

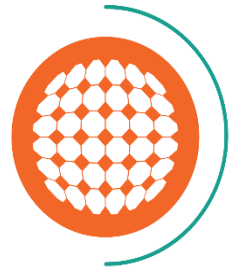


US Solar
Fund

2022 Interim Results Presentation

September 2022





Outline

- 1 Company Progress**
- 2 Operational Performance**
- 3 Financial Results for H1 2022**
- 4 US Solar Market and Outlook**





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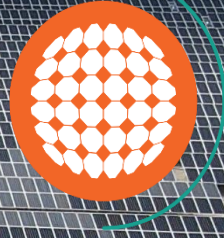
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1. Company Progress

West Hines 15.3MW_{DC}

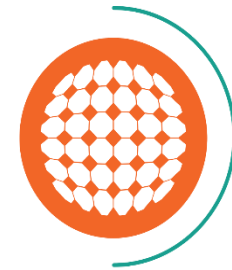




Highlights to date

USF has continued to deliver on its dividend targets however share price performance remains disappointing

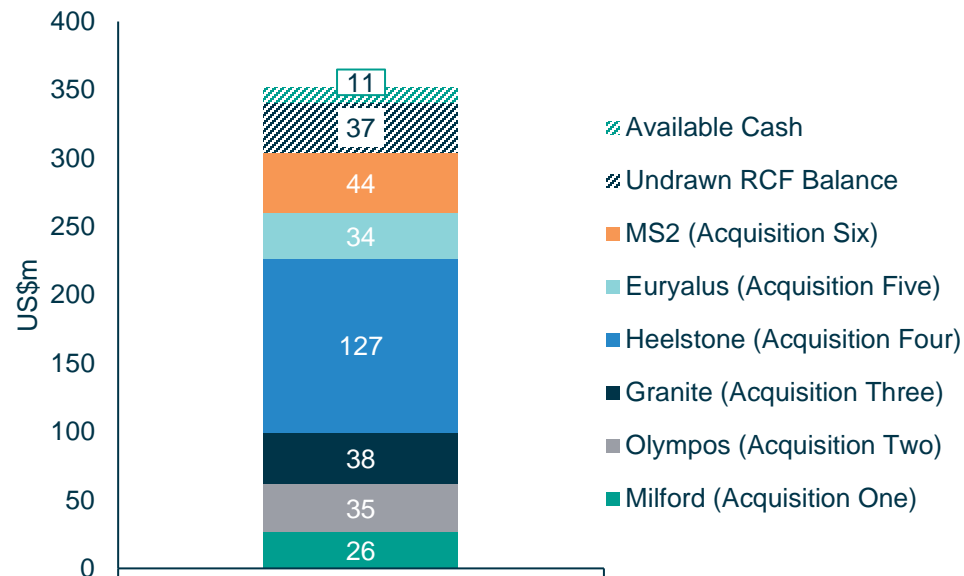
- ✓ Period end Net Asset Value (**NAV**) of \$321.2 million or \$0.967 per Ordinary Share, is marginally higher than the 31 March NAV of \$321.1 million
 - ✓ A small uplift in electricity price forecasts, improved operating cost assumptions, and valuation date roll forward drove the increase in fair value of the portfolio's underlying solar investments
- ✓ The Company confirms its target 5.58 cents per Ordinary Share annual cash-covered dividend target for FY2022. This is a 1.5% increase over the 2021 annual dividend
- ✓ A 25% second tranche of Mount Signal 2 (**MS2**) closed in late May, bringing the Company's ownership in the asset to 50% or 100MW_{DC} and the total USF portfolio to 543 MW_{DC} of operating capacity across 42 projects in four US states
- ✓ During the period, the operating portfolio produced 452GWh of electricity. This was within the expected range of annual generation variance and ensured the continued strong cash cover of the dividend
- ✓ Wood Mackenzie forecasts 112GW_{DC} of solar to be installed between 2022 and 2027 as growth is expected to return in 2023¹
 - ✓ Wood Mackenzie notes that the extension of ITC, expansion of PTC eligibility to solar, and ability of project owners to elect direct payment of the tax credits would incentivize an additional 47 GW_{DC} to be installed throughout 2022 to 2027¹
- ✓ The Board and the Investment Manager recognise that USF's share price performance has been disappointing and are considering options to continue to deliver value for the Company's shareholders



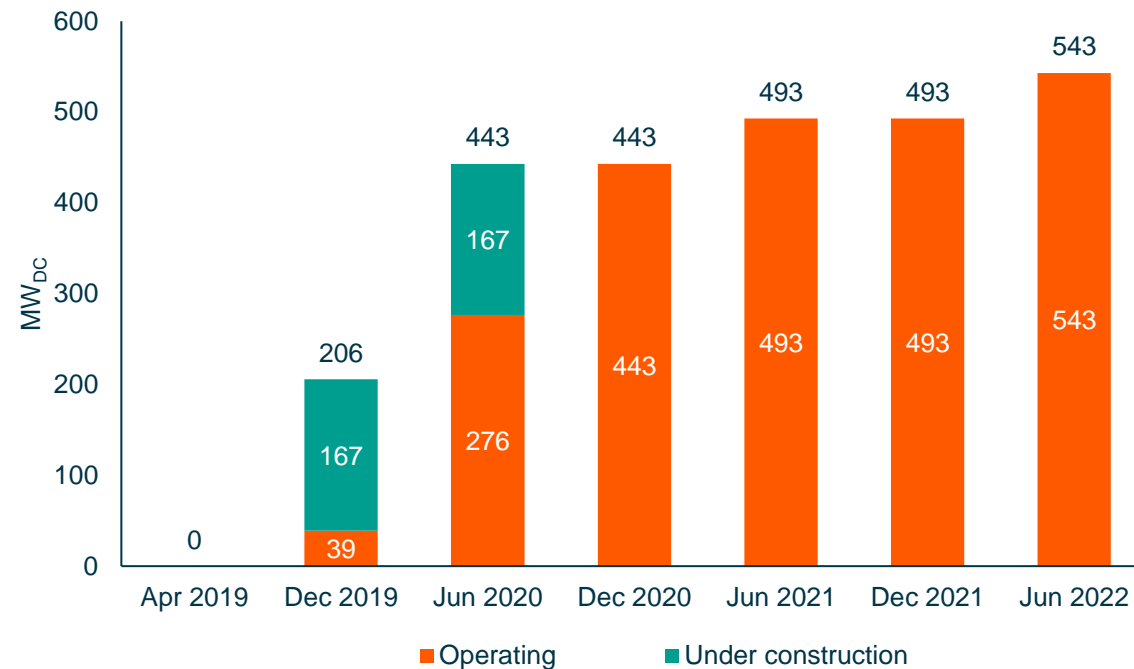
USF Portfolio at 30 June 2022

USF's portfolio comprises 42 operational projects totaling 543 MW_{DC}

USF Net Equity Invested by Acquisition¹



USF Portfolio by Stage¹



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



2. Operational Performance





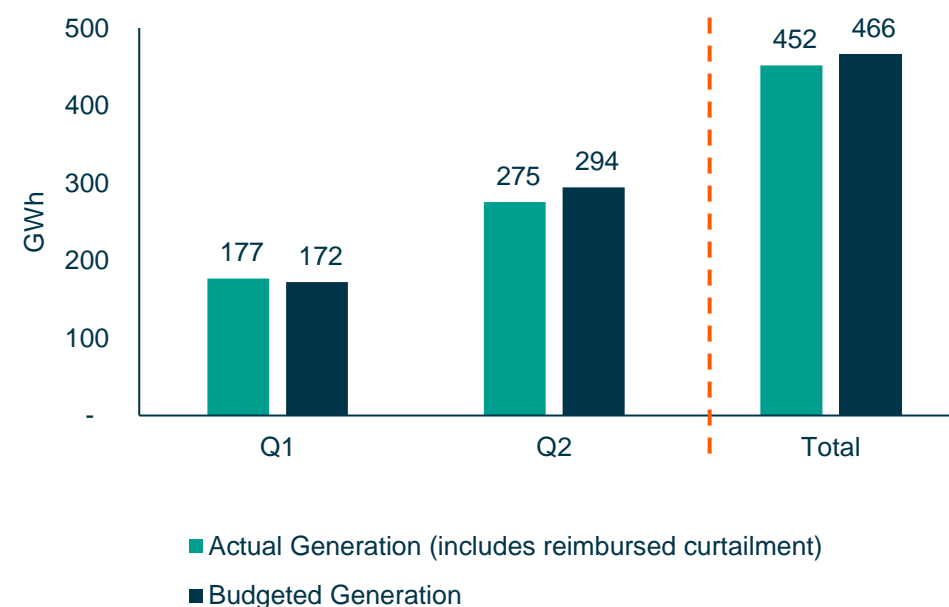
USF H1 2022 Portfolio Generation

Portfolio generation for the half-year is within the expected range of annual variance

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 for H1 2022 was 3% below budget
 - a 3% increase in generation from better-than-expected weather was more than offset by decreases from availability, unscheduled maintenance, and non-reimbursed curtailment
 - During this period, non-reimbursed grid curtailment included approximately 21,000 MWh of CAISO (California system operator) curtailment at MS2 in late May
- The smaller identified losses include nuisance-type outages, grid-related outages and other non-recurring events
- The Asset Management team is pursuing initiatives to address ongoing issues through improved data analytics and an increased focus on proactive identification of DC health issues including aerial and thermal scans

USF Portfolio Generation for H1 2022

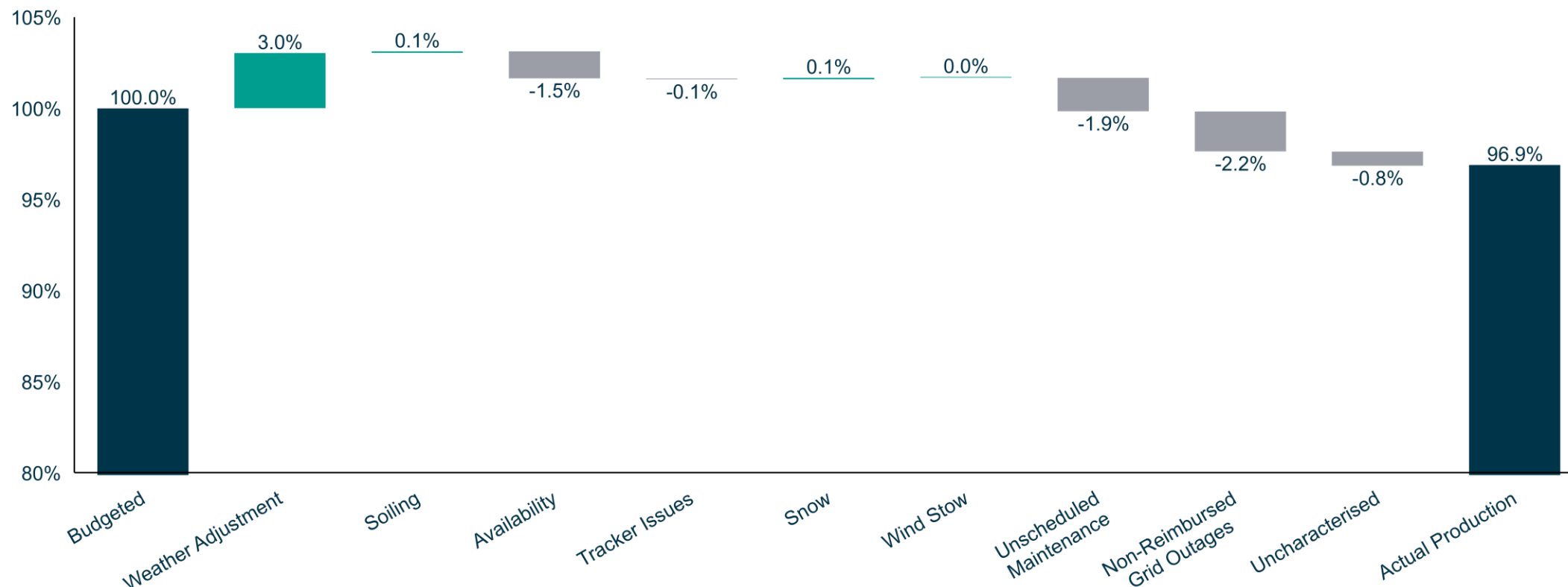


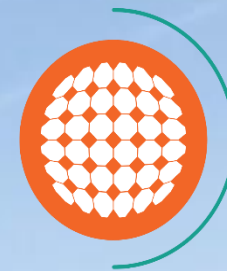


USF Portfolio Production Waterfall

Non-reimbursed grid outages had the largest impact on portfolio performance, partially offsetting the positive better-than expected weather

Operating Portfolio production waterfall for H1 2022





3. Financial Results for H1 2022





USF Performance

At 30 June 2022, the Company's shares were trading at \$0.88 per Ordinary Share, a 9% discount to the NAV of \$321.2 million or \$0.967 per Ordinary Share

Performance Summary

	6 Months Ended 30 June 2022	3 Months Ended 31 March 2022	12 Months Ended 31 December 2021	6 Months Ended 30 June 2021
Number of projects ¹	42	42	42	42
Capacity of projects	543MW _{DC}	493MW _{DC}	493MW _{DC}	493MW _{DC}
Net Asset Value	\$321.2m	\$321.1m	\$324.0m	\$313.3m
NAV per share	\$0.967	\$0.967	\$0.975	\$0.943
Ordinary shares issued	332m	332m	332m	332m
Closing share price (USF)	\$0.88	\$0.935	\$0.96	\$1.015
Market capitalisation (based on closing price)	\$292m	\$310m	\$319m	\$337m
Dividends paid ²	\$10.0m	\$5.0m	\$10.3m	\$2.00m
NAV total return performance	7.76%	6.19%	5.55%	(0.29%)
Share price total return performance	(4.06%)	0.45%	3.13%	4.93%

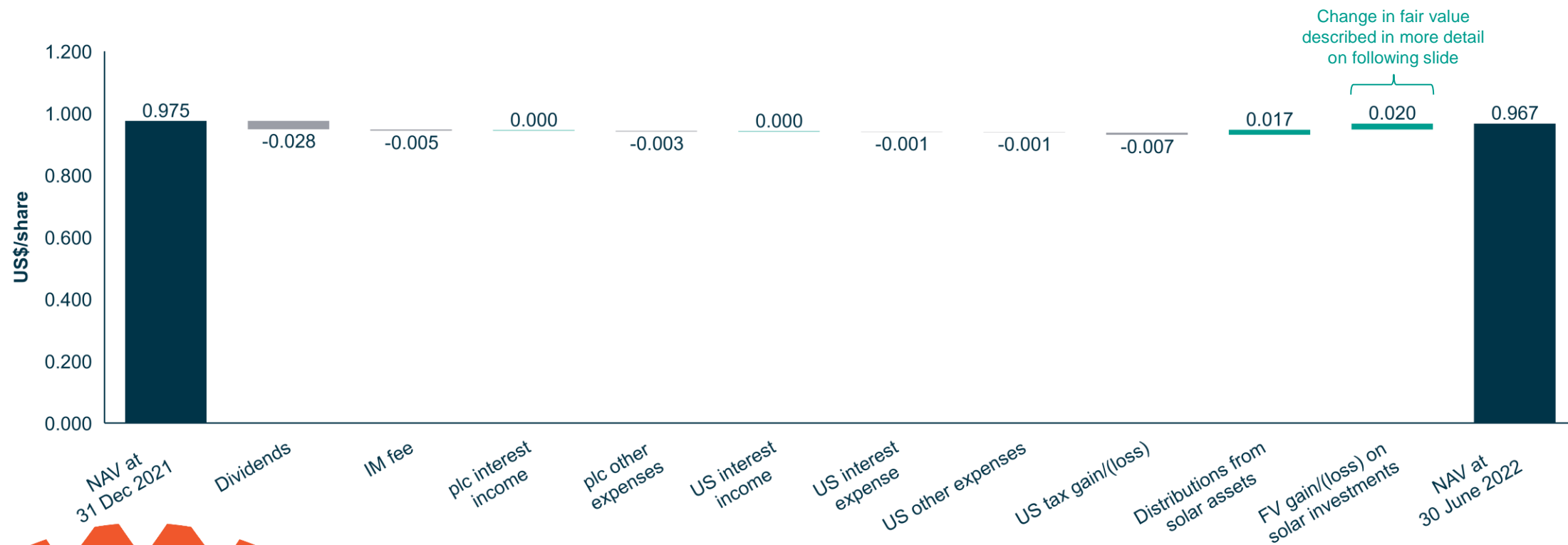
Notes: 1. Represents projects that had reached financial close on the valuation date. 2. Dividends paid within the period specified

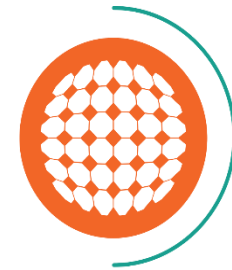


NAV Bridge

Positive impacts from distributions from solar assets and fair value gain on solar investments were offset by dividends, the IM fee, expenses, and US tax loss

NAV Bridge 31 December 2021 to 30 June 2022

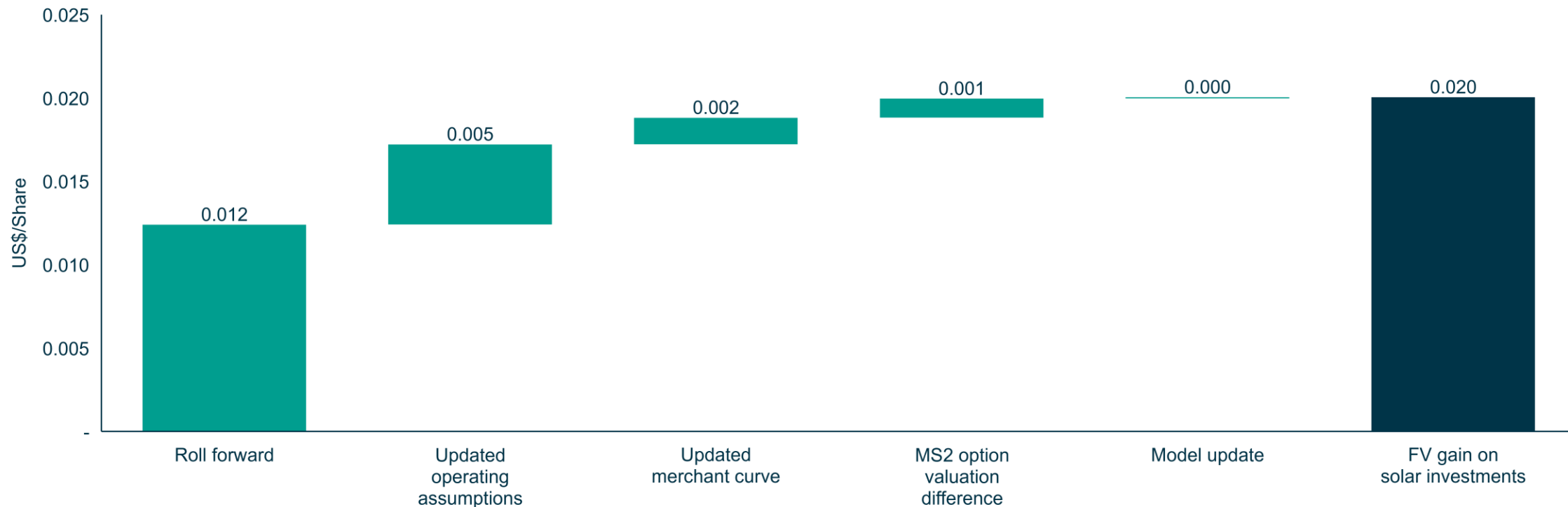


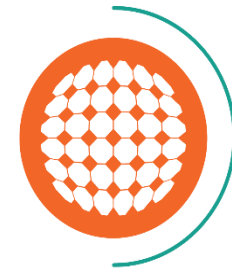


Fair Value Bridge

The Portfolio's fair value was primarily driven by the roll forward, updated operating assumptions, updated merchant curves, and the MS2 Tranche 2 valuation adjustment

Fair Value Bridge 31 December 2021 to 30 June 2022



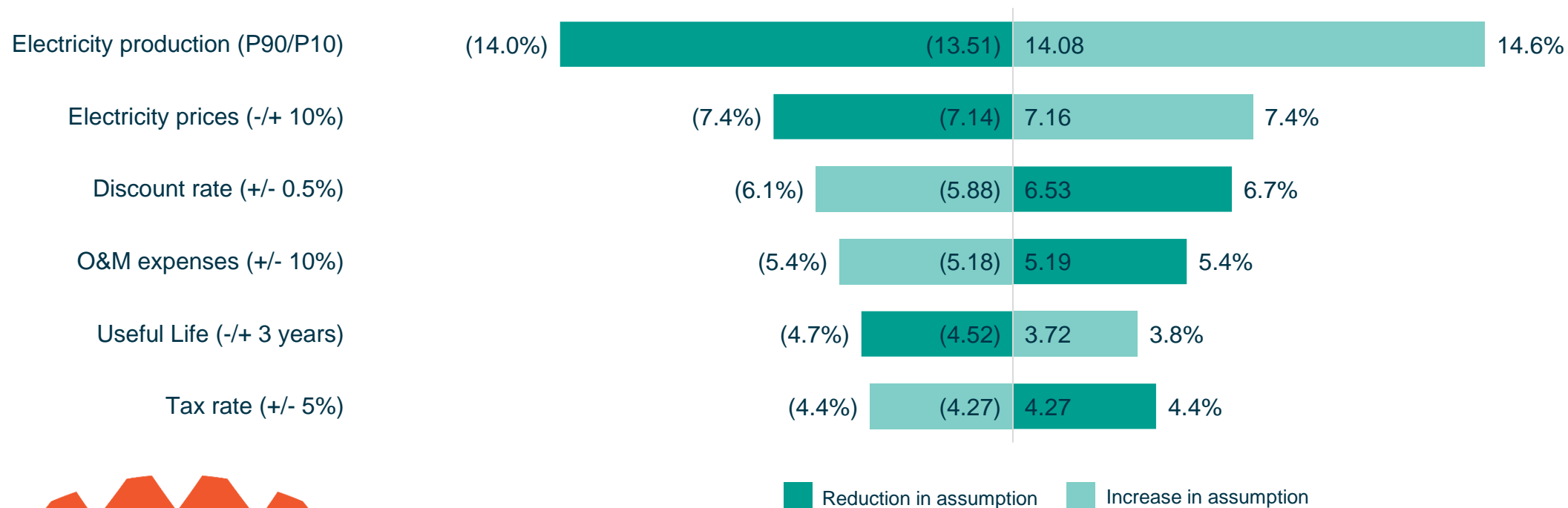


NAV Sensitivity

USF's portfolio remains resilient to key performance factors

Sensitivity Analysis (Change in Cents Per Share)

30 June NAV of \$0.967





4. US Solar Market and Outlook

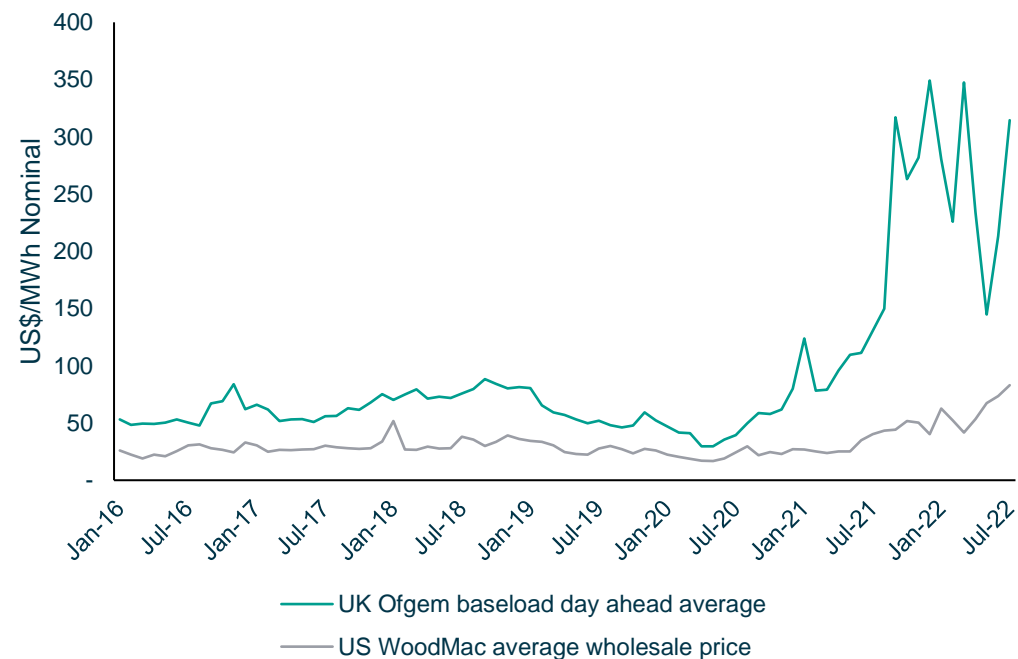




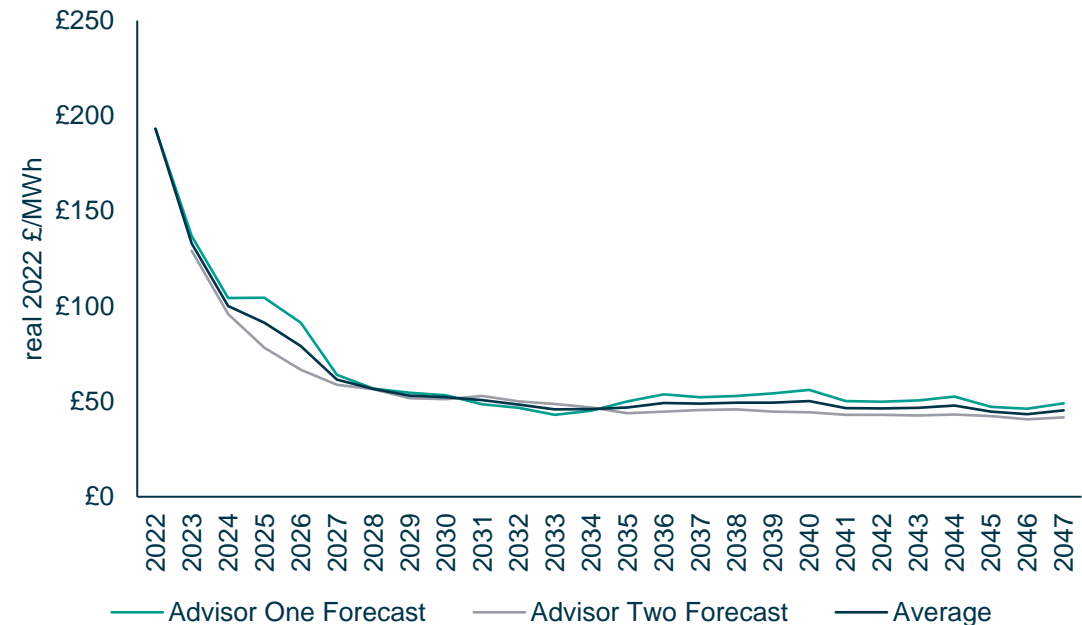
US vs UK Electricity Prices

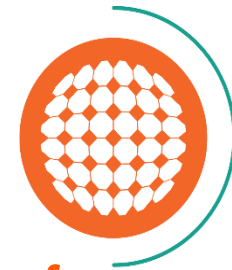
US wholesale electricity prices are historically lower and less volatile than UK prices; UK prices are expected to reduce significantly over the next few years

US vs UK Wholesale Electricity Markets¹



UK Wholesale Electricity Price forecast²

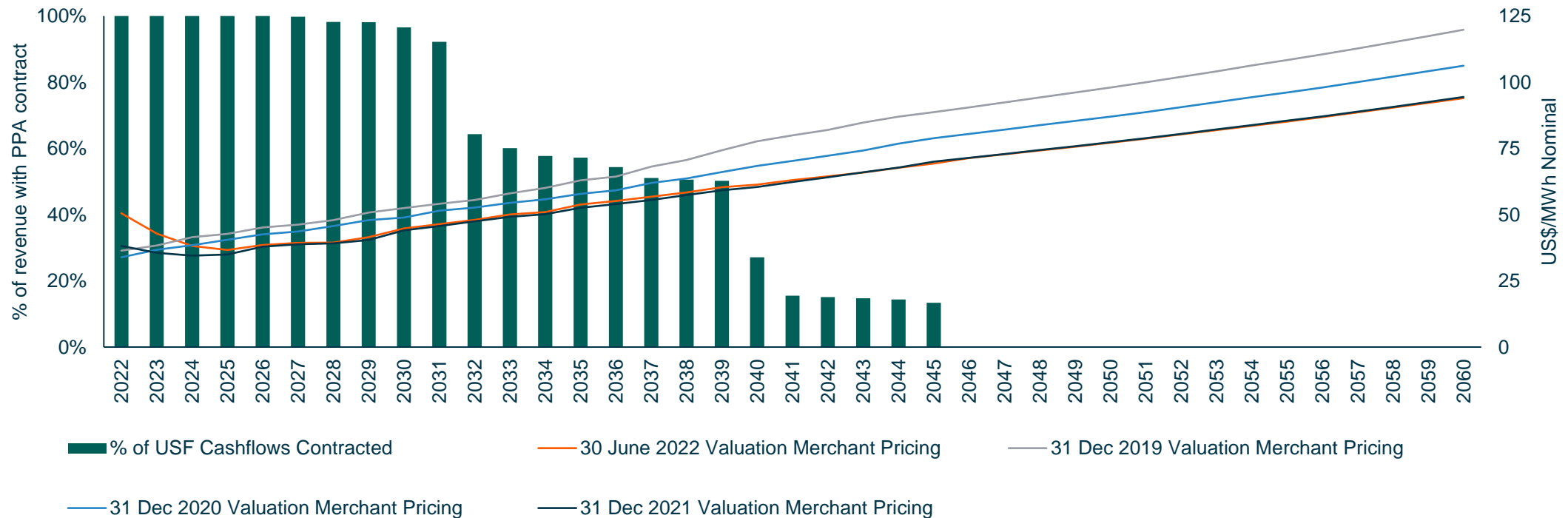




USF's PPAs and US Power Price Curves

USF has long-term contracted cashflows (weighted average across the portfolio of 14.3 years at 30 June)

USF PPAs and Merchant Electricity Power Price Forecast



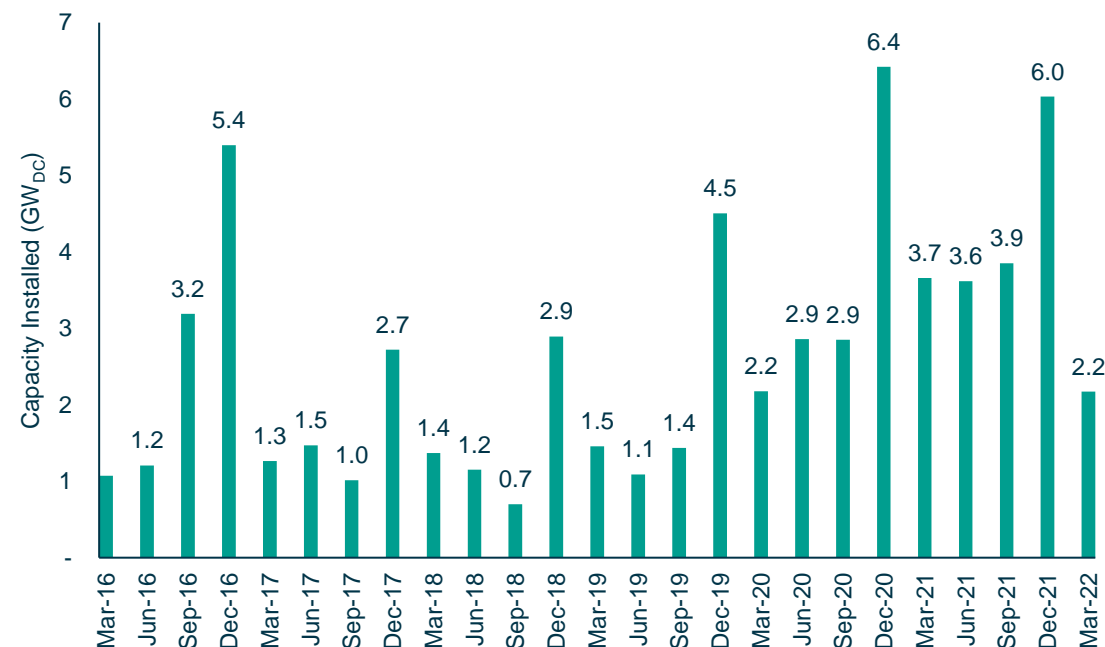


US Utility-Scale Installations by Quarter

After a record year in 2021, the US Solar Market slowed due to supply chain constraints, high commodity prices and complex trade policy

- In Q1, over 2.2GW_{DC} of solar came online; however, this was the lowest first quarter since 2019
- The 2.2GW_{DC} of projects that came online represent a 40.6% decrease compared to Q1 2021 but a 71.4% increase compared to Q1 five years prior
- Over the course of the quarter, 2.4GW_{DC} of new contracts were signed, bringing the contracted pipeline to 80.6GW_{DC}
- Despite the near-term slowdown, the US utility-scale market is expected to add 112GW_{DC} between 2022 and 2027 as growth is expected to return in 2023. Recent political events are expected to provide meaningful tailwind to the industry as well

US utility-scale PV capacity installed by quarter



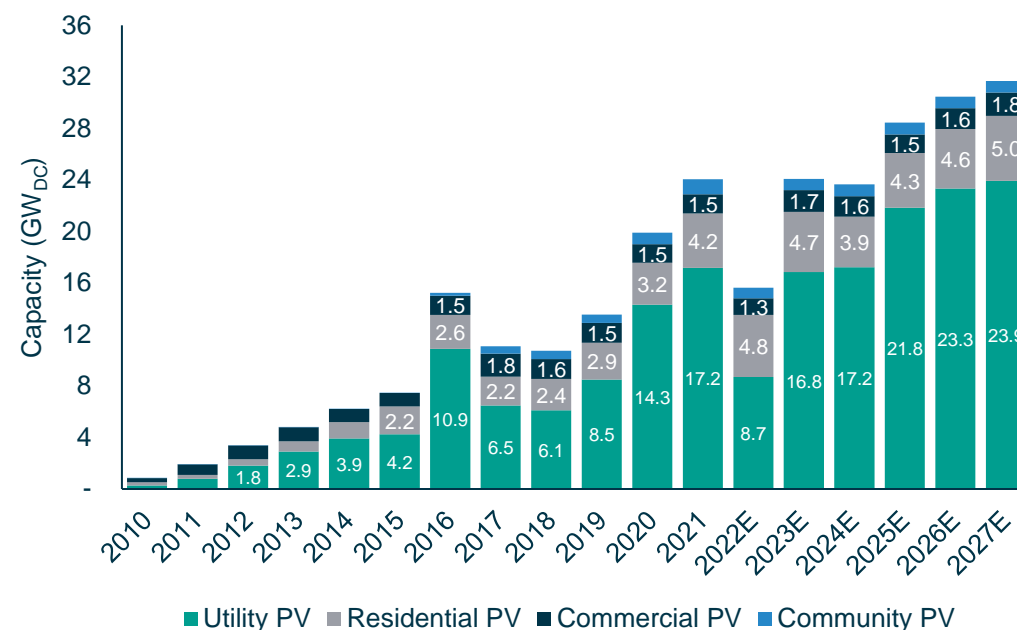


US Solar Market Forecasts

112GW_{DC} of solar is forecast to be installed between 2022 and 2027 in the US

- Wood Mackenzie forecasts show 112GW_{DC} of solar to be installed between 2022 and 2027
- Like most industries, solar is seeing challenges around commodity prices and supply chain constraints, which are expected to last until early 2023
- Despite downward revisions to the estimates, solar is expected to continue its enormous growth trajectory and may have further support from clean energy legislation

US utility-scale PV capacity installed and forecasted by year





US Policy Support

The recently passed climate bill provides further support towards the growing solar industry

- In early June, President Biden removed tariffs on solar panels for at least 24 months
 - The tariff exemption is an important move as the concern that taxes would be levied after the completion of projects, would likely have had a significant softening impact on the industry
 - The pause allows projects to go ahead for at least two years. Concurrently, the US government is working to bring more production online in the US, to help mitigate concerns around human rights violations that are connected to solar panels produced in China
- In early August, landmark climate legislation was passed through Congress and signed by President Biden as part of the Inflation Reduction Act. The measures could result in reducing annual emissions by as much as 44% by the end of this decade¹
 - The key initiative in achieving this huge shift is replacing existing fossil fuel generation with new, cheaper clean energy to increase its share of energy production in the US. The measures include a tax credit for any form of zero-carbon power production, like solar, however it will now be applied across all aspects of generation, not just the opening of a new solar farm.
- Wood Mackenzie notes that the extension of ITC, expansion of PTC eligibility to solar, and ability of project owners to elect direct payment of the tax credits would incentivize an additional 47 GW_{DC} to be installed throughout 2022 to 2027²





Conclusion

USF has continued to deliver on its dividend targets however share price performance remains disappointing

- ✓ The Company continues to deliver a strong dividend, supported by USF's contracted cashflows. USF confirms its target 5.58 cents per Ordinary Share annual cash-covered dividend target for FY2022. This is a 1.5% increase over the 2021 annual dividend
- ✓ The Board and the Investment Manager recognise that USF's share price performance has been disappointing and are considering options to continue to deliver value for the Company's shareholders
- ✓ Period end Net Asset Value (**NAV**) of \$321.2 million or \$0.967 per Ordinary Share, is marginally higher than the 31 March NAV of \$321.1 million
 - ✓ A small uplift in electricity price forecasts, improved operating cost assumptions, and valuation date roll forward drove the increase in fair value of the portfolio's underlying solar investments
- ✓ USF's portfolio totals 543 MW_{DC} of operating capacity across 42 projects in four US states
- ✓ During the period, the operating portfolio produced 452GWh of electricity. This was within the expected range of annual generation variance and ensured the continued strong cash cover of the dividend
- ✓ The US solar market is forecast for strong growth in the coming years; Wood Mackenzie forecasts 112GW_{DC} of installations between 2022 and 2027¹
 - ✓ Wood Mackenzie notes that the extension of ITC, expansion of PTC eligibility to solar, and ability of project owners to elect direct payment of the tax credits would incentivize an additional 47 GW_{DC} to be installed throughout 2022 to 2027¹