

**US Solar**  
Fund

**Attractive and sustainable returns from US solar power**

**Quarterly Update** | 31 March 2023

# First Quarter Update

## USF Quarter Highlights

- Dividend announced:** With this update, US Solar Fund (USF or the Company) announces its Q1 2023 dividend of 1.29 cents per Ordinary Share. The dividend will be paid on 7 July 2023 to Shareholders on the register as at the close of business on 16 June 2023. The ex-dividend date is 15 June 2023. The target annual dividend for 2023 is 5.66 cents per Ordinary Share. In line with previous years, the Company expects to declare modestly lower quarterly dividends in the first and second quarters and slightly higher quarterly dividends in the third and fourth quarters due to the cash flow profiles of the assets.
- NAV update:** US Solar Fund's NAV at 31 December 2022 was \$320.0 million or \$0.963 per Ordinary Share. Adjusting for cash flows during the period, the NAV at 31 March 2023 is \$318.1 million or \$0.958 per Ordinary Share.
- Dividend paid:** The Company paid its Q4 2022 dividend of 1.52 cents per Ordinary Share on 28 April 2023. The dividend was consistent with the Company's target full year dividend of 5.58 cents per Ordinary Share.
- Dividend cover:** Dividend cover for the twelve months to 31 March 2023 was 0.90x reflecting lower than expected portfolio generation in the first quarter, with poor weather the largest driver of the underperformance. Including the gain on the sale of Mount Signal 2 (MS2), the Company still expects to cash cover the 2023 dividend.
- Option Agreement:** In April 2023, the Company announced that it had entered binding agreement with MN8 Energy LLC, a renewable energy business formerly known as Goldman Sachs Renewable Power LLC, to sell USF's 50% interest in the 200MW<sub>DC</sub> MS2, with financial close expected to occur in Q2 2023.
- Strategic Review:** As announced on 12 May 2023, given the current challenging market conditions in the US, the Board did not receive any formal proposals regarding a sale of the Company's assets that it considered to be in the best interests of its shareholders. The Board and its advisers are continuing discussions with interested parties regarding a sale of the Company's assets, however there is no certainty that such discussions will result in any proposals that it considers acceptable ultimately being forthcoming. The Board received an all share offer pursuant to the sale of USF plc however this was at a significant discount to USF's NAV and the Board unanimously rejected this offer. The Board remains in active discussions with

interested parties regarding the potential change of Investment Manager. A further announcement will be made when appropriate.

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

	12 Months to 31 March 2023 \$'m
Project revenue	54.6
Project operating expenses	(14.4)
Payments to tax equity	(10.6)
Portfolio debt expenses	(11.1)
<b>Project cash flows after debt service</b>	<b>18.5</b>
Management fees	(3.2)
Corporate operating expenses	(2.1)
Revolver interest and fees	(0.3)
<b>Underlying operating cash flows</b>	<b>13.0</b>
Cash flow reserve carried forward	3.7
<b>Total underlying cash flow</b>	<b>16.6</b>
<b>Dividends paid</b>	<b>18.5</b>
<b>Dividend cover</b>	<b>0.90x</b>

### NAV UPDATE

US Solar Fund's unaudited NAV at 31 March 2023 was \$318.1 million or \$0.958 per share. USF's NAV at 31 December 2022 was \$320.0 million or \$0.963 per Ordinary Share. Adjusting for cashflows during the period, the NAV at 31 March 2023 is \$318.1 million or \$0.958 per Ordinary Share. As described in the Prospectus, every six months at 30 June and 31 December, the Company engages an independent third-party appraiser to value operational Solar Assets acquired by the Company and its subsidiaries. At 31 March and 30 September of each year, the Investment Manager calculates the fair market value of the investments made by the Company and its subsidiaries, by rolling forward the cashflows from the period.

# First Quarter Update

## KEY FINANCIAL FACTS AT 31 MARCH 2023

Ordinary Shares Issued	332,192,361	
Ticker	USF (\$)	USFP (£)
Share Price	\$0.78	£0.6550
NAV (\$) <sup>1</sup>	\$318.1	
NAV/share (\$) <sup>1</sup>	\$0.958	
Premium (discount) to NAV <sup>1</sup>	(18.5%)	
Market Cap (\$m)	\$259.1	
Ongoing Charges	1.35%	
Target Dividend Yield <sup>2,3</sup>	5.66%	
Next Dividend <sup>4</sup>	July 2023	
Target Net Total Return <sup>5</sup>	Min 7.5%	

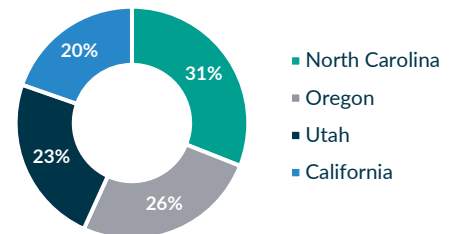
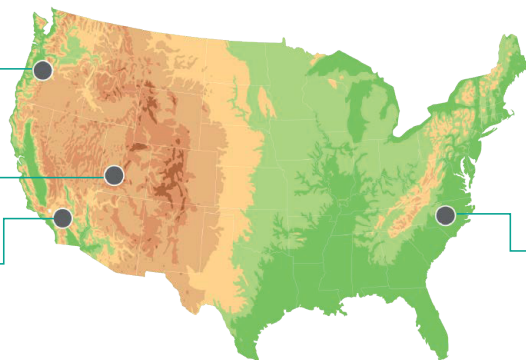
Listing:	London Stock Exchange Premium Segment
SEDOL	BJCWFX4 (\$) BHZ6410 (£)
ISIN	GB00BJCWFX49
Registered Number:	11761009
Ticker:	LSE: USF (\$)/USFP (£)
Dividend Payments:	Quarterly
Financial Year End:	31 December
Website:	<a href="http://www.ussolarfund.co.uk">www.ussolarfund.co.uk</a>

## USF PORTFOLIO OVERVIEW<sup>6</sup>

**Oregon**  
10 operational plants  
140 MW<sub>DC</sub>

**Utah**  
1 operational plant  
128 MW<sub>DC</sub>

**California**  
3 operational plants  
107 MW<sub>DC</sub>



**North Carolina**  
28 operational plants  
168 MW<sub>DC</sub>

<sup>1</sup> Based on the unaudited NAV as at 31 March 2023.

<sup>2</sup> Once fully operational and on a fully invested and geared basis.

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

<sup>4</sup> Q1 2023 dividend will be paid in July 2023.

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

<sup>6</sup> Portfolio breakdown by state is by MW<sub>DC</sub>.

# First Quarter Update

Asset	Capacity (MW <sub>DC</sub> )	Location	Acquisition Date	Energy Offtaker	Offtaker Credit Rating	Remaining PPA Length (Years)	COD
Milford	127.8	Utah	Aug 19	PacifiCorp	S&P: A	22.7	Nov 20
Mount Signal 2	99.8	California	Mar 21	Southern California Edison	S&P: BBB	17.2	Jan 20
Suntex	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	8.3	Jul 20
West Hines	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	8.3	Jun 20
Alkali	15.1	Oregon	Jun 20	Portland General Electric	S&P: BBB+	8.4	Jun 20
Rock Garden	14.9	Oregon	Jun 20	Portland General Electric	S&P: BBB+	8.4	Jun 20
Chiloquin	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	8.7	Jan 18
Dairy	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	8.6	Mar 18
Tumbleweed	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	8.7	Dec 17
Lakeview	13.7	Oregon	Mar 20	PacifiCorp	S&P: A	8.6	Dec 17
Turkey Hill	13.2	Oregon	Mar 20	PacifiCorp	S&P: A	8.6	Dec 17
Merrill	10.5	Oregon	Mar 20	PacifiCorp	S&P: A	8.6	Jan 18
Lane II	7.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	10.4	Jul 20
Pilot Mountain	7.5	North Carolina	Dec 19	Duke Energy Carolinas	S&P: BBB+	10.4	Sep 20
Davis Lane	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	9.8	Dec 17
Gauss	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	10.4	Oct 18
Jersey	7.0	North Carolina	Mar 20	North Carolina Electric	S&P: A-	4.7	Dec 17
Sonne Two	7.0	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.4	Dec 16
Red Oak	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.7	Dec 16
Schell	6.9	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	8.7	Dec 16
Siler 421	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.4	Dec 16
Cotten	6.8	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.6	Nov 16
Tiburon	6.7	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.4	Dec 16
Monroe Moore	6.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.4	Dec 16
Four Oaks	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.6	Oct 15
Princeton	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.5	Oct 15
Tate	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	10.4	Aug 20
Freemont	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.4	Dec 16
Mariposa	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.5	Sep 16
S. Robeson	6.3	North Carolina	Jan 20	Progress Energy	S&P: BBB+	4.3	Jul 12
Sarah	6.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.2	Jun 15
Nitro	6.2	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	6.7	Jul 15
Sedberry	6.2	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.4	Dec 16
Willard	6.0	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	10.4	Oct 20
Benson	5.7	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	10.4	Aug 20
Eagle Solar	5.6	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	10.4	Aug 20
Granger	3.9	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	13.5	Sep 16
Valley Center	3.0	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	13.7	Dec 16
County Home	2.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.4	Sep 16
Progress 1	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	9.0	Apr 12
Progress 2	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	4.8	Apr 13
Faison	2.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.0	Jun 15
<b>Grand Total</b>	<b>542.8</b>					<b>13.5</b>	

## SENIOR MANAGEMENT

**LIAM THOMAS** *Previously Chief Executive Officer;  
Currently Advisor to USF*



- Over 16 years experience in Energy, Infrastructure, Mining and Agribusiness.
- 5+ years experience in renewable energy and has led all NESM acquisitions.
- Previous roles with Origin Energy, Aurizon, Orica and AWB.

**WARWICK KENEALLY** *Chief Financial Officer*



- Over 18 years experience in funds management, corporate finance and restructuring.
- Previous roles with McGrathNicol and KPMG.

**BERT SNARR** *Director, Investments*



- Over 12 years experience in principal investing, investment banking and structured equity.
- Previous roles with Bank of America Merrill Lynch and Macquarie Capital.

**SCOTT FRANCIS** *Head of Asset Management*



- Over 15 years experience in Energy, Infrastructure and asset management.
- Previous roles with Apex Clean Energy and Dominion Energy.

**BRIAN DISLER** *Head of US*



- Over 14 years experience in commercial transactions, legal and operational management.
- Previous roles with US Masters Residential Property Fund, E&P USA and Day Pitney

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## CORPORATE CALENDAR

Annual General Meeting	May 2023
Dividend, NAV and Trading Update	May 2023
Company Financial Half-Year	June 2023

## DISCLAIMER

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