



US Solar Fund Update

April 2020



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Agenda



- 1 **Executive Summary**
- 2 **Summary of Portfolio**
- 3 **Operational Assets Update**
- 4 **Acquisition One Update**
- 5 **Acquisition Two Update**
- 6 **Acquisition Five Update (Under Exclusivity)**



Executive Summary



USF is in a strong position relative to COVID-19 impacts and is on track to achieve its IPO operational and dividend targets

- USF's long-term PPAs provide long-term price, volume, and cashflow stability and the Company does not expect COVID-19 to materially impact construction timelines or operating cashflows.
- USF's acquired portfolio consists of 37 projects with total capacity of 383 MW_{DC}. A further four projects totaling 61 MW_{DC} are under exclusivity. All are on target to be operating by the end of 2020.
- More than 55% (by MW_{DC}) of the acquired portfolio is fully operational and construction of the remainder is progressing to the expected timeline.
- All debt and tax equity financing required for construction and operations of the acquired 383 MW_{DC} is in-place, and USF's acquisition of the further 61 MW_{DC} is subject to debt and tax equity financing being in place.
- The Company is in a strong position to commence the full 5.5% (annualized) dividend from Q1 2021 in line with the target set out at IPO.
- The Company and New Energy Solar Manager (the Investment Manager) are working together to protect the welfare of employees, contractors, and other stakeholders while ensuring operational and construction milestones are met.





USF Portfolio Summary



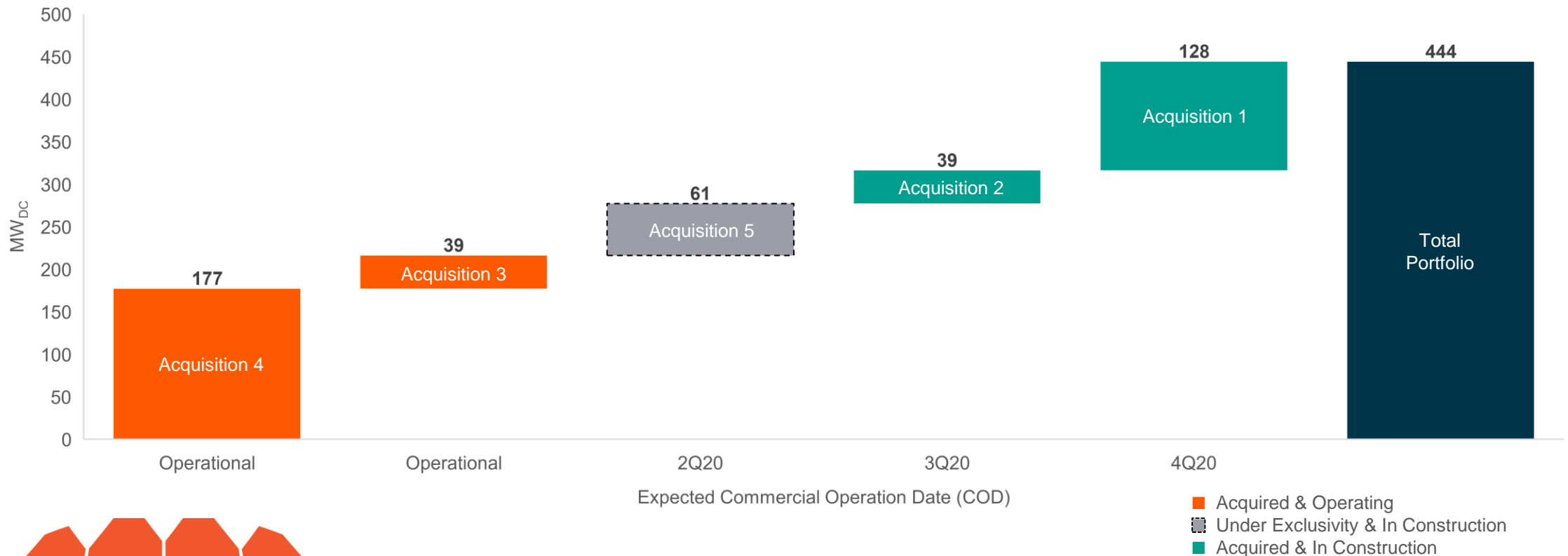
Acquisition Four : 7 MW_{DC} North Carolina Project



USF Portfolio Progression



USF has acquired 383 MW_{DC} across four acquisitions with a further 61 MW_{DC} under exclusivity



USF Fully Operational by Year-End 2020



More than 55%¹ of USF's acquired portfolio is already fully operational and construction of the remainder is progressing to the expected timeline

- USF's acquired portfolio consists of 37 projects with total capacity of 383 MW_{DC}
 - Seven projects totaling 167 MW_{DC} are currently in-construction (Acquisition One in Utah and Acquisition Two in North Carolina); these seven projects are expected to be completed over the course of 2020, consistent with announced target completion dates
 - 30 projects totalling 216 MW_{DC} are fully operational (Acquisition Three in North Carolina and Acquisition Four in North Carolina, Oregon, and California)
- USF has a fifth portfolio under exclusivity (Potential Acquisition Five)
 - Four projects totalling 61 MW_{DC} in Oregon
 - Expected to be acquired at or near construction completion during Q2 2020
- **Potential Acquisition Five will bring the total USF portfolio to 41 projects and over 440 MW_{DC}**

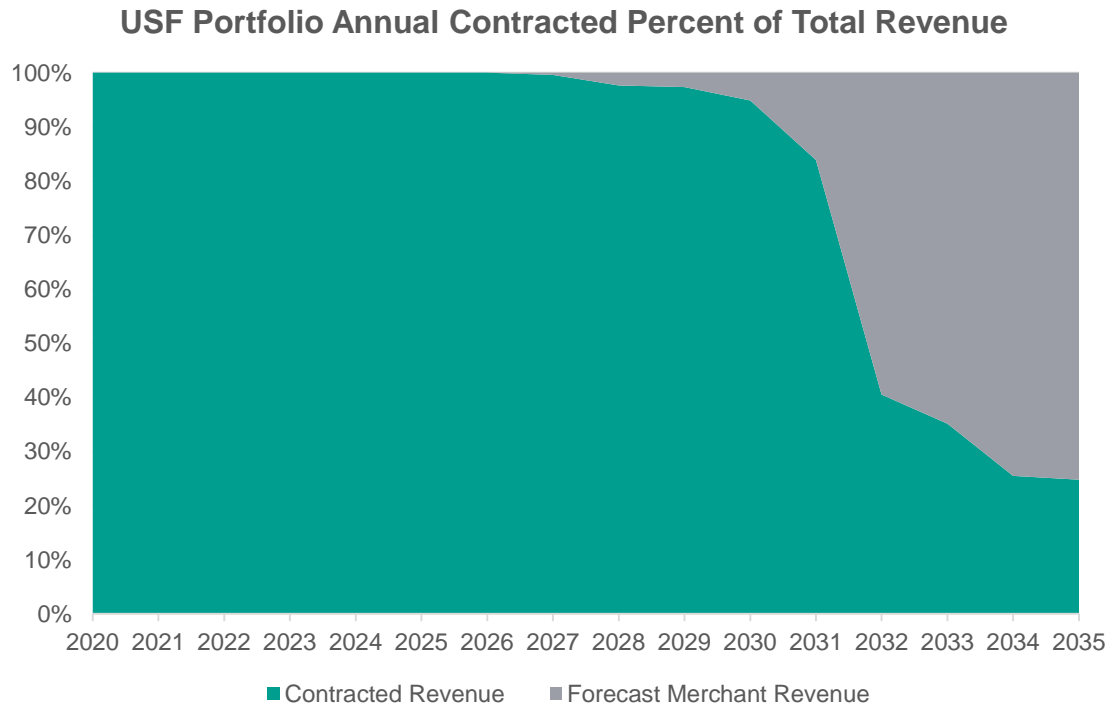


1. Based on MW_{DC}

Highly Contracted Cash Flows



USF's revenues are 100% contracted for a weighted average period of 15 years¹



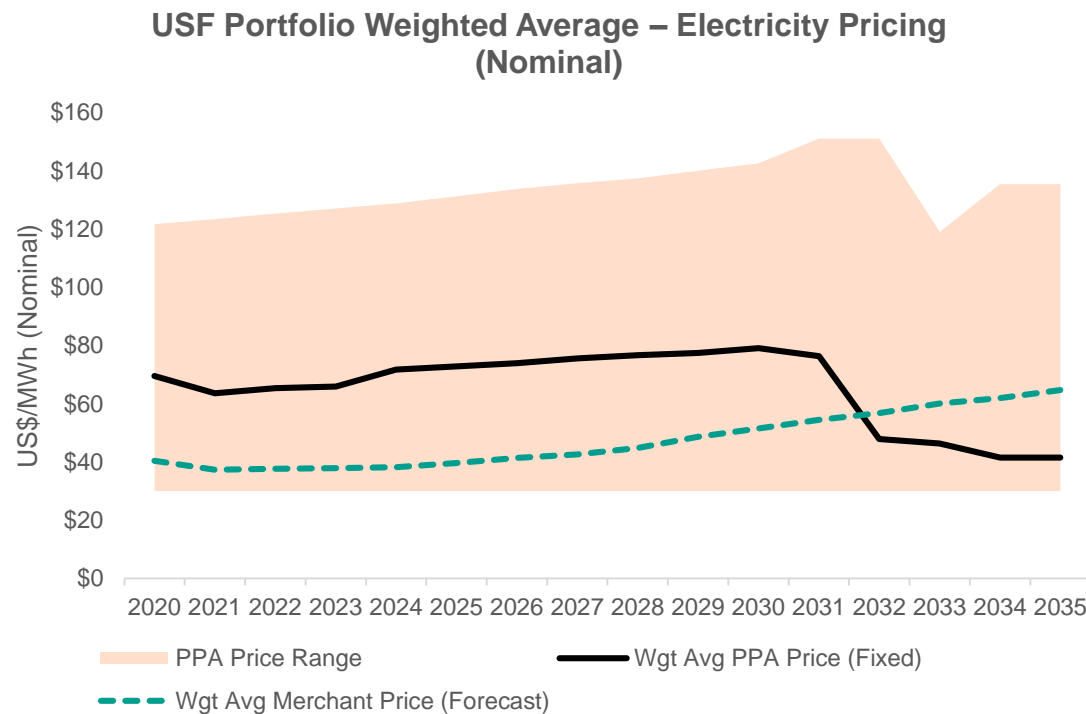
- Shutdowns and disruptions to business operations from COVID-19 have resulted in a reduction in electricity demand, which could put downward pressure on near-term merchant electricity prices
- However, all USF portfolio projects have fixed price PPAs for 100% of electricity generated for the duration of the contract
 - Weighted average PPA term remaining of 15 years before exposure to merchant electricity
 - PPA counterparties for USF assets are investment grade (S&P rated A to BBB+)
 - Steady reliable cashflows put USF in a strong position to pay the IPO target yield of 5.5% once assets are fully operational at the end of 2020

1. Weighted by MW_{DC}. Includes Acquisition Five which is currently under exclusivity

PPA Structures Support Stable Dividends



USF's PPA prices are fixed at or before acquisition so revenues are predictable during the contract term



- As of April 16, 2020, 32 companies in the FTSE 100 have announced either a cut, suspension, or deferment of their dividend payment. These cuts are likely driven by decreases in underlying revenue¹
- With all PPAs in the portfolio containing prices that are fixed at or before acquisition (on a fixed or escalating basis), USF is in a strong position to consistently deliver dividends despite market volatility
- With more than 50% of the portfolio already operational, USF is well-placed to cash cover the remaining 2-3% ramp-up dividend, and with 100% of the portfolio expected to be operational by the end of 2020, **USF is in a strong position to commence and fully cash cover the 5.5% annualized dividend from Q1 2021**

1. <https://www.moneyobserver.com/news/just-handful-companies-are-responsible-ftse-100s-dividend-yield-putting-income-investors>

Limited Exposure to Curtailment Risk



USF's PPAs limit the risk of economic-driven electricity curtailment resulting from reduced electricity demand

- Reductions in electricity demand also leads to a reduction of utilities' electricity procurement needs
- In times of reduced demand, utilities can choose to generate less with their own generation assets, reduce the amount they procure under PPAs, or reduce the amount they purchase in a wholesale market (if applicable)
- USF's PPAs either do not permit, or severely limit, economic curtailment and utilities have other assets, including their own fleet of production, that would be curtailed before USF assets in the event of an emergency
- For example, USF's largest offtaker, Duke Energy, has outlined their curtailment strategy (see right)
- **No USF assets have received curtailment instructions and, at current levels of demand, are unlikely to**

Example Utility Curtailment Process (in order of curtailment directive)

- | | |
|---|---|
| 1 | Utility-owned systems |
| 2 | 5% of contracted MWh/year allowed in all PPAs under the Renewable Energy and Energy Efficiency Portfolio Standard Program |
| 3 | Facilities procured under the Competitive Procurement of Renewable Energy Program and Green Source Advantage Program |
| 4 | Emergency curtailments on a rotating, non-discriminatory basis for all the utility's facilities with Public Utility Regulatory Policies Act of 1978 (PURPA) contracts |

 USF assets in Duke Energy subsidiary territory

Coronavirus Market Impacts on USF Portfolio



USF's assets are well-positioned relative to COVID-19 impacts

Potential Impact	Comment / Mitigation
<ul style="list-style-type: none">Short term spot price of electricity falling from reduced electricity demand	<ul style="list-style-type: none">100% of USF's cashflows are contracted under long term power purchase agreements with an average remaining term of 15 years¹
<ul style="list-style-type: none">Offtaker curtailment of electricity delivery across certain power markets	<ul style="list-style-type: none">USF's projects have contractual protections and are geographically diverse resulting in minimal risk of curtailment
<ul style="list-style-type: none">Solar construction disruptions	<ul style="list-style-type: none">USF's in-construction projects are well progressed with the remainder of work not requiring personnel to work at close distance
<ul style="list-style-type: none">Supply chain disruptions	<ul style="list-style-type: none">Majority of materials required for in-construction projects have been delivered onsite or are scheduled to be delivered on time
<ul style="list-style-type: none">Slowdown in demand for solar installation	<ul style="list-style-type: none">Robust pipeline of opportunities including 2,133 MW_{DC} of assets with a cash equity value of \$2.1 billion as at 31 March 2020
<ul style="list-style-type: none">Increased cost of financing and/or reduced liquidity in debt and tax equity financing markets	<ul style="list-style-type: none">Construction finance is in place for Acquisition One and will convert to committed long-term financing upon operationsAcquisitions Two and Three are fully equity funded (i.e. unlevered)Long-term financing is in place for Acquisition Four and refinancing will only proceed when satisfactory terms are available (existing debt does not mature until after 2030)Tax equity financing is already fully committed or funded for Acquisitions One to FourUSF will only proceed with Potential Acquisition Five subject to committed debt and tax equity financing, which is well progressed

1. By MW_{DC}. Includes Acquisition Five

Health and Safety



The Investment Manager is working to reduce any potential impact of COVID-19 on the health and safety of its employees, contractors, and stakeholders

- Remote monitoring, fault identification, and alarms are in operation at all operational sites, and construction sites are secure and monitored
- Portfolio Management team members are still able to visit US construction sites on a limited basis or conduct inspections and meetings virtually
- The nature of solar construction is such that working at close quarters is not routinely required particularly during later stages. Where appropriate, construction contractors have implemented additional procedures to ensure proper distancing and handling of any COVID-19 cases (noting there have been no cases to date on any USF construction or operational site)
- All Investment Manager team member have been working remotely since late March 2020 using existing remote working and monitoring systems
- The Investment Manager is working with all contractors and other stakeholders to ensure that operational and construction targets can be met whilst ensuring safety on site and meeting relevant COVID-19 requirements or restrictions





Operational Assets Update



Acquisition Three: 6.3 MW_{DC} North Carolina Project



USF's Operating Assets



Acquisition Three and Four total 216 MW_{DC} across 30 projects with performance to date in line with expectations at acquisition

	Acquisition Three	Acquisition Four	Portfolio Management Comments
Size and Location	<ul style="list-style-type: none"> 39 MW_{DC} across eight projects in North Carolina 	<ul style="list-style-type: none"> 177 MW_{DC} across 22 projects in Oregon, North Carolina and California 	<ul style="list-style-type: none"> Performance data for all assets integrated into a single platform by end of month, with daily performance reported in real-time Third-party operations and maintenance providers manage the day to day operations of the portfolio and are the first line of response if attention is required To date, limited COVID-19 impact on operating projects in most states as electricity is considered an essential service, with O&M staff able to attend site if required Spare parts inventories are held at specific sites or at storage facilities within the respective state as appropriate Closely monitoring COVID-19 impacts state-by-state
Acquired	<ul style="list-style-type: none"> December 31, 2019 (five projects) January 10, 2020 (three projects) 	<ul style="list-style-type: none"> March 12, 2020 	
Offtaker	<ul style="list-style-type: none"> Subsidiaries of Duke Energy (S&P A-rated), one of the largest electric power holding companies in the United States, providing electricity to 7.7 million retail customers in six states 	<ul style="list-style-type: none"> Duke Energy Progress, Duke Energy Carolinas, PacifiCorp, Virginia Electric & Power, San Diego Gas & Electric, North Carolina Electric S&P ratings: from BBB+ to A 	
Volume Contracted	<ul style="list-style-type: none"> 100% of electricity generated 	<ul style="list-style-type: none"> 100% of electricity generated 	
Weighted Average PPA Remaining	<ul style="list-style-type: none"> 10 years 	<ul style="list-style-type: none"> 12 years 	
Performance Since Acquisition	<ul style="list-style-type: none"> Since acquisition, the portfolio has performed at 100% of weather-adjusted forecast 	<ul style="list-style-type: none"> Portfolio availability since acquisition is meeting expectations. Full production data will be available next quarter (Q2 2020) 	

Acquisition One



Acquisition One: 128 MW_{DC} Utah Project

Acquisition One: Summary



128 MW_{DC} project in Milford, Utah acquired in August 2019

Plant Overview	
Capacity	128 MW _{DC}
USF Investment	US\$30m equity
Status	In construction with target COD in H2 2020
Offtaker	PacifiCorp (S&P rating: A)
Power Purchase Agreement (PPA) Terms	100% of power and renewable energy credits generated at a fixed price for 25 years
Developer	Longroad Energy Partners, LLC
EPC Contractor	McCarthy Building Companies
Tax Equity Provider	Wells Fargo
Construction and Term Debt Providers	Zions Bancorporation N.A and KeyBank N.A



Acquisition One: 128 MW_{DC} Project March 2020



Acquisition One: Construction Status



Construction commenced in September 2019 with completion expected in H2 2020

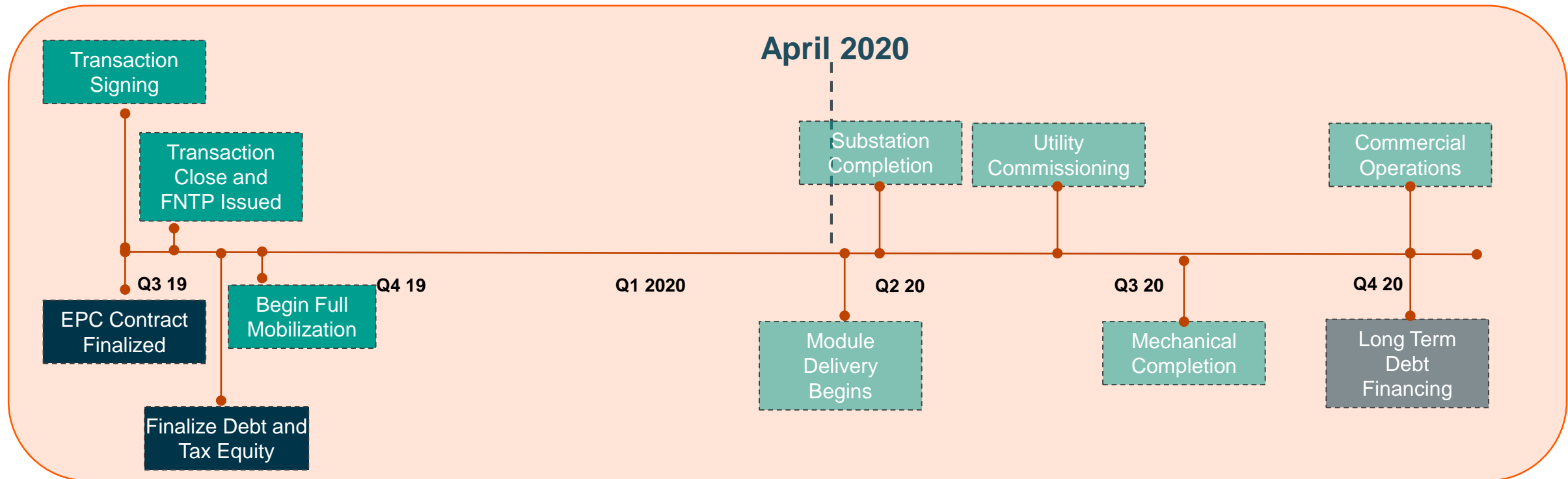
- Construction is on a fixed-time and fixed-cost basis by McCarthy Building Companies, one of the largest construction companies in the US
- Key construction milestones and next steps
 - Completion of NEXTracker racking installation and delivery and installation of main transformer
 - Module delivery beginning the first week of May 2020
 - Estimated COD: November 2020
- COVID-19 considerations
 - Solar panels are being manufactured within the continental US
 - The balance of construction materials have already been delivered to site or are already in the US



Acquisition One: Key Construction Milestones



Construction proceeding on schedule with expected completion in Q4 2020





Acquisition Two



Acquisition Four : 7 MW_{DC} North Carolina Project



Acquisition Two: Summary



39 MW_{DC} across six projects in North Carolina acquired in December 2019

Portfolio Overview	
Capacity	39 MW _{DC}
USF Investment	US\$35m equity
Status	In construction with target COD in H2 2020
Offtaker	Duke Energy Progress(S&P rating: A-) , Duke Energy Carolinas (S&P rating: A-)
Power Purchase Agreement (PPA) Terms	100% of power and renewable energy credits generated at a fixed price for 13 years (weighted average)
Developer	Cypress Creek Renewables
EPC Contractor	Horne Brothers Construction
Tax Equity Provider	US Bancorp
Construction and Term Debt Providers	N/A



Acquisition Two: Construction Status



Construction commenced in December 2019 for all projects

- Construction is on a fixed-time and fixed-cost basis by Horne Brothers Construction, a North Carolina-based solar installer which has successfully completed over 900 MW_{DC} of solar construction
- Key construction milestones and next steps
 - Modules and inverters are being delivered and installed
- COVID-19 considerations
 - Solar panels are being stored in various warehouses close to the sites
 - Other materials are either on site or have been procured from suppliers overseas and are still scheduled to be delivered in line with target timeline



Acquisition Two: 5.7 MW_{DC} Project March 2020

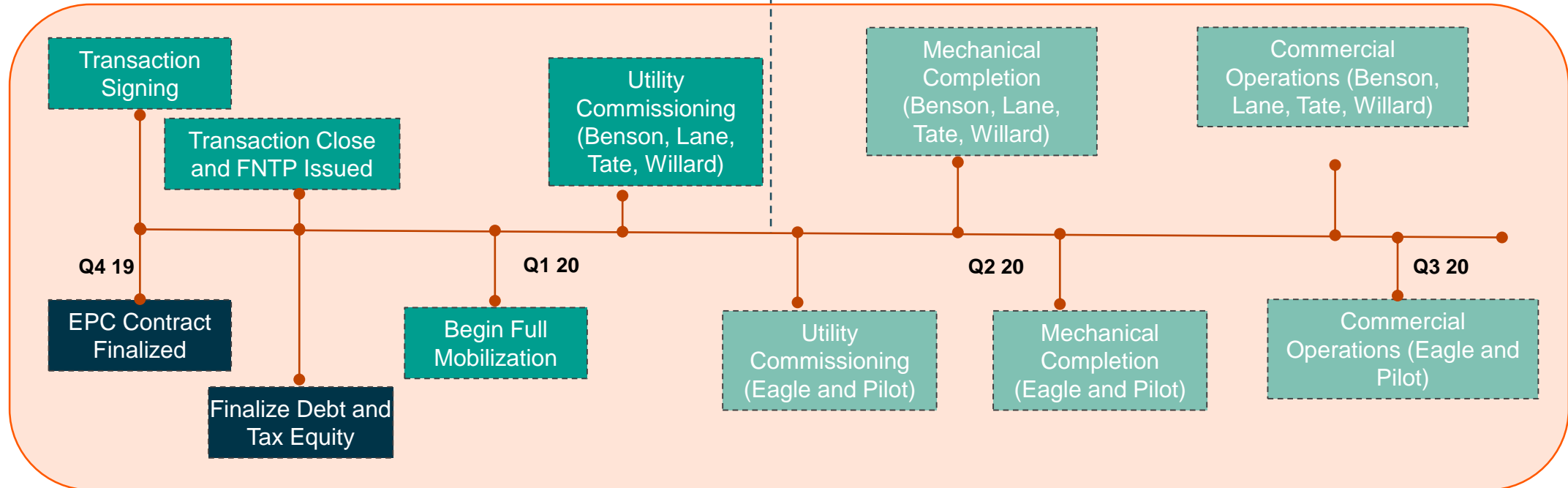


Acquisition Two: Key Construction Milestones



Projects progressing well; modules delivered as needed given small project sizes

April 2020



Project
Milestones

Third Party
Agreements

Potential Acquisition Five (Under Exclusivity)



Acquisition Four: 13.7 MW_{DC} Oregon Project

Potential Acquisition Five Summary



61 MW_{DC} portfolio of four in-construction projects in Oregon

- USF announced exclusivity on the portfolio in late February 2020
- The portfolio consists of four projects of approximately 15 MW_{DC} each totaling 61 MW_{DC}
- Each project has a long-term PPA with Portland General Electric (S&P: BBB+), a publicly traded offtaker based in Portland, Oregon
- The portfolio is expected to be acquired at or near construction completion during Q2 2020
- Tax equity and long-term bank debt will be in place upon acquisition



Potential Acquisition Five Update



Construction of assets progressing and transaction proceeding on schedule

- All four projects are at or near mechanical completion and are on track to reach substantial completion in late May
- COVID-19 has caused minor delays to the construction process, with the local utility company issuing a stop work order on the sites in the interest of staff safety
- The impact of COVID-19 on the transaction is expected to be minimal given the construction is at an advanced stage



Conclusion



USF is well-positioned in the current market: operating assets performing well and portfolio is on track to be fully operational by year-end with strong contracted cashflows

- USF's portfolio has PPAs that contract a fixed price for 100% of the electricity produced for the duration of the contract; counterparties are investment grade (S&P rated A to BBB+)
- USF's portfolio is already 55% operational; construction of the remaining 45% is well underway and on target for operations during 2020
- Fully operational target dates are in line with IPO expectations as described in the Prospectus dated February 26, 2019, and USF expects to ramp-up to the full 5.5% dividend in Q1 2021, also in line with Prospectus targets
- There has been limited COVID-19 impact to date; the Investment Manager is closely monitoring well-developed contingency plans in order to mitigate potential impact
- Potential Acquisition Five continues to progress well with USF's acquisition contingent on negotiation and execution of binding documentation and the projects achieving operational milestones

By the end of 2020 USF expects to have a fully operational 444 MW_{DC} portfolio with a weighted average investment-grade PPA term of 15 years

