts of the Company's future performance under various scenarios, the Board has a reasonable expectation that the Company will continue to meet its obligations as they fall due for at least the next 12 months.

The Company has access through USF Avon LLC (a wholly owned subsidiary of the Company) to a \$20.0 million RCF. The RCF provides liquidity for capital expenditures, working capital and general corporate purposes until September 2025. The facility is currently undrawn with no forecast drawings expected. Whilst an ongoing refinancing exercise continues across the portfolio which is expected to replace the facility (see page 6), as the current facility expires in September 2025, for prudence this has not been assumed to be available in the going concern assessment. The proposed refinancing will proactively address the near medium term refinancings required between 2026 to 2028 with the first debt expiring for Euryalus in June 2026. The proposed refinancing is expected to conclude by the end of April 2025.

Because the Company has traded at an average discount to NAV in excess of 10% over the course of 2024, the Company's Articles require that a special resolution be proposed at the Company's forthcoming AGM, for shareholders to vote to wind up or otherwise reconstruct the Company. If a discontinuation resolution is passed (requiring the approval of at least 75% of the votes cast in respect of it), the Company's Articles provide the Board with four months to put forward a proposal to shareholders. The Directors have considered the upcoming discontinuation vote expected at the Company's AGM in their assessment of going concern. Given current uncertainties in the US market, the Board believes it would be very difficult to achieve a realisation of the Company's assets currently other than at a distressed price, and does not recommend a discontinuation.

The Directors' assessment of going concern included reflection of this view and feedback from shareholders has been supportive of realising value from the Company's assets when market conditions are conducive to a sale for value. Additionally, the discontinuation vote proposed at the 2024 AGM was not passed. Should the discontinuation vote be passed the Directors would be required to put forward proposals to Shareholders at a general meeting of the Company, to be held within four months of the Discontinuation Resolution being passed, to wind up or otherwise reconstruct the Company, having regard to the illiquid nature of the Company's underlying assets, and implementation of any such proposal would be expected to extend beyond the current going concern period. As such, and reflecting the Company's strong liquidity position noted above, the Board concluded that it is appropriate to adopt the going concern basis of preparation in preparing these financial statements. For further details on going concern please see note 2 of the Financial Statements.

## 2024 ANNUAL GENERAL MEETING

Shareholders are invited to attend the Company's AGM to be held at the offices of JTC, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF on Tuesday, 20 May 2025 at 3:00 p.m. The AGM notice and explanatory notes are set out from page 102.

Those shareholders who are unable to attend the AGM in person are encouraged to raise any questions in advance with the Company Secretary at USSolarFund-CompanySecretary@jtcgroup.com (please include 'USF AGM' in the subject heading and include your name and shareholder reference number, which can be found on your share certificate, proxy form or email broadcast from the Company). To the extent that it is appropriate to do so, we will respond to any questions received in a Q&A which will be posted on the Company's website, in advance of the AGM. Please note all questions should be submitted by close of business on Tuesday, 13 May 2025. If you are unable to locate your reference number, please contact the Company's Registrar, Computershare Investor Services PLC on 0370 703 6253.

You may not use any electronic address provided in this section to communicate with the Company for any purposes other than those expressly stated.

Further, the Investment Manager will make available a presentation to shareholders in advance of the AGM. The presentation is expected to be available on the Company's website (<https://www.ussolarfund.co.uk/>) on Monday 12 May 2024.

## RESOLUTIONS TO BE PROPOSED AT THE AGM

There are 14 resolutions being proposed at the forthcoming AGM, 10 as ordinary resolutions, including approval of the Annual Report and Audited Financial Statements for the year ended 31 December 2024, as well as approving the Directors Remuneration Report contained within the 2024 Annual Report (Resolution 1 and 2). Ordinary Resolutions require 50% of the votes cast, whereas the four Special Resolutions require 75% of the votes cast to be in favour of the relevant resolution, for that resolution to carry. Resolution 14 a Special Resolution, is a Discontinuation resolution, for which the Board unanimously recommends to vote AGAINST. Further information on these resolutions as well as voting recommendations is given in the Notice of AGM and explanatory notes from page 102.

## POLITICAL CONTRIBUTIONS

The Company made no political contributions during the period. Signed by order of the Board



**GILL NOTT**

CHAIR

9 April 2025



# CORPORATE GOVERNANCE REPORT

The Board reports against the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code). The AIC Code, which has been endorsed by the Financial Reporting Council, addresses provisions set out in the UK Corporate Governance Code (the UK Code), as well as including additional provisions that are of specific relevance to the Company.



The AIC Code is available on the AIC website (<https://www.theaic.co.uk/aic-code-of-corporate-governance>).

The Company has complied with the AIC Code during the year under review, except as disclosed below:

**Provision 14:** Due to the size of the Board a Senior Independent Director has not been appointed. The Chair and Investment Manager maintain appropriate communication with shareholders. If required, the other Directors are available to shareholders. As the Board is small, any issues are discussed and dealt with by the Board as a whole. In the circumstance that there would be any issues with the Chair, the remaining Directors would deal with these. There is a joint Remuneration and Nomination Committee, where any evaluation of the Board Chair's performance, re-election, or the recruitment of their successor is discussed.

## THE BOARD

The Board currently comprises of Gill Nott (Chair), Jamie Richards, Thomas Plagemann and Mark Lerdal.

All Directors are deemed independent of the Investment Manager and biographical details of all Board members are included on page 55.

The conditions of appointment of Directors are available to shareholders upon request and are also available on the Company's website.

In accordance with the AIC Code, Gill Nott, Jamie Richards and Thomas Plagemann will retire at the forthcoming AGM and being eligible will offer themselves for re-election. Mark Lerdal will stand for election to the Board.

Full Board meetings take place quarterly and the Board meets or communicates more regularly on an ad hoc basis to address specific issues. The Board has a formal schedule of matters specifically reserved for its decision, which includes but is not limited to: considering recommendations from the Investment Manager, ensuring the Company is delivering on its strategy and monitoring performance against the Company's strategic objectives.

The Board has also established procedures whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice at the Company's expense.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chair, in advance of each Board meeting.

### BOARD COMPOSITION DURING THE YEAR

During the year the composition of the Board changed. At the start of the reporting period the Board comprised of Gill Nott (Chair), Jamie Richards, Rachael Nutter, and Thomas Plagemann. However, Rachael Nutter stepped down as a Non-Executive Director, following the conclusion of the Company's AGM on 21 May 2024.

As a result of this, a recruitment process was carried out and Mark Lerdal was appointed as a new Non-Executive Director on 1 October 2024. Details regarding the recruitment process can be found in the below Remuneration and Nomination Committee section.

### BOARD COMMITTEES

The Board has delegated a number of areas of responsibility to its three committees: the Audit Committee, the Remuneration and Nomination Committee and the Management Engagement Committee. Each committee has defined terms of reference and duties, which are available on the Company's website.

### THE AUDIT COMMITTEE

The Audit Committee consists of the full Board and is chaired by Jamie Richards. Jamie is a chartered accountant and has recent and relevant financial experience.

The Audit Committee typically normally meets at least three times a year.

A full list of matters reserved for the Audit Committee is included within the Audit Committee Report on pages 64 to 66.

### THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is comprised of the whole Board and is chaired by Jamie Richards.

In accordance with the Committee's terms of reference, no Director is involved in any decisions with respect to their own remuneration.

The Company's Remuneration policy was approved at the Company's AGM held on 24 May 2023 as part of the regulatory three year approval process. Full details on this policy can be found in the Remuneration Report on pages 67 to 68.

This Committee meets as required to consider, amongst other things, the following:

- in conjunction with the Chair, setting the Directors' remuneration levels;
- considering the need to appoint external remuneration consultants;
- the process for appointments;
- ensuring plans are in place for orderly succession to the Board; and
- the development of a diverse pipeline for succession.

### RECRUITMENT OF NEW DIRECTOR

As referenced in the Board Composition section of this report, Rachael Nutter stepped down as a Director on 21 May 2024.

Upon Rachael Nutter's resignation, Jamie Richards assumed the positions of chair of the Remuneration and Nomination Committee and Management Engagement Committee.

The Remuneration and Nomination Committee engaged in an extensive recruitment campaign to find and appoint a new Non-Executive Director. This involved establishing a detailed specification for the role; various meetings and discussions with the recruitment consultant appointed for the search, Trust Associates; review of a long list of potential candidates, reducing it to a short list of interviewees; and the interviewing of candidates. Detailed examination was conducted for the specific skills and experience required for a solar and renewable energy investment company. The Committee evaluated the balance of skills, knowledge and experience, considering all candidates on merit, against objective criteria, and with due regard for the benefits of diversity on the Board. Following the interview stage, the Committee unanimously agreed to recommend Mark Lerdal to the Board as the most qualified candidate.

Mark Lerdal was appointed as an independent Non-Executive Director on 1 October 2024. He is based in San Francisco, US and is an experienced board director with over thirty years' experience in the energy and renewable sectors. Upon his appointment, Mark assumed the role of chair of the Management Engagement Committee.

### DIVERSITY

The Remuneration and Nomination Committee is aware of the Hampton Alexander Review on board gender diversity, the Parker Review on ethnic diversity and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management.

The Board is chaired by Gill Nott, the Audit and Remuneration and Nomination Committees are chaired by Jamie Richards and the Management Engagement Committee is chaired by Mark Lerdal.

The Company has no employees beyond its Non-Executive Board, with executive management provided by its Investment Manager.

# CORPORATE GOVERNANCE REPORT CONTINUED

## GENDER IDENTITY AND ETHNIC BACKGROUND REPORTING AS OF 31 DECEMBER 2024

	Number of Board members	Percentage of USF Board	Number of committee chair positions	Number in executive management at Amber	Percentage of executive management at Amber
<b>Gender identity</b>					
Women	1	25%	0	9	45%
Men	3	75%	3	11	55%
<b>Ethnic background</b>					
White British or other white (including minority-white groups)	4	100%	3	18	90%
Mixed/multiple ethnic groups	0	0%	0	1	5%
Asian/Asian British	0	0%	0	1	5%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%

The Board currently comprises four members each serving their initial terms. The Company does not currently meet the diversity targets set out in UKLR 9.8.6(9)R, in relation to the requirements that at least 40% of the individuals on the Board are women and at least one individual on its Board be from a minority ethnic background. However, the gender diversity target was met during the period from 1 January 2024 to 21 May 2024 as the Board comprised of two female Non-Executive Directors and two male Non-Executive Directors. The Board is aware of the importance and benefits of diversity including gender and ethnicity, as well as the increased focus on this area. When recruiting new directors the Remuneration and Nomination Committee will consider a diverse list of candidates, and will continue to prioritise diversity in future appointments, while ensuring any appointee is also the best candidate for the role and has a strong fit with the rest of the Board and the Investment Manager. Following the recruitment process, Mark Lerdal was selected as the best candidate for the role with over thirty years of experience in the energy and renewables sector.

### DIVERSITY POLICY

In reviewing Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, differences in knowledge and understanding of relevant diverse geographies, peoples and their backgrounds including race or ethnic origin, sexual orientation, gender, age, disability or religion and national origin. Diversity also includes differences in backgrounds, experiences, physical abilities, socio-economic backgrounds, perspectives, thoughts, interests and ideas, in order to maintain an appropriate range and balance of skills, experience and background on the Board.

### REVIEW OF BOARD REMUNERATION

During the year, the Remuneration and Nomination Committee carried out a review of the Directors' fees. This review was supported by a peer group fee analysis report prepared by the Company Secretary. Noting that, the Chair's remuneration was increased by 8% and the remaining Directors remuneration was increased by 5% from 1 December 2023; the Committee concluded that the current remuneration remained appropriate and in line with the average remuneration paid by the Company's peer group.

Details of the fees paid to the Directors during 2024 and the fees to be paid in 2025 are set out in the Directors' Remuneration Report on pages 67 to 68.

Director	Annual fee to be paid in 2025 (£)	Annual fee received during 2024 (£)
<b>Gillian Nott</b> (Director and Chair)	68,040	68,040
<b>Jamie Richards</b> (Director and Audit Committee Chair)	55,125	55,125
<b>Rachael Nutter</b> <sup>42</sup>	–	17,255
<b>Thomas Plagemann</b>	44,100	44,100
<b>Mark Lerdal</b> <sup>43</sup>	44,100	11,025

<sup>42</sup> Rachael Nutter resigned following the Company's 2024 AGM on 21 May 2024.

<sup>43</sup> Mark Lerdal was appointed on 1 October 2024.

## BOARD EVALUATION

During the year, the Board undertook a formal internal annual evaluation of its own performance by way of a questionnaire which was completed by each Director. The assessment was led by the Chair of the Remuneration and Nomination Committee, Jamie Richards and along with the Chair of the Board, the results were then discussed with the remaining Board members. It was concluded that under the leadership of the Company's Chair, the Board performed well and worked effectively together to achieve objectives in the best interests of the Company and its shareholders. Each Director made a positive contribution, and the Board was considered well balanced with no weaknesses in the Board's capabilities being identified.

## EVALUATION OF THE CHAIR

The evaluation of the Chair was led by the Chair of the Remuneration and Nomination Committee with contributions from the other Directors. The Directors' feedback showed that the Chair effectively promoted a culture of openness and debate, facilitated constructive Board relations and ensured all Board members contributed effectively.

## TENURE OF CHAIR AND SUCCESSION POLICY

The Board has adopted a policy on chair tenure and succession planning. In line with this policy, the Chair should be in place for a maximum of nine years. As stated in the AIC Code, the chairs of investment companies differ to chairs of other companies which means that the maximum tenure of nine years provided in the AIC Code does not necessarily apply. However, to address the need for diversity, the Board's policy adopts a maximum nine year tenure for the chair position.

The Board's policy for succession planning is that there should be forward-looking and detailed succession and refreshment plans when proposing re-election of long-serving members. Any member of the Board who has served for nine years will be subject to a particularly rigorous review and evaluation process to determine whether they remain independent and should continue in their position. Each Board member is subject to annual re-election at each AGM. To date, no Director has been on the Board for nine years or more. Due consideration will be given to tenure and succession in respect of Gill Nott and Jamie Richards who joined the Board at the same time.

## THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is comprised of the entire Board and is chaired by Mark Lerdal.

This Committee meets as required to consider, amongst other things, the appointment and terms of engagement of the Company's service providers including the Investment Manager and AIFM, and the performance of all key service providers. The Independent Auditor is not included in this review as its appointment and evaluation falls under the remit of the Audit Committee.

## ACTIVITIES DURING THE YEAR

The Committee met once during the year to review the service levels and the fees for the key service providers to the Company. The Committee has recommended retention of the existing service providers to the Company, having challenged fee and service levels as appropriate. Key services providers will continue to be reviewed, at least, annually.

## APPOINTMENT OF NEW LEGAL ADVISER

Following a review during the period, the Board appointed Hogan Lovells International LLP as the Company's legal advisor, effective in April 2024, replacing Herbert Smith Freehills.

## INVESTMENT MANAGER AND AIFM

A robust evaluation of the performance of the Investment Manager and Alternative Investment Fund Manager (AIFM) was conducted by the Committee taking into consideration the activities that had occurred throughout the year. It was concluded that the Investment Manager had complied with the terms of their Investment Management Agreement (IMA) and had met their obligations to the Company as Investment Manager and AIFM during the period under review. The fees paid to the Investment Manager and the AIFM were reviewed by the Committee and it was concluded that these are reasonable.

## BOARD AND COMMITTEE MEETINGS

The following table sets out the Directors' attendance at the Board and Committee meetings during the period:

Director	Board	Audit Committee	Remuneration and Nomination Committee	Management Engagement Committee
Gillian Nott	4/4	4/4	1/1	1/1
Rachael Nutter <sup>44</sup>	2/4	1/4	0/1	0/1
Jamie Richards	4/4	4/4	1/1	1/1
Thomas Plagemann	4/4	4/4	0/1	1/1
Mark Lerdal <sup>45</sup>	1/4	1/4	1/1	1/1

<sup>44</sup> Rachael Nutter resigned following the Company's 2024 AGM on 21 May 2024.

<sup>45</sup> Mark Lerdal was appointed on 1 October 2024.

## ADDITIONAL AD HOC MEETINGS

In addition to the above quarterly meetings, there are also additional ad hoc meetings; these are generally called to approve trading updates, specific announcements on portfolio activity and other general corporate matters and frequently involve a quorate subcommittee of the Board, appointed as necessary. During the current period, additional meetings were held to discuss the tender offer and refinancing. The Board undertook an exercise to explore likely terms for a refinancing of the senior debt facilities. Following conclusion of the exercise, the Board determined a bank refinancing to be an attractive option for the Company. Representatives of JTC (UK) Limited attend all scheduled meetings as Secretary to the Board. In addition, representatives of the Investment Manager, the Independent Auditor and other advisers, are invited to attend as required.



# CORPORATE GOVERNANCE REPORT CONTINUED

## THE BOARD AGENDA

At quarterly meetings, the Board follows a formal agenda which generally includes:

- the Investment Manager's Report for the period, including strategic performance, a review of the performance of the investments and market conditions;
- financial results against budget and cash flow forecasts, including dividends declared and forecast;
- reports and updates on shareholder and investor communications;
- the corporate governance and secretary's report, with a review of policies and procedures, a compliance report and an update on legislative/regulatory obligations as appropriate; and
- recommendations and updates from Board committees as appropriate.

## KEY ACTIVITIES OF THE BOARD DURING 2024

In the first half of the year, the Board prioritised returning approximately \$18 million to participating shareholders via a tender offer, which concluded in June 2024.

In light of this return of capital, and in order to improve operational cash dividend coverage during the remainder of the year, the Board decided it was prudent to reduce the target dividend. The Board will revise the dividend target in light of any improvement in the coverage as a result of successfully completing the proposed refinancing.

Succession planning was a key focus in the latter half of the year. Following Rachael's departure in May 2024, the Nomination Committee initiated a formal recruitment process, leading to the appointment of Mark Lerdal as a Non-Executive Director, effective 1 October 2024.

The Company communicates with shareholders and solicits their views where it considers it is appropriate to do so. Shareholders are invited to attend the AGM where they have the opportunity to ask questions of the Directors. The Board also makes itself available to respond to written queries made by shareholders or to meet with major shareholders if so requested. During the period, the Board has communicated and met with shareholders on several occasions.

In relation to the conduct of the Company's 2025 AGM, voting on all resolutions will be conducted by way of poll rather than a show of hands. This is considered a more transparent method of voting as member votes are counted according to the number of shares held. As soon as practicable following the meeting the results of the voting and number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a regulatory information service and also placed on the Company's website.

## INTERNAL CONTROL AND RISK MANAGEMENT

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company (including the financial reporting process) to the Investment Manager (Amber Infrastructure Investment Advisor LLC) and Administrator (JTC (UK) Limited).

The Audit Committee keeps under review the internal financial controls and internal control and risk management, ensuring that the procedures to be followed by the advisers and themselves are in place.

The Board then reviews the effectiveness of the internal controls system, based on the report from the Audit Committee, on an annual basis to ensure that the controls remain relevant and were in operation throughout the year.

The Board conducted its annual review of the Financial Position and Prospectus Procedures (**FPPP**) Board memorandum which was prepared by the Investment Manager, Company Secretary, and Administrator. This sets out the procedures operating to identify the information needed to monitor the business and manage risk so as to make proper judgements on its financial position and prospects. In addition, it sets out the procedures to identify, assess and document the risk factors likely to impact on the Company's financial position, prospects and any changes and on the preparation and communication to the Directors of related information.

As part of its regular risk assessment procedures, the Board takes account of the significance of environmental, social and governance matters to the business of the Company. The Board has identified and assessed the significant ESG risks to the Company's short and long-term value, as well as the opportunities to enhance value that may arise from an appropriate response. The Company relies on the ESG policy of the Investment Manager, which is updated from time to time in line with industry standards. Further information on the Company's approach to ESG can be found on page 31.

## ANTI-BRIBERY POLICY

The Company operates an anti-bribery policy to ensure that it meets its responsibilities arising from the *Bribery Act 2010*.



**GILL NOTT**  
CHAIR  
9 April 2025



Sonne Two (Heelstone) 7.0MW<sub>DC</sub>  
(North Carolina)





# AUDIT COMMITTEE REPORT

**The Audit Committee (the Committee) is chaired by Jamie Richards and comprises all the independent Directors set out on page 55. The Committee operates within clearly defined terms of reference and includes all matters indicated by Rule 7.1 of the UK FCA's DTRs and the AIC Code.**



The terms of reference were reviewed during the year under review and were updated to enhance the Committee's scope to consider key risks facing the Company. The Board is satisfied that the Committee is properly constituted with one member of the Committee who is a chartered accountant with recent and relevant financial experience.

The Committee meets three times a year, and at such other times as the Committee shall require. Representatives of the Administrator and the Investment Manager may be invited to attend meetings as and when deemed appropriate.

## **ROLE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE**

The function of the Committee is to ensure that the Company maintains the highest standards of integrity, financial reporting, internal and risk management systems and corporate governance. The main duties of the Audit Committee are:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- review and challenge of the critical estimates and key judgements within the financial statements such as the assumptions supporting the valuation of the Company's investments, including discount rates and forecast merchant power prices, which are determined by the Investment Manager and Independent Valuer;
- reporting to the Board on the appropriateness of the Company's accounting policies and practices including critical judgement areas;
- reviewing the valuation of the Company's investments prepared by the Investment Manager, and making a recommendation to the Board on the valuation of the Company's investments;
- meeting regularly with the Auditor to review their proposed audit plan and the subsequent audit report and assess the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work;
- making recommendations to the Board in relation to the appointment, reappointment or removal of the Auditor and approving their remuneration and the terms of their engagement;
- monitoring and reviewing annually the Auditor's independence, objectivity, expertise, resources, qualification and non-audit work;
- reviewing the effectiveness of the accounting and internal control systems of the Company and considering annually whether there is a need for the Company to have its own internal audit function;
- reviewing and considering the UK Code, the AIC Code, the FRC Guidance on Audit Committees and the Company's institutional investors' commitment to the UK Stewardship code;

- monitoring the progress of the Company's strategic review and determining the impact on the Annual Report and financial statements; and
- reviewing the risks facing the Company and monitoring the risk matrix.

The Audit Committee is required to report formally to the Board on its findings after each meeting on all matters within its duties and responsibilities. The Company's risk assessment process is a risk based approach to internal control through a matrix which identifies key risks undertaken by the Investment Manager and Administrator, the risks associated with each activity and the controls employed to minimise risks.

Based on the results the Audit Committee establishes the Company's risk appetite against which the Investment Manager reports three times a year. The Board and the Investment Manager have clearly defined investment criteria, return targets, risk appetite and counterparty exposure limits. Reports on these performance measures, combined with cash projections and quarterly investment valuations are submitted to the Board for review at each quarterly meeting.

## FINANCIAL REPORTING

The primary role of the Committee in relation to financial reporting is to review with the Investment Manager, the Administrator and the Auditor the appropriateness of the half-year report and Annual Report and financial statements, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- amendments to legislation and corporate governance reporting requirements and accounting treatment of new transactions in the year;
- the impact of new and amended accounting standards on the Company's financial statements;
- whether the Audit Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the half year report and Annual Report and financial statements;
- whether 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 performance, business model and strategy;
- material areas in which significant judgements and estimates have been applied or there has been discussion with the Auditor; and
- any correspondence from regulators in relation to the Company's financial reporting.

## MEETINGS

During the year covered by this report, the Committee met formally on four occasions. The Committee considered and discussed the following matters:

- consideration of the terms of reference of the Audit Committee;
- review of the Company's risk register;
- review of the internal controls of the Investment Manager and Administrator;
- review and approval of the audit plan of the Auditor and timetable for the interim and annual financial statements; and
- detailed review of the interim financial statements and Annual Report including active consideration of the judgements associated with the investment held at fair value and discussions with the Company's Independent Valuer. Valuation of investments is discussed in more detail below given its significance.

## VALUATION OF INVESTMENTS

As outlined in note 10 to the financial statements, the total carrying value of the investments at fair value as at 31 December 2024 was \$193.3 million (2023: \$254.7 million). Market quotations are not available for these financial assets, and as such, their valuation is undertaken using a discounted cash flow methodology. This requires a series of material judgements to be made, as further explained in note 3 to the financial statements.

The valuation process and methodology were discussed by the Audit Committee with the Investment Manager at the time of the interim review, prior to the year-end valuation process, and again in March/April 2025 as part of the year-end sign-off process. The Independent Valuer, KPMG, carries out a valuation semi-annually, including a review of the valuation discount rates as at 31 December 2024. In September 2024, the Investment Manager provided a report to the Audit Committee that supported the valuation of the portfolio at 30 June 2024. The Independent Valuer also provided a report to the Audit Committee in March/April 2025 confirming that the discount rates adopted as at 31 December 2024 were reasonable.

## KEY FORECAST ASSUMPTIONS

The Audit Committee considered in detail those assumptions that are subject to judgement that have a material impact on the valuation. A significant proportion of the solar projects' income streams are power income under long-term PPAs; some of which have fixed price mechanisms. However, over time the proportion of power income that is fixed reduces and the proportion where the Company has exposure to wholesale electricity prices increases. The Investment Manager considers the forecasts provided by two expert energy advisers and adopts a profile of assumed future power prices by location of the solar assets.

The Investment Manager's valuation methodology is set out on pages 28 to 30 and other key macroeconomic, asset life and cost assumptions and sensitivities considered by the Audit Committee are included in note 10 to the Financial Statements.



# AUDIT COMMITTEE REPORT CONTINUED

## AUDITOR INTERACTION

The Independent Auditor explained the results of their review of the valuation, including their consideration of the Company's underlying cash flow projections, the macroeconomic assumptions and discount rates to the Audit Committee. Based on their audit work there were no adjustments proposed that were material in the context of the 31 December 2024 financial statements as presented.

## INTERNAL AUDIT

The Committee considers at least once a year whether there is a need for an internal audit function. Currently it does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

## EXTERNAL AUDIT

Deloitte LLP has performed the role of Independent Auditor since the Company's inception and was retained by the Board during the year as the Independent Auditor.

## EFFECTIVENESS OF THE AUDIT PROCESS

To fulfil its responsibility regarding the independence of the Auditor, the Committee has considered:

- Discussions with or reports from the Auditor describing its arrangements to identify, report and manage any conflicts of interest
- The extent of non-audit services provided by the Auditor and arrangements for ensuring the independence and objectivity and robustness and perceptiveness of the Auditor and their handling of key accounting and audit judgements

To assess the effectiveness of the Auditor, the Committee has reviewed and challenged:

- The Auditor's fulfilment of the agreed audit plan and variations from it
- Discussions or reports highlighting the major issues that arose during the course of the audit
- Feedback from other service providers evaluating the performance of the audit team
- Arrangements for ensuring independence and objectivity
- Robustness of the Auditor in handling key accounting and audit judgements

The Committee is satisfied with Deloitte's effectiveness and independence as Auditor, having considered the degree of diligence and professional scepticism demonstrated by them.

## FAIR, BALANCED AND UNDERSTANDABLE

As a result of its review of the Annual Report and accounts, underpinned by its discussions with operating and finance management regarding the Strategic Report, and with the finance team regarding the financial statements, the Committee advised the Board that, in the Committee's view, the Annual Report and accounts, 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.

## NON-AUDIT SERVICES

Details of audit and non-audit fees paid to the Independent Auditor Deloitte LLP during the year are disclosed in note 7 to the financial statements. The Committee approved these fees after a review of the level and nature of work to be performed and are satisfied that they are appropriate for the scope of the work required.

The objectivity of the Auditor is reviewed by the Committee which also reviews the terms under which the Independent Auditor may be appointed to perform non audit services. The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Auditor, with regard to any non-audit work that the Auditor may undertake. In order to safeguard Auditor independence and objectivity, the Committee ensures that any other advisory and/or consulting services provided by the Independent Auditor do not conflict with its statutory audit responsibilities. Advisory and/or consulting services will generally only cover reviews of interim financial statements, specific and relevant assurance engagements and reporting accountant related work. Any non-audit services conducted by the Auditor outside of these areas will require detailed consideration and the consent of the Committee before being initiated.

## INDEPENDENCE

The Committee is required to consider the independence of the Independent Auditor. In fulfilling this requirement, the Committee has considered a report from Deloitte describing its arrangements to identify, report and manage any conflict of interest and the extent of non-audit services provided by them. The Committee has concluded that it considers Deloitte to be independent of the Company and that the provision of the non-audit services described above is not a threat to the objectivity and independence of the conduct of the audit.

## AUDITOR'S TENURE

The Auditor is required to rotate the audit partner every five years. A new audit partner was engaged for the 2024 financial year, following the previous audit partner reaching his fifth year of tenure having been engaged on an uninterrupted basis since 30 June 2019. There are no contractual obligations restricting the choice of external auditor and the Company will consider putting the audit services contract out to tender at least every ten years. In line with the FRC's recommendations on audit tendering, this will be considered further when the audit partner rotates every five years. Under the Companies Law, the reappointment of the Independent Auditor is subject to shareholder approval at the AGM.

Having carried out the review described above and having satisfied itself that the Auditor remains independent and effective, the Audit Committee has recommended to the Board that Deloitte be reappointed as Auditor for the year ending 31 December 2025.

## AGM

The Chair of the Committee will be present at the Company's AGM to answer questions on the Audit Committee's activity and matters within the scope of the Audit Committee's responsibilities.

## JAMIE RICHARDS

CHAIR OF THE AUDIT COMMITTEE  
9 April 2025

# DIRECTORS' REMUNERATION REPORT

The Board has prepared this report in line with the AIC Code as well as the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410) and the Companies Act 2006.

Under the requirements of Section 497 of the Companies Act 2006, the Company's Auditor is required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Auditor's Report on pages 70 to 77.

## CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

The Remuneration and Nomination Committee comprises the entire Board with Jamie Richards as Chair. This is considered appropriate as all the Board members are independent Non-Executive Directors. The Committee has responsibility for reviewing the remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role and meets at least annually. The Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate.

During the year neither the Board nor the Committee has been provided with external advice or services by any person, but has received industry comparison information from the Company Secretary in respect of the Directors' remuneration.

The remuneration policy set by the Board is described below. Individual remuneration packages are determined by the Remuneration and Nomination Committee within the framework of this policy.

The Directors are not involved in deciding their own individual remuneration with each Director abstaining from voting on their own remuneration.

## REMUNERATION POLICY

The Company's remuneration policy is detailed below. This was initially adopted on 19 November 2019 and approved by shareholders at the 2020 AGM. The policy was subsequently approved at the AGM held on 24 May 2023 as part of the regulatory three yearly approval process. The Company has followed the Remuneration Policy during 2024 and, having reviewed it at the Remuneration and Nomination Committee 2024 meeting, concluded that it remains appropriate.

## POLICY

The Company's policy is that the remuneration of Non-Executive Directors should be determined with due regard to the experience of the Board as a whole, the time commitment required and to be fair and comparable to that of other Non-Executive Directors of similar companies. The Company may also periodically choose to benchmark Directors' fees with an independent review, to ensure they remain competitive, fair and reasonable.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association which states that the Directors' remuneration for their services in the office of director

shall, in the aggregate, not exceed £500,000 per annum or such higher figure as the Company, by ordinary resolution, determines. The Directors may elect to apply the cash amount equal to their annual fee to subscribe for or to purchase Ordinary Shares. Directors' fees will be reviewed at least annually.

The Directors are entitled only to their annual fee and to be reimbursed for any expenses properly and reasonably incurred by them respectively in and about the business of the Company or in the discharge of his or her duties as a Director.

Any Director who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director, may be paid such reasonable additional remuneration to be determined by the Directors or any committee appointed by the Directors and such additional remuneration shall be in addition to any remuneration provided for by way of their annual fee and their reasonable expenses.

No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company.

The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor is any such contract proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation.

## RETIREMENT BY ROTATION

In accordance with the Articles of Association, the requirements of the AIC Code and the Board's policy, all the Directors will retire annually and, being eligible, will offer themselves for re-election. Gill Nott, Jamie Richards and Thomas Plagemann will offer themselves up for re-election whilst Mark Lerdal will stand for election. Biographical notes on the Directors are given on page 55. The Board believes that each Director's skills, experience and knowledge continue to complement each other and add value to the Company and recommends the election and re-election of all the Directors who will stand for election and re-election to the Board.

## DETAILS OF DIRECTORS' REMUNERATION (AUDITED)

The emoluments in respect of qualifying services of each person who served as a Director during the period are shown below. For the period from 1 January 2024 to 31 December 2024 the Directors were paid a base annual fee of £44,100. In addition to this fee, Gill Nott was paid an additional £23,490 per annum for her role as Chair of the Board. Jamie Richards was paid an additional £11,025 per annum for serving as Chair of the Audit committee.

No Director has waived or agreed to waive any emoluments from the Company in the current year. No other remuneration was paid or payable by the Company during the current period nor were any expenses claimed by or paid to them other than for expenses incurred wholly, necessarily and exclusively in furtherance of their duties as Directors of the Company.

# DIRECTORS' REMUNERATION REPORT CONTINUED

## DIRECTORS' REMUNERATION<sup>46</sup>

Director	Current annual fee (£)	Fees paid from 1 Jan – 31 Dec 2024 (£)	Fees paid from 1 Jan – 31 Dec 2023 (£)	Fees paid from 1 Jan – 31 Dec 2022 (£)
<b>Gillian Nott</b>	68,040	*68,040	63,420	63,000
<b>Jamie Richards</b>	55,125	**55,125	52,719	52,500
<b>Rachael Nutter<sup>47</sup></b>	–	17,244	42,175	42,000
<b>Thomas Plagemann</b>	44,100	44,100	42,175	42,000
<b>Mark Lerdal<sup>48</sup></b>	44,100	11,025		
<b>Total</b>	211,365	195,534	200,489	199,500

\* This includes £23,940 per annum in respect of serving as Chair of the Board during the period 1 January – 31 December 2024.

\*\* This includes £11,025 per annum in respect of serving as Chair of the Audit Committee during the period 1 January – 31 December 2024.

## DIRECTORS' SHAREHOLDINGS

The Directors who held office during the year and their interests in the issued shares of 1c each of the Company were as follows:

Director	Ordinary Shares
<b>Gill Nott</b>	126,000
<b>Jamie Richards</b>	185,112
<b>Thomas Plagemann</b>	–
<b>Mark Lerdal</b>	–
<b>Total</b>	311,112

All of the Directors' share interests shown above were held beneficially.

## RELATIVE IMPORTANCE OF SPEND ON PAY

The difference in actual spend between 31 December 2024 and 31 December 2023 on Directors' remuneration in comparison to distributions (dividends and share buybacks) are set out in the chart below.

	Payments made from 1 Jan – 31 Dec 2024 (\$)	Payments made from 1 Jan – 31 Dec 2023 (\$)	% Change
<b>Directors' total remuneration<sup>46*</sup></b>	300,777	236,724	27
<b>Dividends declared</b>	10,287,263	18,735,649	(45%)
<b>Buyback of Ordinary Shares via tender offer</b>	18,960,256	0	N/A

\* Directors' remuneration is paid in Great Britain Pounds (GBP), however for comparison purposes the Directors' total remuneration in this table is shown in US dollars, converted at the exchange rate applicable at the date of payment.

## 2025 REMUNERATION

The remuneration levels for the forthcoming year for the Directors of US Solar Fund plc are shown in the Current Annual Fee column in the above table.

In setting the Directors' remuneration, consideration is given to the performance of the Company. The Company's performance over the reporting periods since the Company's Ordinary Shares were first listed on the London Stock Exchange, and shows share price total return and net asset value total return performance on a dividends reinvested basis can be found in the performance graph contained in the Operating Review on page 30.

## STATEMENT OF VOTING AT AGM

Shareholders considered and approved the Company's remuneration policy at the AGM on 24 May 2024. At the AGM on 24 May 2024, the resolution to approve the Director's Remuneration Report received 95.78% of votes in favour respectively. At the 2023 AGM, when the Remuneration Policy was last put to a shareholder vote, 99.93% voted for the resolution, showing significant shareholder support.

## APPROVAL OF THE REMUNERATION REPORT

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting.

## COMPANY-WIDE CONSIDERATIONS

There are no executive directors, nor are there any employees of the Company, so there are no statements to make on any consultations, comparisons or pay and employment conditions within the Company.

## STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

No comments were received in meetings held with shareholders in 2024 in relation to Directors' fees. Following publication of the 2024 Annual Report and prior to the AGM, the Company will offer to meet virtually with shareholders to discuss the Company's performance and prospects and give shareholders the opportunity to ask questions about the Remuneration Policy and levels of remuneration.

This Directors' Remuneration Report was approved by the Board on 9 April 2025 and is signed on its behalf by Jamie Richard (Director and Chair of the Remuneration and Nomination Committee).

## JAMIE RICHARDS

CHAIR OF THE REMUNERATION & NOMINATION COMMITTEE  
9 April 2025

<sup>46</sup> Payments including to HMRC were made in January 2024 relating to fees for the prior year. These are included in the Directors' Remuneration.

<sup>47</sup> Rachael Nutter resigned following the Company's 2024 AGM on 21 May 2024.

<sup>48</sup> Mark Lerdal was appointed on 1 October 2024.

# DIRECTOR'S RESPONSIBILITY STATEMENT

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

As a Company listed on the London Stock Exchange, US Solar Fund plc is subject to the UK Listing Rules and Disclosure and Transparency Rules, as well as to all applicable laws and regulations in England and Wales where it is registered.

The financial statements have been prepared in accordance with UK-adopted international accounting standards. Under the UK Companies Act 2006, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss for the period. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and are to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Annual Report and financial statements and the Directors confirm that they consider that, taken as a whole, the Annual Report and financial statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. In accordance with the FCA's Disclosure and Transparency Rules, the Directors confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole;
- the Annual Report and accounts include a fair view of important events that have occurred during the financial period; and
- the Annual Report and accounts include the related parties' transactions that have taken place in the financial period and that have materially affected the financial position or the performance of the enterprise during that period.

The Directors have acknowledged their responsibilities in relation to the financial statements for the period to 31 December 2024.

Signed by order of the Board,



**GILL NOTT**  
CHAIR  
9 April 2025



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US SOLAR FUND PLC

## Report on the audit of the financial statements

### 1. OPINION

In our opinion the financial statements of US Solar Fund plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss and other comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

### 2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the company for the year are disclosed in note 7 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

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

### 3. SUMMARY OF OUR AUDIT APPROACH

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year was:</p> <ul style="list-style-type: none"><li>– Fair value of investments</li><li>– Judgements associated with going concern</li></ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"><li>⚠ Newly identified</li><li>⚡ Similar level of risk</li></ul>
<b>Materiality</b>	<p>The materiality that we used in the current year was \$2.9m which was determined on the basis of 1.5% of total shareholders' equity.</p>
<b>Scoping</b>	<p>As the Company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the Company has been treated as having only one component.</p>
<b>Significant changes in our approach</b>	<p>There have been no significant changes to our audit approach in the current year. However, we have identified judgements associated with going concern as a new key audit matter in the current year due to increased audit effort as a result of the requirement for a discontinuation vote combined with the ongoing debt refinancing exercise.</p>

### 4. CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has applied the Association of Investment Companies Code of Corporate Governance (the "AIC code"), we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 5. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

### 5.1. FAIR VALUE OF INVESTMENTS

<b>Key audit matter description</b>	<p>The Company's investments, held at fair value as required by IFRS 10, comprise of investments in an intermediate holding company, USF Holding Corp., and its associated debt interest. The subsidiary entity holds investments in solar power assets.</p> <p>The Company holds five investments via this subsidiary entity as at 31 December 2024 (2023: five). The total value of investments, including loan receivables, recognised at fair value as at the reporting date is \$193.3m (2023: \$254.7m).</p> <p>The valuation of investments in line with the requirements of IFRS 13 requires significant judgements given there is no liquid or quoted price information available for the investments made, in particular in relation to merchant price forecasts and discount rates used to derive fair value. Other key assumptions include inflation rates, forecast electricity production, and economic life of operational assets applied to future cashflows, as well as the potential impact of climate change.</p> <p>Due to the inherent risks described above we have identified a risk of error and a potential fraud risk relating to the possibility that investments may be valued inappropriately. Additional consideration has been given to the operational performance of the underlying assets, evidence arising as a result of the current market capitalisation of the Company continuing to be at a substantial discount to the net asset value in the financial statements including consideration of other market evidence, and the continued impact of changes in macro-economic factors including interest rates and energy prices.</p> <p>The Audit Committee have set out their consideration of the risk on page 65 and it is disclosed as a key source of estimation uncertainty in note 3 of the financial statements. A breakdown of the investments and the assumptions applied to the valuation are described in note 10 of the financial statements. Detail of the accounting policy applied by the Company is set out in note 5 with details in respect of the valuation approach and methodology set out in note 10.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We challenged the assumptions made by the Directors and the valuation recognised through the following procedures:</p> <ul style="list-style-type: none"> <li>– obtaining an understanding of and tested the relevant controls related to the valuation process at 31 December 2024;</li> <li>– assessing the methodology applied in determining fair value and challenge of key assumptions through the use of benchmarking against third party sources or evidence of market practice;</li> <li>– involving valuation specialists and utilising other sources of evidence to assess and evaluate the valuation methodology applied, the financial models prepared by the Directors, and key assumptions adopted including discount rates, merchant price assumptions, electricity production assumptions, inflation rates, and useful economic life assumptions;</li> <li>– in conjunction with our valuation specialists, reviewing and challenging management's benchmarking of the net asset value of the Fund against market capitalisation with other market evidence and benchmarks, including analysis of the share price discount to net asset value of peer companies, and relevant market transactional data;</li> <li>– using macroeconomic data and observable market data to challenge key assumptions including interest rates and energy prices, and the consideration of the impact of climate change on the future demand for renewable energy;</li> <li>– assessing the arithmetic accuracy of the models prepared by management;</li> <li>– assessing the incorporation of the assumptions into the valuation and the correct application of the selected discount rates;</li> <li>– assessing the sensitivity analysis over key assumptions performed by management to assess the impact of a reasonably possible change on the fair value of investments recognised; and</li> <li>– evaluating the adequacy of the disclosures made in the financial statements.</li> </ul>
<b>Key observations</b>	<p>Based on the audit procedures performed we have concluded that the valuation of investments and relevant disclosures are appropriate.</p>

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US SOLAR FUND PLC CONTINUED

## Report on the audit of the financial statements

### 5.2. JUDGEMENTS ASSOCIATED WITH GOING CONCERN ⓘ

<b>Key audit matter description</b>	<p>The Directors have performed an assessment of going concern for the Company are set out in the directors' report on page 57 and note 2 to the financial statements respectively, and concluded that the continued adoption of the going concern assumption is appropriate. In performing this assessment, the key areas of judgement include the ongoing debt refinancing and related impact on available liquidity, and the requirement for a discontinuation vote.</p> <p>As required by the Company's Articles, due to the Company's market capitalisation trading at an average discount to net asset value (NAV) in excess of 10% over the course of 2024, a special resolution will be proposed at the AGM on 20 May 2025 for the shareholders to vote for discontinuation, which would result in the need to wind up or otherwise reconstruct the Company. To pass, 75% of shareholders would need to vote for the resolution, therefore if more than 25% of shareholders vote against discontinuation, the vote would not pass.</p> <p>The Board also announced in April 2024 its intention to carry out a potential refinancing of existing debt facilities through bank debt financing. The proposed refinancing will proactively address the medium term project company refinancings required between 2026 to 2028 with the first debt expiring for Euryalus in June 2026. The proposed refinancing is expected to conclude by the end of April 2025.</p> <p>We have identified a risk in relation to going concern, with a particular focus on the assumption that the debt refinancing will be successful and the discontinuation vote will not pass. As such, this required increased audit effort and senior involvement and has led to the audit of the going concern assumption being identified as a key audit matter.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We challenged the assumptions made by the Directors and the adoption of the going concern assumption, in particular the likelihood of debt refinancing and the judgement as to whether the discontinuation vote may pass, through the following procedures:</p> <ul style="list-style-type: none"> <li>– obtaining and reviewing the Company's facility agreements to understand terms associated with those agreements, and comparing to facilities assumed in the forecasts;</li> <li>– evaluating the Company's liquidity requirements, and forecast cash flows over the assessment period, including assessment of financing requirements of underlying project companies and the refinancing requirements;</li> <li>– assessing the assumptions used in the forecast cash flows, including performing sensitivity analysis in relation to key assumptions and assessing headroom in the forecasts;</li> <li>– evaluating the directors' judgement with respect to the renewal of debt facilities including the quality of the assets held, status of current negotiations and covenant compliance over the forecast period;</li> <li>– assessing the likely outcome of the discontinuance vote on the ongoing viability of the Company by reviewing shareholder analysis and holding discussions with the Board, the Company's investment manager and the Company's broker; and</li> <li>– assessing the appropriateness of the disclosures in the financial statements relating to going concern.</li> </ul>
<b>Key observations</b>	<p>Based on the procedures performed we are satisfied the Company's assumptions and disclosures regarding the preparation of the financial statements on a going concern are appropriate.</p>

## 6. OUR APPLICATION OF MATERIALITY

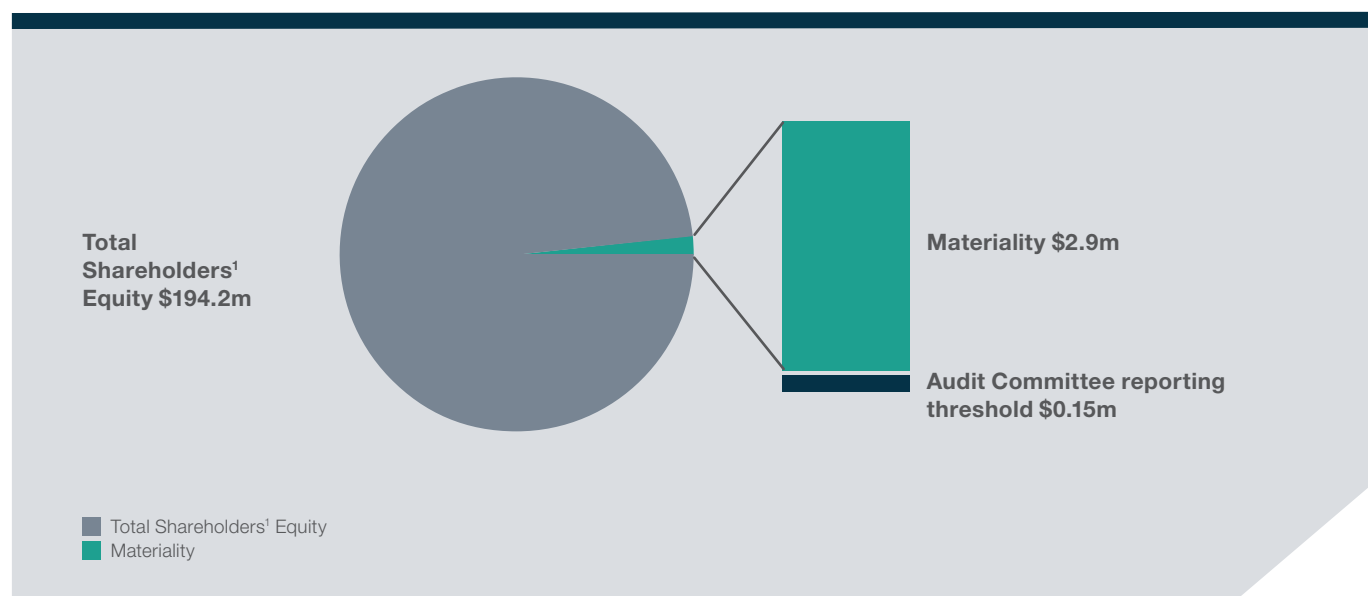
### 6.1. MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	\$2.9m (2023: \$3.8m)
<b>Basis for determining materiality</b>	1.5% of total shareholders' equity (2023: 1.5% of total shareholders' equity)
<b>Rationale for the benchmark applied</b>	We consider total shareholders' equity to be the key benchmark used by members of the Company in assessing financial performance. Net asset value is a key metric communicated to shareholders and investors and, due to the nature of the Company as an investment entity, reflects both the performance and position of the Company.

A lower materiality threshold of \$0.19m based upon 5% of expenses (2023: \$0.35m based on 5% of expenses) has also been applied to all administrative expenses and trade and other payables recognised within the statement of financial position at the reporting date. The use of a lower materiality threshold reflects the nature of these transactions being primarily from related parties.



### 6.2. PERFORMANCE MATERIALITY

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the following factors:

- our understanding of the control environment relevant to the financial reporting process;
- no significant changes in the business during the year against the expected business plan and strategy;
- historically low level of identified uncorrected misstatements; and
- relative complexity of operations and stage of investment lifecycle in the current year.

### 6.3. ERROR REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$0.15m (2023: \$0.19m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US SOLAR FUND PLC CONTINUED

## Report on the audit of the financial statements

### 7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

#### 7.1. SCOPING

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the Company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the Company has been treated as having only one component and thus all of the work was carried out by one audit team.

#### 7.2. OUR CONSIDERATION OF THE CONTROL ENVIRONMENT

Reflecting the limited segregation of duties and timing of control activities, the audit plan was developed and executed on the basis of a non-controls reliance strategy. However, we obtained an understanding of relevant controls over the fair value of investments business cycle and the financial reporting process as part of our audit procedures in these areas.

#### 7.3. OUR CONSIDERATION OF CLIMATE-RELATED RISKS

Management has considered transition and physical risks when factoring in climate change as part of their risk assessment process when considering the principal risks and uncertainties facing the Company. This is set out in the strategic report on pages 1 to 53 and the principal risks set out on pages 42 to 50. From the financial statements' perspective, these risks have been focused on the valuation of investments. This is consistent with our evaluation of the climate-related risks facing the Company and is linked to the key audit matter as highlighted in section 5.1 above. In planning our audit, we have considered the potential impact of climate change on the Company's business and its financial statements. In addition, we have:

- assessed the key financial statement line items and estimates which are more likely to be materially impacted by climate change risks given the more notable impacts of climate change on the business are expected to arise in the medium to long term;
- challenged how the Directors considered climate change in their assessment of going concern based on our understanding of the business environment and by benchmarking relevant assumptions with market data;
- with the involvement of our Environmental Social and Governance (ESG) specialist we have assessed the Task Force for Climate related Financial Disclosures (TCFD) on pages 36 to 41 against the recommendations of the TCFD framework; and
- read the climate risk disclosures included throughout the strategic report section of the annual report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

### 8. OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### 9. RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 10. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations and ESG specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the fair value of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This includes the Alternative Investment Fund Managers (AIFM) Directive and Non-Mainstream Pooled Investments regulations.

### 11.2. AUDIT RESPONSE TO RISKS IDENTIFIED

As a result of performing the above, we identified the fair value of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US SOLAR FUND PLC CONTINUED

## Report on other legal and regulatory requirements

### 12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. CORPORATE GOVERNANCE STATEMENT

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the AIC Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 57;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 51;
- the directors' statement on fair, balanced and understandable set out on page 69;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 51;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 42; and
- the section describing the work of the audit committee set out on page 64 to 66.

## 14. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

### 14.1. ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 14.2. DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 15. OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

### 15.1. AUDITOR TENURE

Following the recommendation of the Audit Committee, we were appointed by Directors on 30 June 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 December 2019 to 31 December 2024.

### 15.2. CONSISTENCY OF THE AUDIT REPORT WITH THE ADDITIONAL REPORT TO THE AUDIT COMMITTEE

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

## 16. USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

### WILLIAM BROOKS FCA

SENIOR STATUTORY AUDITOR

For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

9 April 2025



# STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	For the year ended 31 December 2024			For the year ended 31 December 2023		
		Revenue USD '000	Capital USD '000	Total USD '000	Revenue USD '000	Capital USD '000	Total USD '000
Net loss on investments at fair value through profit and loss		–	(42,472)	(42,472)	–	(62,911)	(62,911)
MSA fee income		3,655	–	3,655	6,421	–	6,421
Dividends received		5,714	–	5,714	18,325	–	18,325
Intercompany interest income		1,994	–	1,994	1,989	–	1,989
Interest income	6	–	–	–	217	–	217
<b>Total income</b>		<b>11,363</b>	<b>(42,472)</b>	<b>(31,109)</b>	<b>26,952</b>	<b>(62,911)</b>	<b>(35,959)</b>
<b>Expenditure</b>							
Administrative and other expenses	7	(3,761)	–	(3,761)	(7,064)	–	(7,064)
<b>Operating (loss)/profit for the year</b>		<b>7,602</b>	<b>(42,472)</b>	<b>(34,870)</b>	<b>19,888</b>	<b>(62,911)</b>	<b>(43,023)</b>
Loss on foreign exchange		–	(12)	(12)	–	(33)	(33)
<b>(Loss)/profit before taxation</b>		<b>7,602</b>	<b>(42,484)</b>	<b>(34,882)</b>	<b>19,888</b>	<b>(62,944)</b>	<b>(43,056)</b>
Taxation	8	–	–	–			
<b>(Loss)/profit and total comprehensive income for the year</b>		<b>7,602</b>	<b>(42,484)</b>	<b>(34,882)</b>	<b>19,888</b>	<b>(62,944)</b>	<b>(43,056)</b>
Earnings per share (basic and diluted)							
– cents/share	9	2.39	(13.33)	(10.94)	5.99	(18.95)	(12.96)

All items dealt with in arriving at the result for the year relate to continuing operations.

The total column of this statement represents the Company's profit and loss account. The financial statements have been prepared in accordance with UK-adopted international accounting standards. The supplementary revenue and capital columns are presented for information purposes, in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies, as further explained in note 2.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 USD '000	31 December 2023 USD '000
<b>Non-current assets</b>			
Investment held at fair value	10	193,251	254,723
		<b>193,251</b>	<b>254,723</b>
<b>Current assets</b>			
Trade and other receivables	11	846	3,088
Cash and cash equivalents	10	890	1,554
		<b>1,736</b>	<b>4,642</b>
<b>Total assets</b>		<b>194,987</b>	<b>259,365</b>
<b>Current liabilities</b>			
Trade and other payables	12	835	1,135
		<b>835</b>	<b>1,135</b>
<b>Net current assets</b>		<b>902</b>	<b>3,507</b>
<b>Total net assets</b>		<b>194,152</b>	<b>258,230</b>
<b>Shareholders equity</b>			
<b>Share capital</b>	13	<b>3,322</b>	3,322
Share premium	14	<b>128,036</b>	128,036
Capital reduction reserve	14	<b>156,099</b>	175,008
Capital reserve	14	<b>(96,957)</b>	(54,473)
Retained earnings	14	<b>3,652</b>	6,337
<b>Total shareholders equity</b>		<b>194,152</b>	<b>258,230</b>
Net asset value per share	15	<b>0.63</b>	0.78

The financial statements of US Solar Fund plc (registered number 11761009) were approved by the Board of Directors and authorised for issue on 9 April 2025. They were signed on its behalf by:



**GILL NOTT**  
DIRECTOR  
9 April 2025

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total equity USD '000
<b>Balance at 1 January 2024</b>		<b>3,322</b>	<b>128,036</b>	<b>175,008</b>	<b>(54,473)</b>	<b>6,337</b>	<b>258,230</b>
Dividends	14	–	–	–	–	(10,287)	(10,287)
Return of capital	14	–	–	(18,578)	–	–	(18,578)
Share transaction costs		–	–	(331)	–	–	(331)
(Loss)/profit & total comprehensive income for the year		–	–	–	(42,484)	7,602	(34,882)
<b>Balance at 31 December 2024</b>		<b>3,322</b>	<b>128,036</b>	<b>156,099</b>	<b>(96,957)</b>	<b>3,652</b>	<b>194,152</b>

For the year ended 31 December 2023

	Notes	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total equity USD '000
<b>Balance at 1 January 2023</b>		<b>3,322</b>	<b>128,036</b>	<b>175,008</b>	<b>8,471</b>	<b>5,185</b>	<b>320,022</b>
Dividends	14	–	–	–	–	(18,736)	(18,736)
(Loss)/profit & total comprehensive income for the year		–	–	–	(62,944)	19,888	(43,056)
<b>Balance at 31 December 2023</b>		<b>3,322</b>	<b>128,036</b>	<b>175,008</b>	<b>(54,473)</b>	<b>6,337</b>	<b>258,230</b>

The notes on pages 82 to 96 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 USD '000	Year ended 31 December 2023 USD '000
<b>Cash flows from operating activities</b>			
Profit for the year		(34,882)	(43,056)
Adjustments for:			
Net (gain)/loss on investments at fair value through profit and loss	10	42,472	62,911
Loss on foreign exchange		12	33
<b>Operating cash flows before movements in working capital</b>		<b>7,602</b>	<b>19,888</b>
Increase in trade and other receivables		2,242	(1,873)
(Decrease)/increase in trade and other payables		(300)	31
<b>Net cash generated from operating activities</b>		<b>9,544</b>	<b>18,046</b>
<b>Cash flows used in investing activities</b>			
Return of capital from investments	10	19,000	—
<b>Net cash inflow from investing activities</b>		<b>19,000</b>	<b>—</b>
<b>Cash flows generated from/(used in) financing activities</b>			
Cash paid on the repurchase of shares	14	(18,909)	
Dividends paid		(10,287)	(23,785) <sup>49</sup>
<b>Net cash outflow from financing activities</b>		<b>(29,196)</b>	<b>(23,785)</b>
Net decrease in cash and cash equivalents for the year		(652)	(5,739)
Effect of foreign exchange rate movements		(12)	(33)
Cash and cash equivalents at the beginning of the year		1,554	7,326
<b>Cash and cash equivalents at the end of the year</b>		<b>890</b>	<b>1,554</b>

The notes on pages 82 to 96 form an integral part of these financial statements.

IAS 7 Statement of Cash Flows requires additional disclosures about changes in an entity's financing liabilities, arising from both cash flow and non-cash flow items. As at 31 December 2024 the Company has no financing liabilities and therefore no further disclosure is required.

49 This includes the Q3 2023 dividend paid to shareholders of \$5.1 million, which was transferred in advance of the year end to the registrar to facilitate payment to shareholders.



# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2024

### 1. GENERAL INFORMATION

US Solar Fund plc (the Company) was incorporated as a Public Company, limited by shares, in England and Wales on 10 January 2019 with registered number 11761009. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF. Its share capital is denominated in US Dollars and currently consists of Ordinary Shares. The Company's principal activity is to invest in a diversified portfolio of solar power assets located in North America and other countries forming part of the OECD in the Americas.

### 2. BASIS OF PREPARATION

The financial statements have been prepared using accounting policies consistent with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued by the Association of Investment Companies, (the AIC SORP) in July 2022. The financial statements have been prepared on a historical cost basis, except for the investment portfolio at fair value through the profit and loss. The principal accounting policies are set out in note 5.

In terms of the AIC SORP, the Company presents a Statement of Profit and Loss and Other Comprehensive Income, which shows amounts split between those which are revenue and capital in nature. The determination of the revenue or capital nature of a transaction is determined by giving consideration to the underlying elements of the transaction and is carried out in accordance with the recommendations and principles as set out in the AIC SORP. Capital transactions are considered to be those arising as a result of the appreciation or depreciation in the value of assets, whether due to the retranslation of assets held in foreign currency or fair value movements on investments held at fair value through profit and loss. Revenue transactions are all transactions, other than those which have been identified as capital in nature.

### FUNCTIONAL AND PRESENTATION CURRENCY

The currency of the primary economic environment in which the Company operates (the functional currency) is US Dollar (\$ or USD), which is also the presentation currency.

### GOING CONCERN

In assessing the going concern basis of accounting the Directors have had regard to the latest guidance issued by the Financial Reporting Council in February 2025. In addition, note 10 to the financial statements includes the policies and processes for managing its capital, its financial risk management, details of its financial instruments and its exposure to credit risk and liquidity risk.

The Directors have reviewed cash flow forecasts prepared by management. Based on those forecasts, consideration of the operating costs and obligations as well as capital commitments, it has been considered appropriate to prepare these financial statements on a going concern basis. The Company generated a loss after tax of \$34.9 million and operating cash flows of \$9.6 million for the year. As at 31 December 2024, the Company is in a net current asset position of \$1.0 million and has available cash of \$0.9 million. As of the same date, the Company's subsidiary, USF Holding Corp., has available cash of \$1.6 million, which is available to meet the obligations of the Company. The Company has access through USF Avon LLC (a wholly owned subsidiary of the Company) to a \$20.0 million RCF. The RCF provides liquidity for capital expenditures, working capital and general corporate purposes until September 2025. The facility is currently undrawn with no forecast drawings expected. Whilst an ongoing refinancing exercise continues across the portfolio which is expected to replace the facility (see page 6), as the current facility expires in September 2025, for prudence this has not been assumed to be available in the going concern assessment. The proposed refinancing will proactively address the near medium term refinancings required between 2026 to 2028 with the first debt expiring for Euryalus in June 2026. The proposed refinancing is expected to conclude by the end of April 2025.

The Board has reviewed a set of financial projections of the cash flow and distribution profile of the Company prepared by the Investment Manager. The Board has assessed the prospects of the Group by reviewing its short-term cash flow forecast which covers a two-year period and completed a detailed assessment to support the going concern conclusion for the 12 months following the signing of the Annual Report. After assessing these risks, and reviewing the Company's liquidity position, together with forecasts of the Company's future performance under various scenarios, the Company is forecast to have sufficient cash resources to continue its operations for a period of at least 12 months from the date of approval of the accounts and the Board has a reasonable expectation that the Company will continue to meet its obligations as they fall due for at least the next 12 months.

Because the Company has traded at an average discount to NAV in excess of 10% over the course of 2024, the Company's Articles require that a special resolution be proposed at the Company's forthcoming AGM, for shareholders to vote to wind up or otherwise reconstruct the Company. If a discontinuation resolution is passed (requiring the approval of at least 75% of the votes cast in respect of it), the Company's Articles provide the Board with four months to put forward a proposal to shareholders. The Directors have considered the upcoming discontinuation vote expected at the Company's AGM in their assessment of going concern. Given current uncertainties in the US market, the Board believes it would be very difficult to achieve a realisation of the Company's assets currently other than at a distressed price, and does not recommend a discontinuation.

The Directors' assessment of going concern included reflection of this view and feedback from shareholders has been supportive of realising value from the Company's assets when market conditions are conducive to a sale for value. Additionally, the discontinuation vote proposed at the 2024 AGM was not passed. Should the discontinuation vote be passed the Directors would be required to put forward proposals to Shareholders at a general meeting of the Company, to be held within four months of the Discontinuation Resolution being passed, to wind up or otherwise reconstruct the Company, having regard to the illiquid nature of the Company's underlying assets, and implementation of any such proposal would be expected to extend beyond the current going concern period.

The Directors believe that the Company will continue into the foreseeable future and have adopted the going concern basis of preparation in preparing these financial statements.

### 3. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the year, the Directors considered the following significant judgements, estimates and assumptions:

#### JUDGEMENTS

##### Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment related services to the Company. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

1. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
2. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
3. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually;
- the stated strategy of the Company is to deliver stable returns to shareholders through investing in a diversified portfolio of utility-scale solar power plants and associated infrastructure, which may include transmission and storage (e.g. batteries) assets which will typically be co-located with the solar power plant (together, solar power assets) located in North America and other OECD countries in the Americas; and
- the Company measures and evaluates the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

In respect of the second criterion the Company's purpose is to invest funds for returns from capital appreciation and investment income. In respect of the requirement that investments should not be held indefinitely but should have an exit strategy for their realisation the Company may hold these assets until the end of their expected useful lives, unless there is an opportunity in the market to dispose of the investments at a price that is considered appropriate. There continues to be an active secondary market for renewables projects in the countries in which we operate.

As at 31 December 2024, the Company only had one direct subsidiary, USF Holding Corp. Being an investment entity, it is measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

#### ESTIMATES

##### Valuation of investment in subsidiary

The fair valuation of investments is the most significant estimate in the Company's financial statements. This estimate is determined by discounting expected cash flows at a discount rate appropriate to the risk profile of each investment. Refer to note 10 for further detail on the fair value measurement as at 31 December 2024 and detail on the sensitivity analysis on inputs including discount rate, electricity production, electricity prices and operational expenses.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

#### 4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

##### APPLICATION OF NEW AND REVISED STANDARDS

The accounting policies adopted in the preparation of the Annual Report and Audited Financial Statements for the year ended 31 December 2024 are consistent with those of the previous financial year. The adoption of new standards, interpretations and amendments in the current year has not had a material impact. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective at 31 December 2024.

##### NEW AND REVISED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The following standards have been issued but are not effective for this accounting period and have not been adopted early:

- IFRS 18: Presentation and Disclosure in Financial Statements – effective from 1 January 2027
- Amendment to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments – effective from 1 January 2026
- IFRS 7: Financial Instruments: Disclosures – effective from 1 January 2026

Adoption of the new or amended standards and relevant interpretations in future periods is not expected to have a material impact on the financial statements of the Company.

#### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements have been consistently applied during the year ended 31 December 2024 as well as the prior year.

The principal accounting policies applied in the preparation of the financial statements are set out below:

##### SEGMENTAL INFORMATION

The Board is of the opinion that the Group is engaged in a single segment business, being the investment in solar power assets located in North America and other countries forming part of the OECD in the Americas.

##### INCOME

Income comprises interest income (bank interest and loan interest), Management Services Agreement (MSA) fee and dividend income. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Loan interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

No income is earned from contracts with customers and as such IFRS 15 has not been applied.

##### EXPENSES

Operating expenses are the Company's costs incurred in connection with the on-going management of the Company's investments and administrative costs. Operating expenses are accounted for on an accruals basis.

The Company's management and administration fees, finance costs and all other expenses are charged through the Statement of Profit and Loss and Other Comprehensive Income.

Directly attributable acquisition costs of assets are capitalised on purchase of assets. Costs directly relating to the issue of Ordinary Shares are charged to share premium.

##### NET GAIN OR LOSS ON INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Company recognises movements in the fair value of investments in subsidiaries through profit and loss.

##### TAXATION

The Company is approved as an Investment Trust Company under sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/2999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporation Tax Act 2010 and the Statutory Instrument 2011/2999. The Company intends to ensure that it complies with the Investment Trust Company regulations on an ongoing basis and regularly monitors the conditions required to maintain Investment Trust Company status.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The main rate of corporation tax rate is 25%. Tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income except to the extent that it relates to the items recognised as direct movements in equity, in which case it is similarly recognised as a direct movement in equity. Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period.

### INVESTMENT IN SUBSIDIARIES

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

In accordance with the exception under IFRS 10 Consolidated financial statements, an investment entity is not required to consolidate its subsidiaries where certain conditions are met. The Company does not have any subsidiaries that provide investment management services and are not themselves investment entities. As a result, the Company, being an investment entity, does not consolidate any of its subsidiaries.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and deposits held with the bank.

### TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost less loss allowance which is calculated using the provision matrix of the expected credit loss model, the effect of which is considered immaterial.

### TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

### EQUITY

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Profit and Loss and Other Comprehensive Income. The Company's capital is represented by the Ordinary Shares, Share Premium (until cancellation), Accumulated losses and Capital Reduction Reserve.

#### Treasury shares

The Company recognises the purchase of its own equity instruments in treasury shares, which are deducted from the capital reduction reserve. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### FINANCIAL INSTRUMENTS

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss. None of the financial instruments are classified as fair value through other comprehensive income.

#### FINANCIAL ASSETS

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

#### FINANCIAL ASSETS MEASURED AT AMORTISED COST

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash and financial instruments classified as trade and other receivables.

#### FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT LOSS

A financial asset is measured at fair value through profit or loss if:

- a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding; or
- b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) it is classified as held for trading (derivative contracts in an asset position).



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Company's investment in subsidiaries (which comprises both debt and equity) is held at fair value through profit or loss under IFRS 9 as the equity portion of the investment does not meet the SPPI test nor will the Company elect to designate the investments at fair value through other comprehensive income. The debt investment forms part of a group of assets that are managed and the performance evaluated on a fair value basis.

The Company includes in this category equity instruments including investments in subsidiaries (which comprises both debt and equity). There are no consolidated subsidiaries.

### FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

This category includes all financial liabilities, other than those measured at fair value through profit or loss, including short-term payables.

### RECOGNITION AND DERECOGNITION

Financial assets are recognised on trade date, the date on which the Company commits to purchase or sell an asset. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### IMPAIRMENT OF FINANCIAL ASSETS

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there has been no impairment loss identified. Investment held at fair value through profit or loss is not subject to IFRS 9 impairment requirements.

The Company holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such has chosen to apply an approach similar to the simplified approach for expected credit losses (**ECL**) under IFRS 9 to all of its trade receivables.

Interest receivable on cash balances, fall within the scope of IFRS 9. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, the Directors consider the interest receivable to be low credit risk as the deposits are held with reputable financial institutions.

For interest receivable that is low credit risk, IFRS 9 allows a 12-month expected credit loss to be recognised. The Directors have concluded that any ECL on the interest receivable would be immaterial to the Annual Financial Statements and therefore no impairment adjustments were accounted for.

### FAIR VALUE MEASUREMENT AND HIERARCHY

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market. It is based on the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. A fair value measurement of a non-financial asset takes into account the best and highest value use for that asset.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose significance of the inputs is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a Level 3 measurement.

The fair value hierarchy to be applied under IFRS 13 is as follows:

1. **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
2. **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are carried at fair value and which will be recorded in the financial information on a recurring basis, the Company will determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

## 6. INTEREST INCOME

	31 December 2024 USD '000	31 December 2023 USD '000
Bank interest	–	217
	–	217

## 7. ADMINISTRATIVE AND OTHER EXPENSES

	31 December 2024 USD '000	31 December 2023 USD '000
Administrative fees	187	195
Director & officer insurance	85	90
Directors' fees	301	259
Fees payable to the Company's Auditor for the audit of the Company's financial statements	244	199
Fees payable to the Company's Auditor for non-audit services <sup>50</sup>	23	22
Investment management expenses	–	1,290
Investment management fees	2,276	2,920
Legal and professional fees	217	1,626
Regulatory fees	19	40
Sundry expenses	409	423
	3,761	7,064

The Company has no employees and therefore no employee related costs have been incurred

<sup>50</sup> The non-audit services provided relate to the review of the interim financial statements.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

### 8. TAXATION

The Company is approved as an Investment Trust Company with effect as of 16 April 2019 and is subject to tax at the UK corporation tax rate of 25%. An Investment Trust Company can claim a corporation tax deduction for dividends designated as interest distributions that are derived from net interest income. Therefore, no UK corporation tax charge has been recognised by the Company for the period ended 31 December 2024.

	31 December 2024 USD '000	31 December 2023 USD '000
a. Tax charge in profit or loss:		
– UK corporation tax	–	–
	31 December 2024 USD '000	31 December 2023 USD '000
b. Reconciliation of the tax charge for the year		
Loss before tax	(34,882)	(43,056)
Tax at UK main rate of 25% (2023: 25%)	(8,720)	(10,127)
Tax effect of:		
Fair value losses on investments not taxable	10,618	14,797
Foreign exchange gain and loss not taxable	3	8
Non-deductible expenditure	3	70
Deferred tax not recognised on expenses not utilised	22	80
Non-taxable dividend income	(1,428)	4,310
Dividends designated as interest distributions	(498)	(518)
<b>Tax charge for the year</b>	<b>–</b>	<b>–</b>

The tax credit of \$498,000 (2023: \$518,000) arose as a result of dividends payable in respect of the year being designated as interest distributions in accordance with UK tax legislation specific to Investment Trust Companies. Investment trust companies which have been approved by HM Revenue & Customs are exempt from UK corporation tax on their capital gains. Due to the Company's status as an approved investment trust company, and the intention to continue meeting the conditions required to maintain that approval for the foreseeable future, the Company has not provided for deferred tax in respect of any gains or losses arising on the revaluation of its investments. The Company has an unrecognised deferred tax asset of \$99,721 (2023: \$107,000) in respect of tax losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised as it is considered unlikely that the Company will generate taxable profits in excess of deductible expenses in future periods. The unrecognised deferred tax asset has been calculated using a corporation tax rate of 25% (2023: 25%).

### 9. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	31 December 2024 USD '000	31 December 2023 USD '000
Net loss attributable to ordinary shareholders	(34,882)	(43,056)
Weighted average number of Ordinary Shares for the year	318,682	332,192
<b>Earnings per share – Basic and diluted (cents per share)</b>	<b>(10.94)</b>	<b>(12.96)</b>

## 10. FINANCIAL INSTRUMENTS

### 10.1 FINANCIAL ASSETS

	31 December 2024 USD '000	31 December 2023 USD '000
<b>Financial asset</b>		
<i>Financial assets at fair value through profit and loss:</i>		
Investment in subsidiary	193,251	254,723
<i>Financial assets at amortised cost:</i>		
Trade and other receivables	846	3,088
Cash at bank	890	1,554
<b>Total financial assets</b>	<b>194,141</b>	<b>256,277</b>

### 10.2 FINANCIAL LIABILITIES

	31 December 2024 USD '000	31 December 2023 USD '000
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost:</i>		
Trade and other payables	835	1,135
<b>Total financial liabilities</b>	<b>835</b>	<b>1,135</b>

At the balance sheet date, all financial assets and liabilities were measured at amortised cost except for the investment in subsidiary which is measured at fair value.

### 10.3 FINANCIAL RISK MANAGEMENT

The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below.

#### Credit risk

The Company is exposed to third-party credit risk in several instances and the possibility that counterparties with which the Company and its subsidiaries, together the Group, contracts may fail to perform their obligations in the manner anticipated by the Group.

Counterparty credit risk exposure limits are determined based on the credit rating of the counterparty. Counterparties are assessed and monitored on the basis of their ratings from Standard & Poor's and/or Moody's. No financial transactions are permitted with counterparties with a credit rating of less than BBB- from Standard & Poor's or Baa3 from Moody's unless specifically approved by the Board.

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the bank's own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money subject to the rules of the FCA and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

Credit risk is mainly at subsidiary level where the capital commitments are being made and is managed by diversifying exposures among a portfolio of counterparties and through applying credit limits to those counterparties with lower credit standing.

Credit exposures may also be managed using credit derivatives. No credit derivatives were in place as at 31 December 2024.

Cash and bank deposits are held with major international financial institutions who each hold a Moody's credit rating of A2 or higher.

#### Liquidity risk

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding. The Company's only financial liabilities are trade and other payables. The Company intends to hold sufficient cash across the Company and Subsidiary's operating accounts to meet the working capital needs over a horizon of at least the next six months. Cash held at subsidiary level is available to meet the obligations of the Company. As at 31 December 2024 USF Holding Corp. held free cash at bank of \$1.647 million. Cash flow forecasts are prepared on a monthly basis for a rolling two-year period to assist in the ongoing analysis of short-term cash flow.



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

### 10. FINANCIAL INSTRUMENTS CONTINUED

The following table reflects the maturity analysis of financial liabilities.

	<1 year USD '000	1 to 2 years USD '000	2 to 5 years USD '000	>5 years USD '000	Total USD '000
<b>As at 31 December 2024</b>					
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost:</i>					
Trade and other payables	835	–	–	–	835
<b>Total financial liabilities</b>	<b>835</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>835</b>
	<1 year USD '000	1 to 2 years USD '000	2 to 5 years USD '000	>5 years USD '000	Total USD '000
<b>As at 31 December 2023</b>					
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost:</i>					
Trade and other payables	1,135	–	–	–	1,135
<b>Total financial liabilities</b>	<b>1,135</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,135</b>

#### Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as changes in inflation, merchant power price curves, foreign exchange rates and interest rates.

#### Inflation risk

The Group cash flows are positively correlated to inflation over the useful life of the investment portfolio. However, as the Group's revenue is fixed in the short to medium term through PPAs executed with credit worthy counterparties, the cash flows are negatively correlated to inflation over the short to medium terms. The Group manages exposure to this risk by carrying out detailed cash forecasting and holding sufficient cash reserves, thereby mitigating the cash flow impacts.

#### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows from underlying investments therefore impacting the value of investments at fair value through profit or loss. The Group has limited exposure to interest rate risk as the underlying borrowings within the unconsolidated investee entities are largely hedged through interest rate swap arrangements. The Group's corporate debt facility is unhedged on the basis it is utilised as an investment bridging facility and therefore drawn for a relatively short period of time. The facility was undrawn at 31 December 2024.

#### Foreign currency risk

The Group has limited exposure to non USD transactions therefore the foreign currency risk is minimal.

#### Capital risk management

The capital structure of the Company at year-end consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated loss. The Company has no return on capital benchmark, but the Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

## 10. FINANCIAL INSTRUMENTS CONTINUED

### 10.4 FAIR VALUE MEASUREMENT

The following table analyses within the fair value hierarchy the Company's assets and liabilities measured at fair value at 31 December 2024:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000
<b>Investment in subsidiary</b>	<b>–</b>	<b>–</b>	<b>193,251</b>

The following table analyses within the fair value hierarchy the Company's assets and liabilities measured at fair value at 31 December 2023:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000
<b>Investment in subsidiary</b>	<b>–</b>	<b>–</b>	<b>254,723</b>

The investments recognised at fair value through profit and loss are classified as Level 3 in the fair value hierarchy and the reconciliation in the movement of this Level 3 investment is presented below. No transfers between levels took place during the year.

	31 December 2024 USD '000	31 December 2023 USD '000
Opening balance	254,723	317,634
Less: Return of capital	(19,000)	–
Total fair value movement through the profit or loss (capital)	(42,472)	(62,911)
<b>Closing balance</b>	<b>193,251</b>	<b>254,723</b>

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the guidelines of the Company's valuation policy, all assets held as at 31 December 2024 have been valued by an external valuation expert.

Subsidiary information			Place of Business	Percentage Ownership
USF Holding Corp			Delaware, USA	100%

From establishment to 31 December 2024, the Company has funded USF Holding Corp. with equity and debt, with the total amount of debt funding based on several criteria, including an arm's length gearing test satisfying thin capitalisation rules. Note 10 of these financial statements contains the components of the 31 December 2024 equity and loans balance. Fair value relates to USF's share of the underlying solar asset investment and cash flows only (i.e. balances exclude tax equity investment amounts) and expected returns and fair values are modelled after allowing for distributions to tax equity investors. Included in the total fair value movement of (\$42.5 million) are dividends paid to USF from underlying US entities of \$5.7 million. In the current period there was also a return of capital from underlying US entities of \$19 million in order to facilitate the tender offer made by the Company in the year.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

### 10. FINANCIAL INSTRUMENTS CONTINUED

On 28 June 2019, the Company entered into a MSA with its subsidiary USF Holding Corp. The Board of the Company, with further assistance by delegation of its duties to the Investment Manager, provides strategic management services to USF Holding Corp relating to its current portfolio of US solar assets and potential acquisitions.

A list of the significant investments in unconsolidated subsidiaries, including the name, country of incorporation and proportion of ownership is shown below:

Subsidiary information	Place of Business	Percentage Ownership
USF Avon LLC	USA	100%
USF Bristol LLC	USA	100%
USF Surry LLC	USA	100%
USF Essex LLC	USA	100%
USF Cheshire LLC	USA	100%
USF Dorset Holding LLC	USA	100%

### VALUATION METHODOLOGY

#### VALUATION PROCESS

The NAV approved by the USF Board takes into account the overall valuations of portfolio assets assessed by the Independent Valuer on a semi-annual basis as at 30 June and 31 December 2024. These valuations form part of the NAV calculation of the Company, which is subject to review/audit.

The Company engaged KPMG as the Independent Valuer to calculate the fair value of its assets. KPMG is one of the largest valuation firms in the US with significant experience in estimating the fair value of solar and other renewable energy assets. In line with USF policy, all of its operating assets were externally valued at 31 December 2024.

Based on the valuation range provided by the Independent Valuer, the Administrator, in conjunction with the Investment Manager, calculates the NAV and the NAV per Ordinary Share, and submits the same to the Board for its approval. The valuation has been calculated in accordance with USPAP as applied to PV electricity generation systems in the US.

Fair value for operational solar assets is derived from a DCF methodology using pre-tax cash flows and a pre-tax discount rate. In a DCF analysis, the fair value of the Solar Power Asset is the present value of the asset's expected future cash flows, based on a range of operating assumptions for revenues and costs and an appropriate discount rate range.

The Independent Valuer has reviewed a range of sources in determining the fair market valuation of the solar assets, including but not limited to:

- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes;
- quality of cash flow forecasts in terms of operations;
- the level of gearing at each investment level; and
- capital asset price model outputs and implied risk premium over relevant risk-free rates

A broad range of assumptions are used in valuation models. Where possible, assumptions are based on observable long-term historical market or market observations. The budgeted operational costs are based on technical data and the implicit financing costs for leveraged investments are based on market data. The Company also engages technical experts to provide long-term electricity price forecast which is a critical datapoint used to forecast revenues.

## 10. FINANCIAL INSTRUMENTS CONTINUED

### DISCOUNT RATES

Discount rates used in the valuation of the portfolio are derived from long term government bond yields, plus an investment specific risk premium, reflecting the risk of investing in that particular investment. The discount rate also reflects the Independent Valuer's view of the transactional activity in the relevant market along with implied execution discount rates.

As at 31 December 2024, the weighted average discount rate was 10.8% (December 2023: 8.8%). The discount rates are presented on a pre-tax basis.

### 10.5 SENSITIVITY ANALYSIS

Set out below are the initial indications of the key assumptions the Directors believe would have a material impact upon the fair value of the investments should they change. In the absence of an operating business model for each underlying renewable energy asset, the sensitivities have been conducted on the acquisition models of these assets. The following sensitivities assume the relevant input is changed over the entire useful life of each of the underlying renewable energy assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

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

	Change in input	Change in NAV USD (m)	Change in NAV per share USD (c)
Discount rate	+1%	-19.74	-6.41
	-1%	+23.61	+7.67
Electricity production (change from P50)	P90	-31.59	-10.26
	P10	+28.61	+9.29
Merchant period electricity prices	-10%	-19.76	-6.42
	+10%	+18.23	+5.92
Operations and maintenance expenses	+10%	-15.52	-5.04
	-10%	+17.09	+5.55
Operating life	-3 years	-6.60	-2.14
	+3 years	+5.83	+1.89
Tax rate	+5%	-4.05	-1.32
	-5%	+4.03	+1.31
Inflation rate	+1%	+19.63	+6.38
	-1%	-15.21	-4.94
Operating expenses inflation rate	+1%	-13.33	-4.33
	-1%	+12.24	+3.98

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

## 11. TRADE AND OTHER RECEIVABLES

	31 December 2024 USD '000	31 December 2023 USD '000
Amounts receivable from subsidiary (note 16)	801	2,888
Prepayments	45	67
VAT receivable	–	133
	<b>846</b>	<b>3,088</b>

## 12. TRADE AND OTHER PAYABLES

	31 December 2024 USD '000	31 December 2023 USD '000
Creditors and operating accruals	345	916
Investment management fee accrual	488	219
VAT payable	2	–
	<b>835</b>	<b>1,135</b>

## 13. SHARE CAPITAL

	Ordinary shares NUMBER '000	Treasury shares USD '000	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Total share capital reserves USD '000
As at 31 December 2023	332,192	–	3,322	128,036	175,008	306,366
Return of capital	–	–	–	–	(18,578)	(18,578)
Share transaction costs	–	–	–	–	(331)	(331)
Share buyback	(24,359)	24,359	–	–	–	–
<b>As at 31 December 2024</b>	<b>307,833</b>	<b>24,359</b>	<b>3,322</b>	<b>128,036</b>	<b>156,099</b>	<b>287,457</b>

The Company has an authorised share capital of 500,000,000 Ordinary Shares.

On incorporation the Company issued one Ordinary Share of \$0.01 which was fully paid up.

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to cancel a portion of its share premium account. This was effected on 21 June 2019 by a transfer of the balance of \$194 million from the share premium account to the capital reduction reserve. The capital reduction reserve is classed as a distributable reserve and dividends to be paid by the Company are able to be offset against this reserve.

On 3 May 2024 the Company announced the commencement of the Tender Offer to return up to \$19 million to shareholders.

On 11 June 2024 the Company announced that following the results of the Tender Offer, 24,358,974 shares would be repurchased under the Tender offer, at a price of \$0.764 per share. These shares are held in Treasury.



#### 14. RESERVES

The nature and purpose of each of the reserves included within equity at 31 December 2024 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount. As at 31 December 2024 the share premium account has a balance of \$128,036,000 (2023: \$128,036,000)
- Capital reduction reserve: represents a distributable reserve (which may be utilised in respect of dividend payouts) created following a court approved reduction in capital. As at 31 December 2024 the capital reduction reserve has a balance of \$156,099,000 (2023: \$175,008,000).
- Capital reserve: represents cumulative net gains and losses, of a capital nature, recognised in the Statement of Profit and Loss and Other Comprehensive Income and associated tax allocations arising from the MSA fee income and interest distributions. As at 31 December 2024 the capital reserve reflects a loss of \$(96,957,000) (2023: \$(54,473,000))
- Retained earnings represent cumulative net gains and losses, of an income nature, recognised in the Statement of Profit and Loss and Other Comprehensive Income and associated tax allocations arising from the MSA fee income and interest distributions. As at 31 December 2024, retained earnings reflects a profit of \$3,652,000 (2023: \$6,337,000)
- During the year, the Company declared dividends totalling \$10,287,000 (31 December 2023: \$18,736,000) of which \$10,287,000 (31 December 2023: \$18,736,000) has been paid as at 31 December 2024
- During the period c.\$18.9 million was distributed on account of the tender offer that concluded in June 2024 (\$18.6 million returned to shareholders and \$0.3 million of costs incurred by the Company in administering the tender offer)

The only movements in these reserves during the year are disclosed in the statement of changes in equity.

#### 15. NET ASSET VALUE PER SHARE

Basic NAV per share is calculated by dividing the Company's net assets as shown in the statement of financial position that are attributable to the ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

	31 December 2024 USD '000	31 December 2023 USD '000
Net assets per Statement of Financial Position	194,152	258,230
Ordinary Shares in issue as at 31 December	307,833	332,192
<b>NAV per share – Basic and diluted</b>	<b>0.63</b>	<b>0.78</b>

#### 16. TRANSACTIONS WITH RELATED PARTIES

The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

Details of related parties are set out below:

##### NON-EXECUTIVE DIRECTORS

Directors are paid fees of £44,100 per annum. In addition to this, Gillian Nott receives £23,940 per annum in respect of serving as Chair of the Board and Jamie Richards receives £11,025 per annum in respect of serving as Chair of the Audit committee.

Total Directors' fees of \$300,777 (2023: \$237,000) were incurred in respect of the year with none being outstanding and payable at the year-end (2023: \$nil).

##### SUBSIDIARY

The Company previously issued loans totalling \$43 million to its subsidiary USF Holding Corp. The two loans were issued on 26 June 2019 and 31 December 2019 and are repayable seven years from issuance. The loans bear interest at rates of 4.75% and 4.10% respectively, payable semi-annually in arrears.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## For the year ended 31 December 2024

### 16. TRANSACTIONS WITH RELATED PARTIES CONTINUED

#### INVESTMENT MANAGER

The Investment Manager is entitled to management fees under the terms of the IMA. The Company shall pay to the Investment Manager an annual fee (exclusive of value added tax, which shall be added where applicable) payable quarterly in arrears calculated at the rate of:

Assets under management	Fee based on NAV
< \$500 million	1.0% per annum
\$500 million to \$1 billion	0.9% per annum
> \$1 billion	0.8% per annum

Based on the Net Asset Value on the last Business Day of the relevant quarter.

The Management Fee due in respect of each quarter shall be invoiced by the Manager to the Company as at the final Business Day of the relevant quarter, and shall be due and payable in the following manner:

- no later than 10 Business Days after the Payment Date, 90% of the Management Fee shall be paid to the Manager in cash to such bank account as the Manager may nominate for this purpose; and
- 10% of the Management Fee shall be paid to the Manager or an Associate (as directed by the Manager) in the form of Ordinary Shares in accordance with the provisions stated in the IMA.

For the avoidance of doubt, where there are C Shares in issue, the advisory fee will be charged on the Net Asset Value attributable to the Ordinary Shares and C Shares respectively. On 10 November 2020, the Board approved a recommendation from the Investment Manager to have the Administrator arrange for 10% of its Management Fee to be applied to purchase Ordinary USF Shares in the secondary market. From that time, the Company ceased issuing shares to the Investment Manager.

A management fee of \$2.3 million (2023: \$3.0 million) was incurred during the year, of which \$488,000 (2023: \$256,000) remained payable at 31 December 2024. In addition to the management fee, the Manager shall also be entitled to payment of the following:

- a fee for any successful arrangement of debt services payable at a rate of 0.5% of the debt face value; and
- a fee for any oversight of asset construction services payable at market rates, negotiated on an arms' length basis and subject to the approval of the Board.

The Manager provides debt arranging services to the Fund, including contacting and liaising with capital providers, negotiating borrowing terms, obtaining credit ratings, implementing interest rate hedging strategies and executing documentation. The Manager was successful in securing debt, interest rate hedging and letter of credit facilities at competitive terms for the Fund, providing diversification to the Fund's capital sources.

For this service, the Manager receives debt arranging fees of 0.5% of the face value of new third-party debt and letter of credit facilities.

Debt arrangement fees totalling \$nil were incurred during the year (2023 \$nil). Asset management and construction services fees totalling \$1.2 million (\$0.3 million accrued; \$0.9 million paid) were incurred during the year (2023: \$0.3 million accrued, \$0.8 million paid).

### 17. CAPITAL COMMITMENTS

The Company had no contingencies and no other significant capital commitments at the reporting date.

### 18. POST BALANCE SHEET EVENTS

On 9 April 2025, the Company declared a dividend of 0.57 cents per Ordinary Share for the period ending 31 December 2024.

# ALTERNATIVE PERFORMANCE MEASURES

In accordance with ESMA Guidelines on Alternative Performance Measures (APMs) the Board has considered the APMs included in the Annual Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Annual Report and financial statements are identified as non-GAAP measures and are defined within the Glossary

APM		31 Dec 2024	31 Dec 2023
<b>Discount to NAV</b>	The percentage by which the closing share price on comparable dates exceeds/(falls short of) the NAV per share. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price.	(31.8%)	(30.8%)
<b>Distributions to shareholders</b>	Represents total distributions to shareholders including dividends paid and capital returned via tender offer, as disclosed in the financial statements. This measure provides information on the Company's total distributions to shareholders. Dividends paid and capital returned via tender offer can be found disclosed in the financial statements and notes to the financial statements.	\$28.9m	\$18.8m
<b>Dividend per share</b>	Represents dividends paid per Ordinary Share issued, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid and number of issued shares can be found disclosed in the financial statements and notes to the financial statements.	2.25 cps	5.66 cps
<b>Gearing</b>	The face value of drawn debt as a percentage of the Gross Asset Value (GAV – calculated as NAV plus outstanding debt). This measure shows the portfolio's debt ratio. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements.	41%	36%
<b>NAV</b>	Net Asset Value. Represents the equity attributable to equity holders of the parent in the balance sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report. Components of NAV are further discussed throughout the Annual Report, including from page 26.	\$194.2m	\$258.2m
<b>NAV per share</b>	This is a measure of Net Asset Value (or NAV) per Ordinary Share in the Company and is calculated as the NAV divided by the total number of shares in issue at the balance sheet date. Represents the equity attributable per share to equity holders of the parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report.	\$0.63	\$0.78
<b>NAV total return</b>	This is a measure of Net Asset Value (or NAV) total return. NAV total return is based on dividends paid throughout the period and NAV movement since inception. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's NAV. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Strategic Report, Investor Relations, Total Shareholder Return and NAV total return paragraph.	(13.4%)	(1.7%)
<b>Operational dividend cover</b>	Calculated as net operating cash generation divided by dividends paid in the year. Seeks to reflect the sustainability of the level of dividends paid by looking at the underlying cash generation from the portfolio and excludes certain components to reflect the coverage from operational revenue generation in the period. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.	1.10x	0.50x
<b>Project revenue</b>	Defined as revenue derived from the Company's portfolio, excluding proceeds from the sale of Mount Signal 2. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.	\$44.9m	\$46.7m
<b>Total dividend cover</b>	Total dividend cover is calculated as net portfolio cash generation divided by dividends paid in the year, with an adjustment for items such as cash flow reserves carried forward from operating cash flows generated in prior periods. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.	0.57x	0.95x
<b>TSR</b>	Share price appreciation plus dividends assumed to be reinvested since IPO. The total return based on the NAV appreciation plus dividends paid since the IPO. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Strategic Report, Investor Relations, Total Shareholder Return and NAV total return paragraph.	(44.3%)	(34.4%)

# GLOSSARY

## Including Alternative Performance Measures

AGM	The Company's Annual General Meeting
AIC	Association of Investment Companies
AIFM	Alternative investment fund manager
AIIA	The Company's Investment Manager, Amber Infrastructure Investment Advisor, LLC, a member of the Amber Infrastructure Group
Amber	Amber Infrastructure Group
Amber Infrastructure Group	Amber Infrastructure Group Holdings Limited and its subsidiaries
APMs	In accordance with ESMA Guidelines on Alternative Performance Measures (APMs) the Board has considered the APMs included in the Annual Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Annual Report and financial statements are identified as non-GAAP measures and are defined within this glossary
Articles	The articles of association of the Company
Average NAV	Average of published NAVs for the relevant periods
AVERT	Avoided Emissions and geneRation Tool
COD	Commercial Operations Date
Company	US Solar Fund plc (USF) or <b>"the Group"</b> when referring to the Company and its investment portfolio subsidiaries.
CSRD	Corporate Sustainability Reporting Directive
DCF	Discounted cash flow
Dividend paid	Non-GAAP measure. Represents dividends paid, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.
Dividend per share	Non-GAAP measure. Represents dividends paid per Ordinary Share issued, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid and number of issued shares can be found disclosed in the financial statements and notes to the financial statements.
ECL	Expected credit losses
ESG	Environmental, Social and Governance
EFRAG	European Financial Reporting Advisory Group
EU Taxonomy	EU Taxonomy for Sustainable Activities
FCA	Financial Conduct Authority
FPPP	Financial Position and Prospectus Procedures
FRC	The Financial Reporting Council
GAV	Gross asset value
Gearing	Non-GAAP measure. The face value of drawn debt as a percentage of the Gross Asset Value (GAV – calculated as NAV plus outstanding debt). This measure shows the portfolio's debt ratio. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements.
GWh	Gigawatt hours
GHG	Greenhouse gas emissions
IFRS	International Financial Reporting Standards
IMA	Investment Management Agreement
Investment Manager	Amber Infrastructure Investment Advisor LLC, a member of the Amber Infrastructure Group appointed as the Company's Investment Manager on 1 December 2023. Prior to 1 December 2023, the Company was managed by New Energy Solar Manager, Pty Ltd.
IPO	The Company's initial public offering completed on 11 April 2019 made pursuant to a prospectus dated 26 February 2019

# GLOSSARY CONTINUED

## Including Alternative Performance Measures

<b>IRA</b>	Inflation Reduction Act
<b>ISSB</b>	International Sustainability Standards Board
<b>MS2</b>	Mount Signal 2 Project: a 200MW solar farm located in southern California. The Company sold its 50% interest in MS2 in June 2023.
<b>MSA</b>	Management Services Agreement (MSA)
<b>NAV</b>	Net Asset Value. Represents the equity attributable to equity holders of the parent in the balance sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report. Components of NAV are further discussed throughout the Annual Report, including from page 26.
<b>NAV per Share</b>	Non-GAAP measure. This is a measure of Net Asset Value (or NAV) per Ordinary Share in the Company and is calculated as the NAV divided by the total number of shares in issue at the balance sheet date. Represents the equity attributable per share to equity holders of the parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report.
<b>NAV total return</b>	Non-GAAP measure. This is a measure of Net Asset Value (or NAV) total return. NAV total return is based on dividends paid throughout the period and NAV movement since inception. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's NAV. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Strategic Report, Investor Relations, Total Shareholder Return and NAV total return paragraph.
<b>Net-zero</b>	Net-zero refers to balancing the amount of emitted greenhouse gases with the equivalent emissions that are either offset or sequestered. This should primarily be achieved through a rapid reduction in carbon emissions, but where zero carbon cannot be achieved, offsetting through carbon credits or sequestration through rewilding or carbon capture and storage needs to be utilised
<b>O&amp;M</b>	Operations and maintenance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>Offtaker</b>	Purchaser of electricity and/or RECs under a PPA and/or a REC Agreement (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>Operational dividend cover</b>	Non-GAAP measure. Calculated as net operating cash generation divided by dividends paid in the year. Seeks to reflect the sustainability of the level of dividends paid by looking at the underlying cash generation from the portfolio and excludes certain components to reflect the coverage from operational revenue generation in the period. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.
<b>Ordinary Share</b>	Ordinary Shares with a nominal value of \$0.01 each in the capital of the Company issued and designated as 'Ordinary Shares' of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles.
<b>PAI</b>	Principal Adverse Impact
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>Portfolio cash flows</b>	Calculated as total project revenue after deducting project operating expenses, payments to tax equity and portfolio debt expenses as set out in the Operating Review: Financial Management section. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.
<b>PPA</b>	Power purchase agreement (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>Premium/(discount) to NAV</b>	Non-GAAP measure. The percentage by which the closing share price on comparable dates exceeds/ (falls short of) the NAV per share. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price.
<b>PRI</b>	The UN-backed Principles for Responsible Investment
<b>Project revenue</b>	Non-GAAP measure. Defined as revenue derived from the Company's portfolio, excluding proceeds from the sale of Mount Signal 2. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.



<b>Prospectus</b>	US Solar Fund Prospectus dated April 2021
<b>PURPA</b>	Public Utility Regulatory Policies Act
<b>QF</b>	Qualifying facility, as defined under PURPA. QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility.
<b>RCF</b>	Revolving credit facility
<b>REC</b>	Renewable energy certificate (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>REC Agreement</b>	An agreement to purchase RECs (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>RNS</b>	Regulatory news service
<b>RTS</b>	EU Commission's Regulatory Technical Standards relating to the SFDR
<b>Scope 1 Emissions</b>	Direct emissions from owned or controlled sources
<b>Scope 2 Emissions</b>	Indirect emissions from the generation of purchased energy
<b>Scope 3 Emissions</b>	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
<b>SDGs</b>	Sustainable Development Goals
<b>SDR</b>	The proposed UK Sustainability Disclosure Requirements
<b>SEC</b>	US Securities and Exchange Commission
<b>SFDR</b>	The EU Sustainable Finance Disclosure Regulation
<b>Solar power assets</b>	Utility-scale solar power plants and associated infrastructure, which may include transmission and co-located or remotely located energy storage systems such as batteries (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>SPPI</b>	Solely payments of principal and interest
<b>SPV</b>	Special Purpose Vehicle
<b>TCFD</b>	Taskforce on Climate-related Financial Disclosures
<b>Total dividend cover</b>	Non-GAAP measure. Total dividend cover is calculated as net portfolio cash generation divided by dividends paid in the year, with an adjustment for items such as cash flow reserves carried forward from operating cash flows generated in prior periods. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements.
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>TSR</b>	Total Shareholder Return. Non-GAAP measure. Share price appreciation plus dividends assumed to be reinvested since IPO. The total return based on the NAV appreciation plus dividends paid since the IPO. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Strategic Report, Investor Relations, Total Shareholder Return and NAV total return paragraph.
<b>Transition Risk</b>	Transition risks include policy changes, reputational impacts, and shifts in market preferences, norms and technology. Transition opportunities include those driven by resource efficiency and the development of new technologies, products and services, which could capture new markets and sources of funding.
<b>UNGC</b>	UN Global Compact
<b>USPAP</b>	Uniform Standards of Professional Appraisal Practice
<b>Utility Scale Solar Power Plants</b>	Large-scale grid connected solar power plants, being solar photovoltaic generation power plants with capacity of at least 1MW but typically in a range of 20MW to 200MW (as defined in Part XI (Glossary of Terms) of the Prospectus)
<b>WACI</b>	Weighted Average Carbon Intensity

# KEY CONTACTS

## DIRECTORS

Gill Nott  
Jamie Richards  
Thomas Plagemann  
Mark Lerdal (appointed 1 October 2024)

## INVESTMENT MANAGER

Amber Infrastructure Investment Advisor LLC  
1330 Avenue of the Americas, New York, NY 10019

## REGISTERED OFFICE

The Scalpel, 18th Floor  
52 Lime Street, London, EC3M 7AF

## ADMINISTRATOR AND COMPANY SECRETARY

JTC (UK) Limited  
The Scalpel, 18th Floor  
52 Lime Street, London, EC3M 7AF

## INDEPENDENT AUDITOR

Deloitte LLP  
2 New Street Square, London, EC4A 3BZ

## INDEPENDENT VALUER

KPMG LLP  
Suite 1000,  
620 South Tryon Street, Charlotte, North Carolina, 28202-1842

## LEGAL ADVISER

Hogan Lovells International LLP  
Atlantic House, Holborn Viaduct, London, EC1A 2FG

## CORPORATE BROKER

Cavendish Capital Markets Limited  
One Bartholomew Close, London, EC1A 7BL

## PUBLIC RELATIONS

Kaso Legg Communications  
40 Queen Street London, EC4R 1DD

# NOTICE OF AGM

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not resident in the United Kingdom, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your shares in US Solar Fund plc, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

## **NOTICE OF THE ANNUAL GENERAL MEETING OF US SOLAR FUND PLC**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of US Solar Fund plc (Company) will be held, at the offices of JTC, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF on Tuesday, 20 May 2025 at 3:00 p.m.

**You will be asked to consider and vote on the resolutions below. Resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 14 will be proposed as special resolutions. The Board unanimously recommends that Shareholders vote in favour of all resolutions, except in the case of resolution 14, which the Board unanimously recommends that Shareholders vote AGAINST.**

### **Ordinary Resolutions:**

1. THAT the Annual Report and Financial Statements for the year to 31 December 2024, together with the Directors' reports and Auditors' report on those accounts, be received.
2. THAT the Directors' Remuneration Report (excluding the Director's Remuneration Policy), as set out on pages 67 to 68 of the Company's Annual Report and Financial Statements for the year to 31 December 2024 be approved.
3. THAT Deloitte LLP be re-appointed as the Company's Auditor from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which the accounts and reports of the Directors and Auditors are laid.
4. THAT the Directors be authorised to determine the Auditor's remuneration.
5. THAT Gillian Nott be re-elected as a Director of the Company.
6. THAT Jamie Richards be re-elected as a Director of the Company.
7. THAT Thomas Plagemann be re-elected as a Director of the Company.
8. THAT Mark Lerdal be elected as a Director of the Company.
9. THAT the Company's dividend policy be approved.
10. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act'), and in substitution for all existing authorities, to exercise all the powers of the Company to allot Ordinary Shares in the Company up to a maximum aggregate nominal amount of US\$307,850 (representing approximately 10% of the Company's issued ordinary share capital as at 9 April 2025 (being the latest practicable date prior to the publication of this Notice) or, if different, the number representing 10% of the aggregate nominal value of issued share capital (excluding treasury shares) as at the date of the passing of this resolution provided that this authority shall expire at the conclusion of the Company's next annual general meeting or, if earlier, the date occurring 15 months from the date on which this resolution is passed, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.

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**Special Resolutions:**

11. THAT, subject to the passing of resolution 10, set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and Section 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the authority conferred by resolution 10 and/or by way of sale of treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash at a price of not less than the net asset value per share up to an aggregate nominal amount of US\$307,850 (representing approximately 10% of the Company's issued ordinary share capital as at 9 April 2025 (being the latest practicable date prior to the publication of this Notice)) or, if different, the number representing 10% of the aggregate nominal value of issued share capital (excluding treasury shares) as at the date of the passing of this resolution and shall expire at the conclusion of the Company's next annual general meeting or, if earlier, the date occurring 15 months from the date on which this resolution is passed, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers, agreements or arrangements as if the power conferred hereby had not expired.
12. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares of \$0.01 each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:
  - a) the maximum aggregate number of Ordinary Shares which may be purchased is 46,144,225 (being approximately 14.99% of the issued ordinary share capital of the Company immediately prior to the passing of this resolution (excluding treasury shares) as at 9 April 2025 (being the latest practicable date prior to the publication of this Notice));
  - b) the minimum price (excluding expenses) which may be paid for each Ordinary Share or is \$0.01;
  - c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:
    - a. an amount equal to 105% of the average of the middle market value of quotations for an Ordinary Share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately before the day on which the purchase is made; and
    - b. the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out;
  - d) the authority conferred by this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Company's next annual general meeting or, if earlier, on 20 August 2026, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase its Ordinary Shares which may be executed wholly or partly after the expiry of such authority.
13. THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the Company's next annual general meeting.
14. THAT the Company ceases to continue as an investment trust.

By order of the Board

**JTC (UK) LIMITED**  
COMPANY SECRETARY

Registered office:  
The Scalpel, 18th Floor  
52 Lime Street  
London EC3M 7AF

Company number: 04301763

Date: 9 April 2025

# NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

- (a) Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his or her appointor. A member entitled to attend and vote at the Annual General Meeting may appoint the Chair of the meeting or another person as his or her proxy, although the Chair will not speak for the member. A member who wishes his or her proxy to speak for him or her should appoint his or her own choice of proxy (not the Chair of the meeting) and give instructions directly to that person.
- (b) A Form of Proxy which may be used to make this appointment and give proxy instructions accompanies this notice. Details of how to appoint a proxy are set out in the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Computershare Investor Services PLC ("**Computershare**") with the contact details found in note (e). As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically in accordance with note (e) below.
- (c) To be valid, a Form of Proxy and (if required) the power of attorney or other written authority, if any, under which it is signed or a certified copy of any such authority, must be delivered to the Company's Registrar, Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by 3:00 p.m. on 16 May 2025 or, if the Annual General Meeting is adjourned, not less than 48 hours (excluding any part of a day which is not a working day) prior to the adjourned meeting.

To change your proxy instructions you may return a new proxy appointment as set out above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Computershare. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last received shall be treated as replacing and revoking the other or others.

In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Computershare at the address specified above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The deadline for receipt of proxy appointments (see above) also applies in relation to a revocation notice. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified, then subject to note (f) below, the proxy appointment will remain valid.

- (d) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- (e) You may submit your proxy electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To do this, please register your proxy vote electronically by accessing our Registrar's website [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy), using control number 920690, Shareholder Reference Number (SRN) and PIN, all of which are available on the front of your Form of Proxy or within the email received from Computershare (if applicable). If you need help with voting, please contact Computershare on +44 (0)370 703 6253. Calls from outside the United Kingdom will be charged at the applicable international rate. Computershare can be contacted by phone 8:30 am to 5:30 pm (UK time), Monday to Friday (excluding public bank holidays in England and Wales) or via email at [webqueries@computershare.co.uk](mailto:webqueries@computershare.co.uk).
- (f) If you are a person who has been nominated under section 146 of the Companies Act 2006 (the "**Companies Act**") to enjoy information rights ("**Nominated Person**"), you do not have a right to appoint any proxies under the procedures set out in these notes. However:
- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting; or
  - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Your main point of contact in terms of your investment in the Company remains the Relevant Member (or perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.



- (g) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent Computershare Investor Services PLC (under CREST ID number 3RA50), no later than 3:00 pm on 16 May 2025, or, if the Annual General Meeting is adjourned, not less than 48 hours (excluding any part of a day which is not a working day) prior to the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Group may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

- (h) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (i) Only those holders of the Company's shares registered on the Register of Members of the Company as at 6:00 pm (UK time) on 16 May 2025 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours (excluding any part of a day which is not a working day) before the time of any adjourned meeting, shall be entitled to attend and vote at the Annual General Meeting. Changes to entries on the Register of Members after this time shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.
- (j) Voting on resolutions 1 to 14 will be conducted by way of a poll. As soon as practicable following the Annual General Meeting, the results of the voting will be announced via a regulatory information service and posted on the Company's website.
- (k) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
- (l) Under section 319A of the Companies Act, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
- (m) Except as provided above, members who have general queries about the Annual General Meeting should write to the Company Secretary at the registered office set out above.
- (n) As at 9 April 2025 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 332,192,361 Ordinary Shares and the total number of voting rights in the Company was 307,833,387. Information regarding the number of shares and voting rights and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website, <http://www.ussolarfund.co.uk>.

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# NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

- (o) Members may not use any electronic address provided either in this Notice of Annual General Meeting, or any related documents (including the Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.
- (p) Under section 338 of the Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to give notice of a resolution which may properly be moved at the Annual General Meeting. Any such request, which must comply with section 338(4) of the Companies Act, must be received by the Company no later than six weeks before the date fixed for the Annual General Meeting.
- (q) Under section 338A of the Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the Annual General Meeting. Any such request, which must comply with section 338A(4) of the Companies Act, must be received by the Company no later than six weeks before the date fixed for the Annual General Meeting.
- (r) Members satisfying the thresholds in section 527 of the Companies Act can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting, that the members propose to raise at this Annual General Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the Annual General Meeting includes any such statement that the Company has been required to publish on its website.

# EXPLANATORY NOTES TO RESOLUTIONS

## ORDINARY RESOLUTIONS

### RESOLUTION 1: RECEIVE THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Companies Act requires the Directors of a public company to lay before the Company in general meeting copies of the Annual Report, Directors' Reports and its Auditor's Report in respect of each financial year. These are contained in the Company's Annual Report and financial statements for the financial year ended 31 December 2024 (the "**2024 Annual Report**"). Accordingly, a resolution to receive the 2024 Annual Report is included as an ordinary resolution.

### RESOLUTION 2: APPROVE THE DIRECTORS' REMUNERATION REPORT

The Directors' remuneration report can be found on pages 67 to 68 of the 2024 Annual Report and is subject to an advisory vote by Shareholders, which is proposed as an ordinary resolution. It details the payments that have been made to Directors during the year, in accordance with the current remuneration policy. The remuneration report will be presented to Shareholders on an annual basis.

At the annual general meeting held in 2023, the Directors' remuneration policy was approved by Shareholders and is not therefore required to be approved at this year's Annual General Meeting. The policy will be put to Shareholders again no later than the Company's annual general meeting in 2026.

### RESOLUTIONS 3 AND 4: RE-APPOINTMENT OF AUDITOR AND AUDITOR'S REMUNERATION

Resolution 3 relates to the re-appointment of Deloitte LLP as the Company's Auditor to hold office until the conclusion of the next general meeting of the Company at which the accounts and reports of the Directors and Auditor are laid. This resolution is recommended by the Company's Audit Committee and endorsed by the Board. Accordingly, it is proposed, as an ordinary resolution, to re-appoint Deloitte LLP as the Company's Auditor. Resolution 4 authorises the Directors, upon recommendation from the Company's Audit Committee, to fix the Auditor's remuneration.

The Directors, having regard to the Audit Committee's recommendation, consider that the level of consultancy-related non-audit fees to audit fees paid to Deloitte LLP is appropriate for the advisory work required to be undertaken for the year to 31 December 2024 and that these do not create a conflict of interest on the part of the independent Auditor.

### RESOLUTIONS 5 TO 8: ELECTION AND RE-ELECTION OF DIRECTORS

The Company's articles of association (the "**Articles**") specify that at each annual general meeting all of the Directors shall retire from office. Accordingly, each of the existing Directors will retire from office with effect from the conclusion of this Annual General Meeting and Gillian Nott, Jamie Richards and Thomas Plagemann will stand for re-election by the Shareholders. Mark Lerdal will stand for election by the Shareholders.

Biographies of each member of the Board standing for election (or re-election) can be found on page 55 of the 2024 Annual Report.

The Directors believe that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company and the sector in which it operates to enable it to provide effective strategic leadership and proper guidance of the Company. The Board confirms that, following the evaluation process set out in the Corporate Governance Report on pages 58 to 62 of the 2024 Annual Report, the performance of each of the Directors is, and continues to be, effective and demonstrates their respective commitment to the role. The Board believes, therefore, that it is in the interests of Shareholders that Mark Lerdal be elected and Gillian Nott, Jamie Richards and Thomas Plagemann be re-elected.

### RESOLUTION 9: APPROVAL OF THE DIVIDEND POLICY

Resolution 8 concerns the approval of the Company's dividend policy which is to pay interim quarterly dividends to the holders of Ordinary Shares, in US Dollars.

### RESOLUTION 10: AUTHORITY TO ALLOT SHARES

This resolution deals with the Directors authority to allot Ordinary Shares generally and unconditionally in accordance with section 551 of the Companies Act up to an aggregate nominal value of US\$307,850, or 10% of the Company's issued ordinary share capital.

Resolution 10 along with Special Resolution 11 as described below, intends to authorise the Board to allot shares in the capital of the Company and to grant rights to subscribe to, or to convert any security into shares on a non pre-emptive basis.

# EXPLANATORY NOTES TO RESOLUTIONS CONTINUED

## SPECIAL RESOLUTIONS

### RESOLUTION 11: DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS

Resolution 11 will be proposed as a special resolution, which require a majority of at least 75% to be passed. The Resolution seeks to provide the Directors the authority to allot shares or sell shares held in treasury under Resolution 10, on a non-pre-emptive basis for cash up to an aggregate nominal amount of US\$307,850, or 10% of the issued ordinary share capital (excluding treasury shares) as at the date the resolution would have passed.

### RESOLUTION 12: MARKET PURCHASES OF OWN SHARES

This resolution seeks authority for the Company to make market purchases of its own Ordinary Shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 46,144,225 of its Ordinary Shares, being approximately 14.99% of the Company's issued ordinary share capital (excluding treasury shares) as at 9 April 2025 (being the latest practicable date prior to the publication of this Notice).

The resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority. The authority will expire on the earlier of 15 months from the passing of the resolution and the Company's next annual general meeting.

The Directors believe that it is prudent to obtain the flexibility that this resolution provides; and will only exercise the authority to purchase Ordinary Shares where they consider that such purchases will be in the best interests of Shareholders generally and will result in an increase in earnings per Ordinary Share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them). The Directors currently intend to cancel all shares purchased under this authority.

As at 9 April 2025, there are no outstanding options or warrants to subscribe for Ordinary Shares in the capital of the Company.

### RESOLUTION 13: NOTICE PERIOD FOR GENERAL MEETINGS

Resolution 13 is to be proposed as a special resolution to allow the Company to hold general meetings (other than annual general meetings) on at least 14 clear days' notice.

The minimum notice period for general meetings of listed companies is 21 days, but companies may reduce this period to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the Company offers a facility for Shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all Shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of Shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

If approved, the resolution will be effective until the end of the Company's next annual general meeting, when it is intended that the approval be renewed. The Board will consider on a case-by-case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time sensitive.

### RESOLUTION 14: DISCONTINUATION RESOLUTION

The Company's Articles require the Directors to propose to Shareholders a special resolution that the Company ceases to continue in its present form ("**Discontinuation Resolution**") if over the course of a complete financial year, the Ordinary Shares of the Company have, on average, traded at a discount in excess of 10 percent to the Net Asset Value per Ordinary Share.

During the period, the Company's average price per Ordinary Share was 48.33 cents, trading at a 23.8% percent discount to the Company's average Net Asset Value as at 31 December 2024 (31 December 2023: 28.13 percent discount), triggering the requirement to propose the Discontinuation Resolution to Shareholders.

Accordingly, the Discontinuation Resolution will be put to Shareholders at the upcoming Annual General Meeting. If the Discontinuation Resolution is passed, the Board will put forward proposals to Shareholders at a general meeting of the Company, to be held within four months of the Discontinuation Resolution being passed, to wind up or otherwise reconstruct the Company, having regard to the illiquid nature of the Company's underlying assets.

Notwithstanding the obligation on the Board to propose the Discontinuation Resolution pursuant to the Company's Articles, the Board firmly believes that the passing of the Discontinuation Resolution would have a significant adverse impact on Shareholder value for the reasons set out below. The Board remains of the view that the current discount to NAV does not reflect the underlying value of the Company and remains committed to preserving shareholder value. The Board and Investment Manager will continue to monitor the market for similar assets as those held by the Company with a view to the realisation of value from the Company's assets when the time is right. That time is not now based on prevailing market conditions described in the Chair's Statement which are not conducive to a sale for value.

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As a reminder, the Company underwent an extensive strategic review process in 2023 to consider the options available to protect Shareholder value (the “**Strategic Review**”). As a result of the Strategic Review, the Company made amendments to its investment policy and appointed a new Investment Manager, Amber Infrastructure Investment Advisor, LLC (a member of the Amber Infrastructure Group) (“**Amber**”), with effect from 1 December 2023. The Strategic Review conducted throughout 2023, demonstrated that prevailing market conditions were not conducive to the Company realising the value of its assets. In June 2024, the Company delivered on its commitment to return capital to shareholders via a tender offer. The Company acquired approximately 7% of the issued share capital at a significant premium to the prevailing market price, returning \$18.6 million plus costs to shareholders. The Board’s focus remains on taking steps to ensure the Company’s portfolio is robust, optimised and capable of being presented to the market for a future liquidity event in order to maximise shareholder value.

In light of the severity of the possible consequences for Shareholder value, the Directors are unanimously recommending that Shareholders vote **AGAINST** the Discontinuation Resolution.





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