

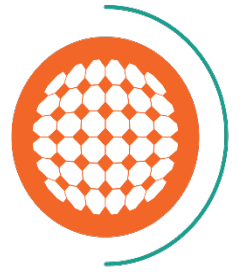


US Solar
Fund

2022 Annual Results Presentation

March 2023





Outline

- 1 **Company Update**
- 2 **Operational Performance**
- 3 **Financial Results for FY2022**
- 4 **US Solar Market and Outlook**





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1. Company Update



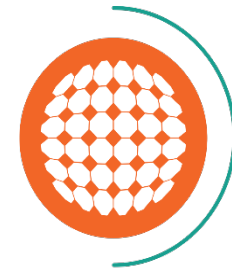
Suntex 15.3MW_{DC}



Year in Review

USF's high-quality portfolio continued to deliver steady cash flows and the Company's strategic review is progressing

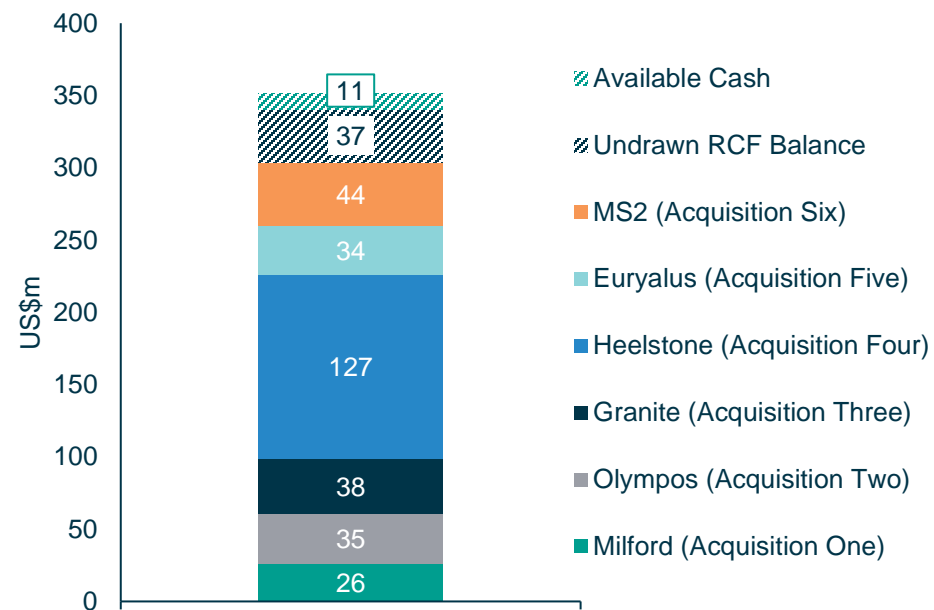
- ✓ During the year, the portfolio's total capacity grew to over half a GWh. The Company continued to cash cover the 2022 dividend target of 5.58 cents, which included a 1.5% increase from the previous year dividend. Dividend cover for the twelve months to 31 December 2022 was 1.20x.
- ✓ USF's audited NAV at 31 December 2022 was \$320.0 million or \$0.963 per Ordinary Share, marginally lower than the 30 June 2022 NAV of \$321.2 million or \$0.967 per Ordinary Share. The Fair Value (**FV**) of solar investments increased from June 2022 as increases in discount rates were offset by favourable reductions in future operating costs and an uplift in power price forecasts. This FV increase was offset by dividends paid, the IM fee, expenses and US tax losses which resulted in the reduction in NAV.
- ✓ Generation for 2022 remained within the expected range of annual variance (down 4.9% to budget in 2022), producing 904GWh (including reimbursed curtailment).
- ✓ All assets in the portfolio have power purchase agreements (**PPAs**) with contracted prices for 100% of electricity generated. The portfolio weighted average PPA term is 13.8 years as of 31 December 2022, and all PPA counterparties are investment-grade (S&P rated A to BBB).
- ✓ In October 2022, USF's Board announced that it was undertaking a strategic review of the options available to the Company to maximise value for shareholders (**Strategic Review**) the Board expects to update shareholders on the progress of the Strategic Review within the next six to eight weeks.
- ✓ In January 2023, the Company announced that MN8, (formerly Goldman Sachs Renewable Power LLC), had exercised its purchase option over USF's 50% interest in the 200MW_{DC} Mount Signal 2 asset. Total sale proceeds (including the \$1 million option fee) of \$53.2 million and implies a gross return of 11% per annum since USF announced the agreement to acquire up to 50% of MS2 from NEW in December 2020.
- ✓ After a slow-down in 2022, the US solar market is forecast to strengthen with strong tailwinds from legislative efforts.



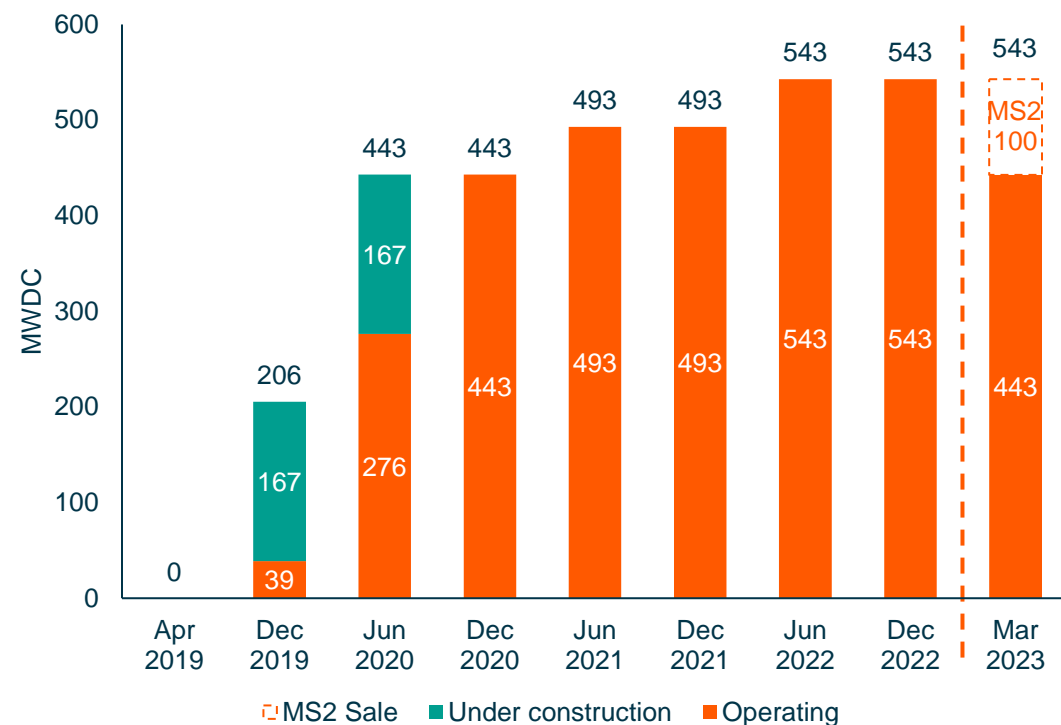
USF Portfolio at 31 December 2022

USF has invested and committed \$304 million to 42 projects totaling 543 MW_{DC}

USF Net Equity Invested and Funds Available



USF Portfolio by Stage¹



Notes: 1. June 2020 operational figure includes Acquisition Five assets which were all mechanically complete by June 2020.

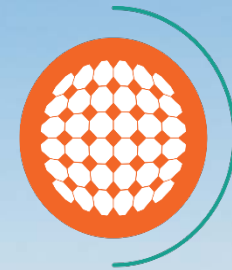


Strategic Review

In October 2022, USF's Board announced that it was undertaking a Strategic Review

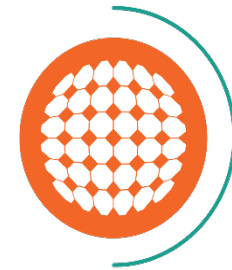
- A challenging market prevented USF from growing as hoped:
 - Ongoing, and unexpected, softness in long-term US electricity price forecasts has offset the otherwise favourable discount rate compression the Company has achieved as it completed construction projects and they became operational.
 - The supply of “construction-ready” projects in the US has become more limited as market participants have increased their risk appetite and acquired earlier-stage projects, invested in development pipelines, or invested in development platforms.
- To maximise value for shareholders, the Strategic Review is considering all of the options available to the Company including a sale of the entire Company, a sale of the Company's portfolio assets, or changing the Company's investment management arrangements.
- Since the Strategic Review commenced the Board and its advisors have engaged with a significant number of parties and, following receipt of indicative proposals, have shortlisted several parties who have proceeded to the next phase of the Strategic Review process.
- In order to provide the shortlisted parties with the requisite time to finalise their due diligence and submit binding proposals, the Board now expects to update shareholders on the Strategic Review within the next six to eight weeks.





2. Operational Performance





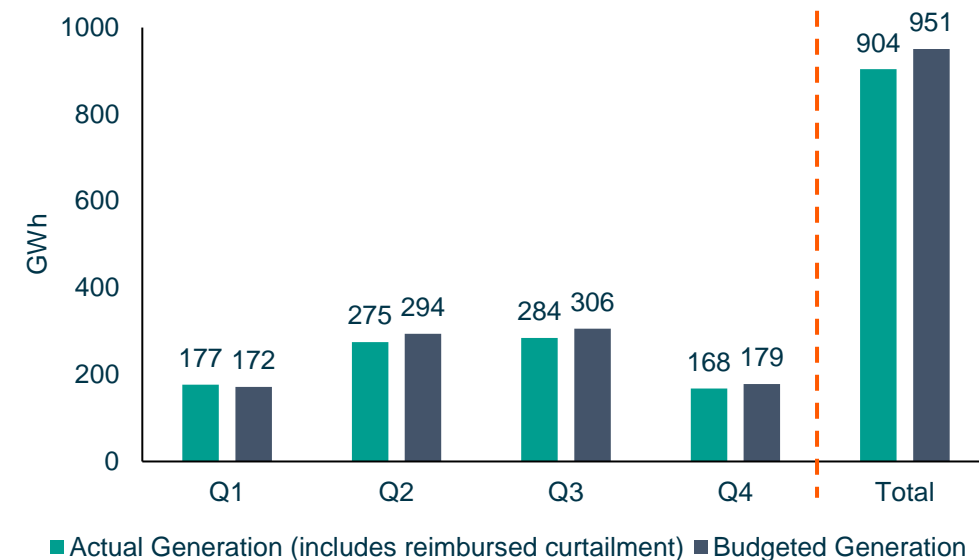
USF 2022 Portfolio Generation

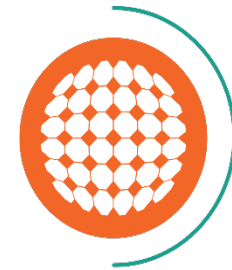
Portfolio generated 904GWh during the period, within expected range

Commentary

- Quarter-to-quarter differences in portfolio generation observed in the right-side chart are due to seasonality with higher irradiance in summer months
- Production was 904GWh for 2022
- USF continues to benefit from having a high-quality, diversified portfolio as assets largely continued performing well and contracted cashflows from long-term PPAs provided stability.
- The distribution of assets across different locations gave the portfolio the benefit of varying weather conditions, mitigating volatility from any particular event or local weather trend throughout the year.

USF Portfolio Generation for 2022



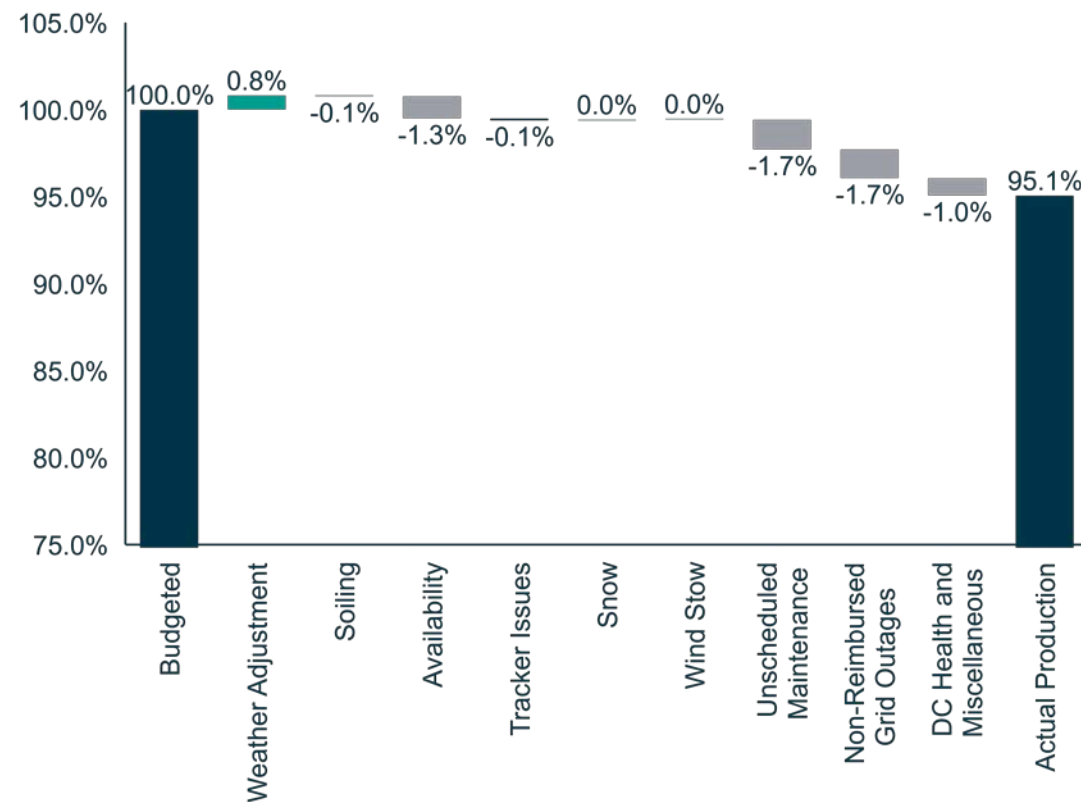


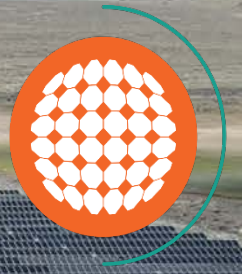
Generation Waterfall

Asset Management proactively investigates plant performance to improve operations

- The Investment Manager has upgraded the data analytics tool to better track DC health by comparing individual combiner boxes to the expected output and thereby identifying string or panel level losses.
- Thermal aerial drone scans have been increased where needed to ensure the DC health issues are identified and rectified as quickly as possible.
- The team is continually reviewing the site spare parts inventory, evaluating items that may be subject to increased lead time or manufacturing constraints and purchasing as necessary.

Operating Portfolio production waterfall for FY 2022





3. Financial Results for FY2022





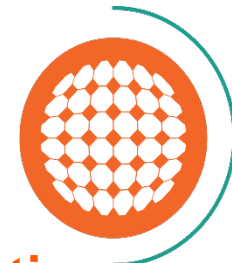
USF Performance

At 31 December 2022, the Company's shares were trading at \$0.84 per Ordinary Share, a 12.8% discount to the NAV of \$320.0 million or \$0.963 per Ordinary Share

Performance Summary

	12 Months Ended 31 December 2022	6 Months Ended 30 June 2022	12 Months Ended 31 December 2021
Number of projects	42	42	42
Capacity of projects ¹	543MW _{DC}	543MW _{DC}	493MW _{DC}
Net Asset Value	\$320.0m	\$321.2m	\$324.0m
NAV per share	\$0.963	\$0.967	\$0.975
Ordinary shares issued	332m	332m	332m
Closing share price (USF)	\$0.84	\$0.88	\$0.96
Market capitalisation (based on closing price)	\$279m	\$292m	\$319m
Dividends paid ²	\$18.4m	\$10.0m	\$10.3m
NAV total return performance³	9.98%	7.76%	5.55%
Share price total return performance⁴	(5.95%)	(4.06%)	3.13%

Notes: 1. 31 Dec 2022 and 30 June 2022 include the second 50MW_{DC} tranche of Mount Signal 2 (MS2) from end of May 2022, per financial close. Prior to end of May, only includes the first tranche of MS2, for a total of 493MW_{DC}. 2. Dividends paid by the Company at 31 December 2022 does not include the 1.52 cents per share dividend declared by the Company for 3Q 2022 on 21 November 2022, paid to shareholders on 6 January 2023. 3. NAV total return to is based on dividends paid throughout the period and NAV movement since inception. 4. 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.

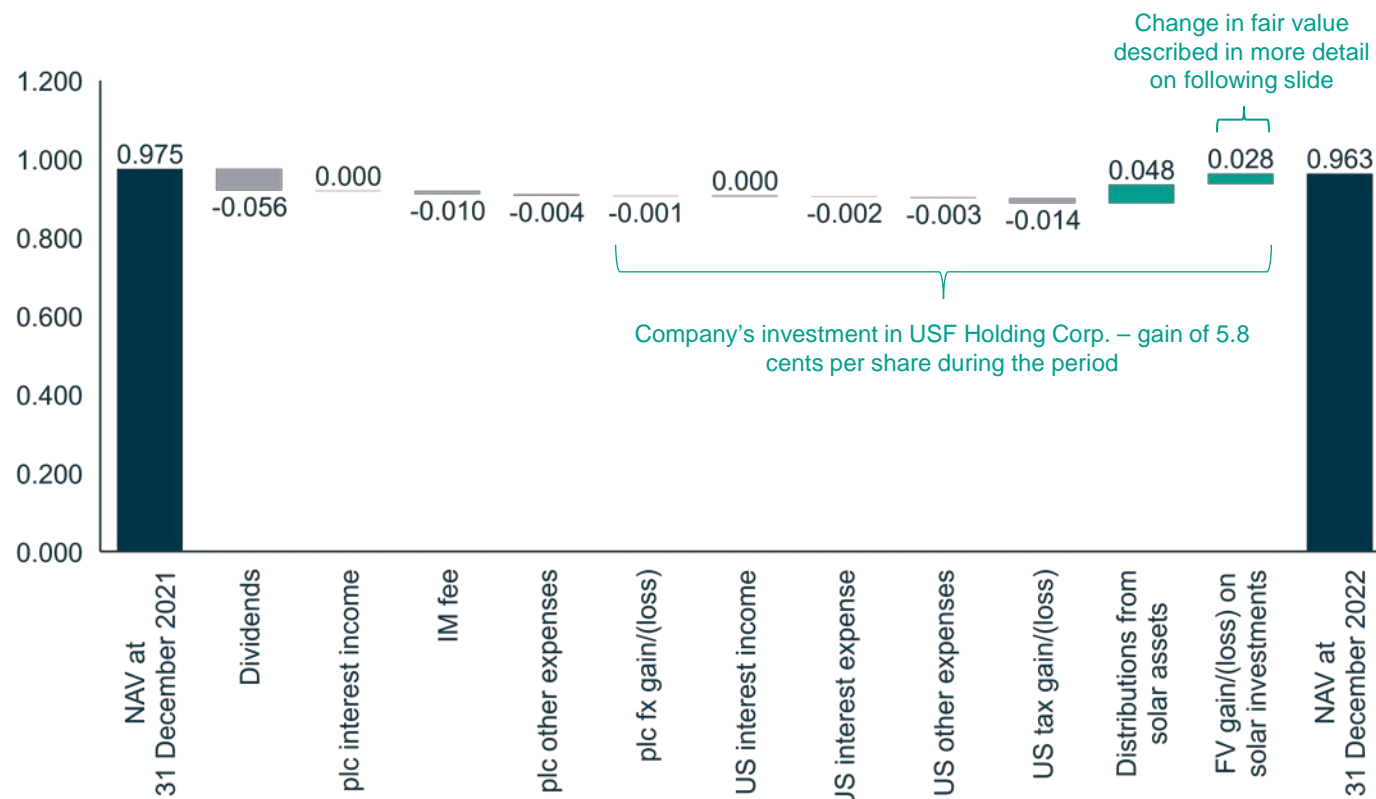


NAV Bridge to 31 December 2022

USF's NAV decreased over the course of the year. Positive impacts from distributions from solar assets and fair value gain on solar investments were offset by dividends, the IM fee, expenses, and a higher provision for US tax

- USF's audited NAV at 31 December 2022 was \$320.0 million or \$0.963 per Ordinary Share, marginally lower than the 30 June 2022 NAV of \$321.2 million or \$0.967 per Ordinary Share.
- While the portfolio experienced an overall fair value uplift, this was offset by dividends paid, and operating costs at the plc level, as well as US tax losses (deferred tax liabilities arising from an increase in asset valuations), resulting in the reduction in NAV.

NAV Bridge 31 December 2021 to 31 December 2022





Fair Value Bridge to 31 December 2022

The portfolio's fair value was primarily driven by updated operating assumptions, discount rates and merchant curves

- The increase in the portfolio's fair value was driven by a modest uplift in electricity price forecasts and improved operating cost assumptions which more than offset the impact of increased discount rates driven by sustained higher US interest rates.
- The change in merchant curve reflects the update of forecast power prices to use the most recent two power price forecasts from two market consultants.
 - Over the course of H2 2022, independent forecasts of merchant prices (i.e. energy, capacity and RECs forecasts post the contracted PPA period) have generally been revised upwards, resulting in a positive impact on USF's NAV.

Fair Value Bridge 31 December 2021 to 31 December 2022

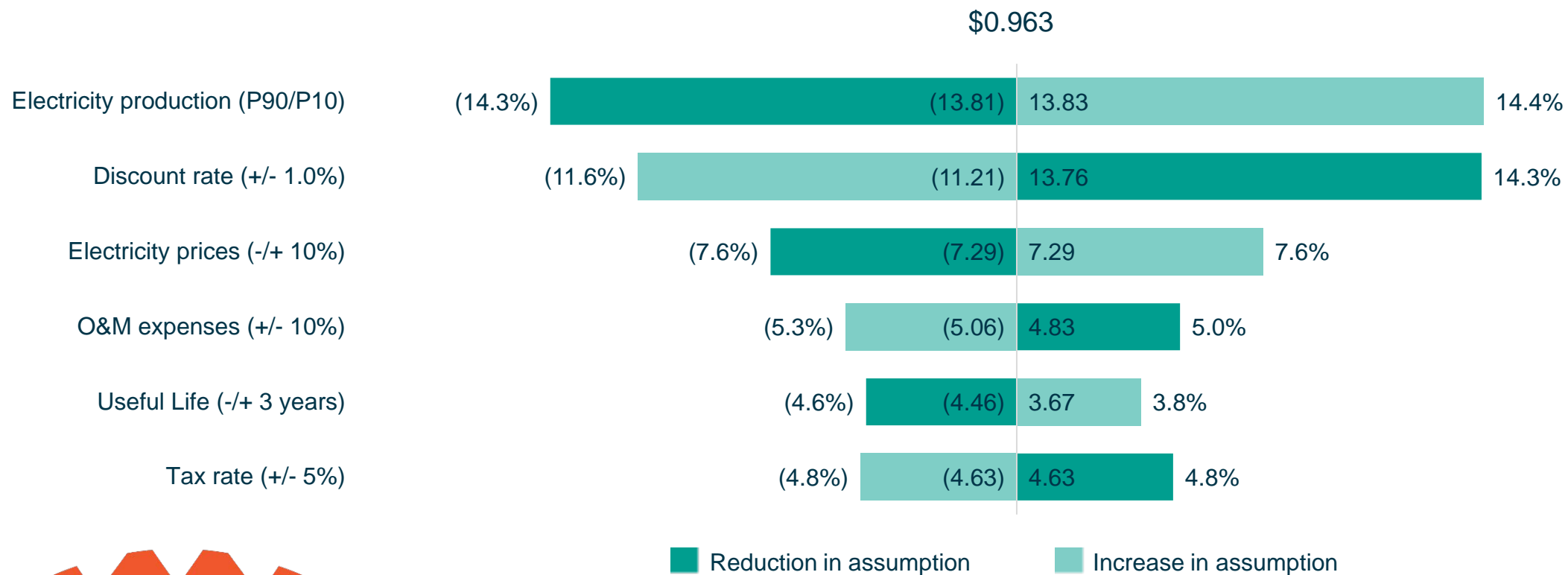


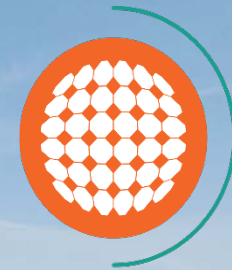


NAV Sensitivity

USF's portfolio remains resilient to key factors for performance

Sensitivity Analysis (Change in Cents Per Share)





4. US Solar Market and Outlook



Milford 127.8MW_{DC}



US Solar Market Outlook

US solar market forecasts are strong with legislative support tailwinds

- In early August, after a year of negotiations and stalled efforts, landmark climate legislation was passed through Congress and signed by President Biden as part of the Inflation Reduction Act (IRA).
 - The measures are expected to drive a huge shift in replacing existing fossil fuel generation with new, cheaper clean energy to increase its share of energy production in the US and include increasing (to 30%) and extending (through the end of 2024) the Investment Tax Credit. They also add a production tax credit which starts in 2022 at \$0.026 /kWh and rises with inflation.
- The US also has enacted the Uyghur Forced Labor Prevention Act, which is intended to prevent polysilicon produced from forced labour from entering the US market by requiring clear supply chain documentation.
 - In the short term it is causing some delays on key imports as all parties work through how best to source and provide the information required. In the medium and long term, the initiatives will potentially help to mitigate uncertainty around supply chain concerns and to reduce the risk of the US market participating in human rights violations.
- While 2022 showed a marked slow-down from previous consistently record-breaking years for solar growth in the US, growth is forecast to return in 2023, with targets exceeding the records set in 2021. Importantly, the trend toward more solar in general remains strong.
 - Solar PV accounted for 45% of new electricity-generating capacity additions through the third quarter, its highest share to date; 140 GW_{DC} of utility-scale solar is forecast to be added between 2023 and 2027.



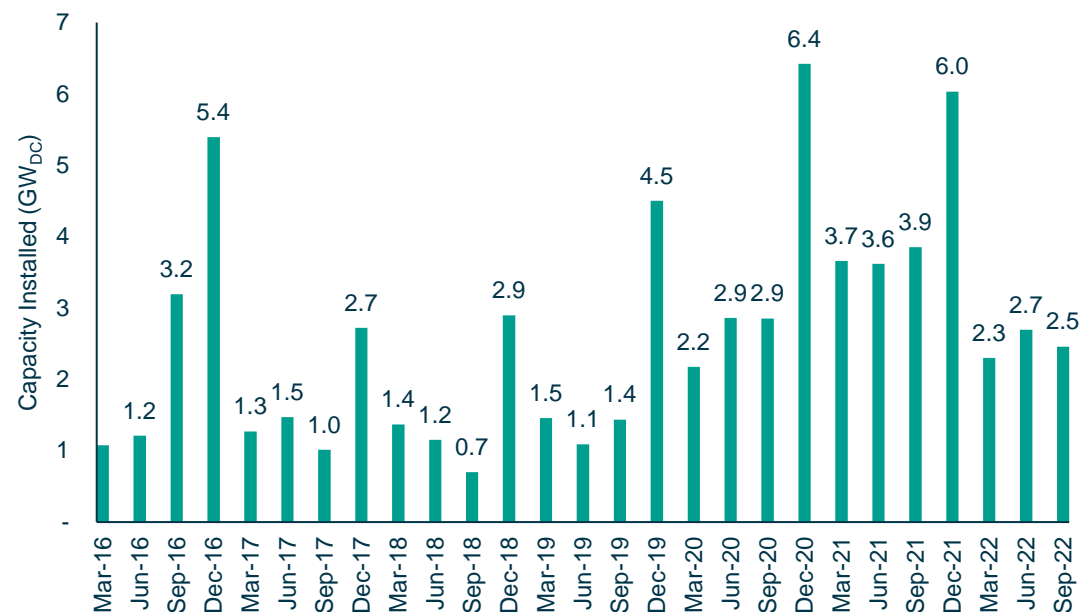


US Utility-Scale Installations by Quarter

Although growth in utility-scale development continued to slow through the third quarter, 2022 was significant for the solar industry in the US

- The US utility-scale solar industry installed 2.5GW_{DC} of capacity in the third quarter of 2022, an 8.8% decrease from Q2 2022 and a 36% decrease from Q3 2021.
- The lower installations continue to be due largely to ongoing supply chain-related project delays.
- Despite these slowdowns, Q3 2022 installations were still 142% higher compared to installations five years prior.
- Approximately 4.5GW_{DC} of new contracts were signed over the quarter, of which the majority will be coming online between 2024-2025, bringing the total utility-scale solar pipeline to 90GW_{DC}.

US utility-scale PV capacity installed by quarter



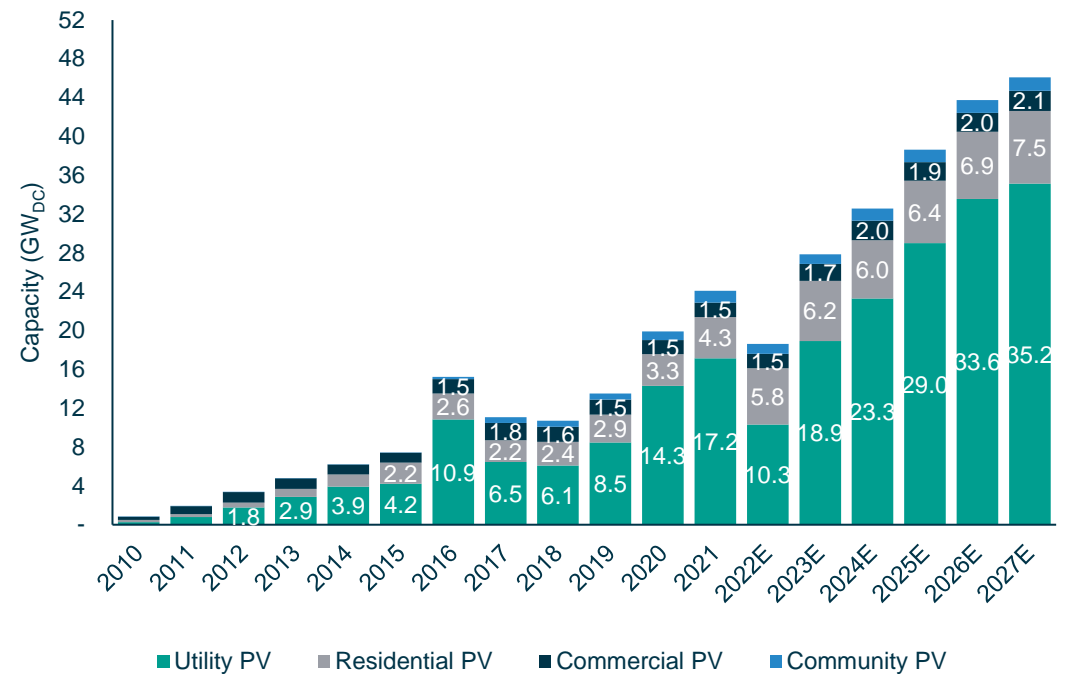


US Solar Market Forecasts

140GW_{DC} of utility scale solar is forecast to be installed between 2023 and 2027 in the US

- Although 2022 has so far showed a decline after consistent record setting years, Wood Mackenzie expects the solar industry to return to growth from 2023 onwards.
- Looking forward, projects that were delayed in 2022 should be able to obtain module supply and come online and by 2024, the real impacts of the IRA will begin to come to fruition.
- As a result of IRA driven demand and supply normalization, 140 GW_{DC} of US utility scale solar projects are expected to be installed between 2023 to 2027.

US utility-scale PV capacity installed and forecasted by year





Conclusion

USF's high-quality portfolio continued to deliver steady cash flows and the Company's strategic review is progressing

- ✓ USF has a high-quality portfolio of utility scale solar assets that are performing consistently, benefiting from diversification and providing steady contracted cashflows for dividend payment.
- ✓ The Company continued to comfortably cash cover the 2022 dividend target of 5.58 cents, which included a 1.5% increase from the previous year dividend, as targeted at IPO. Dividend cover for the twelve months to 31 December 2022 was 1.20x.
- ✓ Generation for 2022 remained within the expected range of annual variance, producing 904GWh (including reimbursed curtailment).
- ✓ All assets in the portfolio have power purchase agreements (PPAs) with contracted prices for 100% of electricity generated. The portfolio weighted average PPA term is 13.8 years as of 31 December 2022, and all PPA counterparties are investment-grade (S&P rated A to BBB).
- ✓ While the Company has made good progress with portfolio growth and growing and cash covering the dividend, the Company's share price performance continued to be disappointing compared to its peers. Growth has been hindered by:
 - ✓ Ongoing, and unexpected, softness in long-term US electricity price forecasts has offset the otherwise favourable discount rate compression the Company has achieved as it completed construction projects and they became operational.
 - ✓ Supply of "construction-ready" projects in the US has become more limited as market participants have increased their risk appetite and acquired earlier stage projects than previously, invested in development pipelines, or invested in development platforms.
- ✓ The Board announced a Strategic Review in October 2022 and expects to update shareholders on progress in the next six to eight weeks.

