

US Solar
Fund

Attractive and sustainable returns from US solar power

Quarterly Update | 30 September 2023

Third Quarter Update

USF Quarter Highlights

- **NAV update:** USF's NAV at 30 June 2023 was \$284.2 million or \$0.855 per Ordinary Share. Adjusting for cash flows during the period, the unaudited NAV at 30 September 2023 is \$286.3 million or \$0.862 per Ordinary Share, 0.7% higher than the 30 June 2023 NAV.
- **Dividend announced:** With this update, US Solar Fund plc (USF, or the Company) announces its Q3 2023 dividend of 1.54 cents per Ordinary Share. The dividend will be paid on 5 January 2024 to Shareholders on the register as at the close of business on 15 December 2023. The ex-dividend date is 14 December 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.
- **Dividend paid:** The Company paid its Q2 2023 dividend of 1.29 cents per Ordinary Share on 27 October 2023. The dividend was consistent with the Company's target full year dividend of 5.66 cents per Ordinary Share.
- **Dividend cover:** Dividend cover for the twelve months to 30 September 2023 was 1.25x, inclusive of cash flow reserve carried forward and the gain on the sale of MS2. The forecast coverage for the full 2023 year is 1.09x.
- **Investment Manager Update:** The Company announced in August that Amber Infrastructure Group (Amber) had been selected to replace New Energy Solar Manager (NESM) as the Company's Investment Manager. Amber is a specialist international infrastructure investment manager with approximately £5 billion of funds under management, including a leading track record built over the past 15 years in UK investment company management. On 17 November, a General Meeting was held and a resolution was passed approving changes to the Investment Policy. The Board also confirmed that the approval satisfied conditions to appoint Amber as the new Investment Manager. Amber and NESM are working together to ensure a smooth transition of the investment manager role, with a target transition date of 1 December 2023.

- **New Renewable Energy Certificate (REC) Agreements Signed:** Prior to the publication of this update, six of USF's Oregon projects (Chiloquin, Turkey Hill, Merrill, Lakeview, Dairy and Tumbleweed) signed new long-term contracts to sell RECs. The cashflows resulting from the new REC contracts will be included in the calculation of USF's NAV as at 31 December 2023 and will be announced to the market following consultation with the Company's independent valuation consultant.

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

	12 Months to 30 September 2023 \$'m (unless stated)
Project revenue	48.4
Project operating expenses	(13.5)
Payments to tax equity	(8.0)
Portfolio debt expenses	(11.0)
Project cash flows after debt service	16.0
Management fees	(3.2)
Corporate operating expenses	(2.4)
Revolver interest and fees	(0.3)
Underlying operating cash flows	10.0
Cash flow reserve carried forward	5.4
Gain on sale of MS2	7.9
Total underlying cash flow	23.2
Dividends paid	18.6
Dividend cover (times)	1.25x

Third Quarter Update

KEY FINANCIAL FACTS AT 30 SEPTEMBER 2023

Ordinary Shares Issued	332,192,361	
Ticker	USF (\$)	USFP (£)
Share Price	\$0.61	£0.4845
NAV (\$) ¹	\$286.3m	
NAV/share (\$) ¹	\$0.862	
Premium (discount) to NAV ¹	(29.2%)	
Market Cap (\$m)	\$202.6m	
Ongoing Charges	1.39%	
Target Dividend Yield ^{2,3}	5.66%	
Next Dividend ⁴	January 2024	
Target Net Total Return ⁵	Min 7.5%	

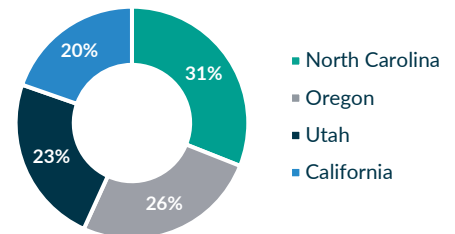
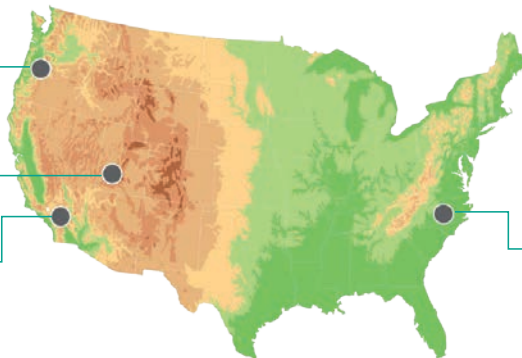
Listing:	London Stock Exchange Premium Segment
SEDOL	BJCWFX4 (\$) BHZ6410 (£)
ISIN	GB00BJCWFX49
Registered Number:	11761009
Ticker:	LSE: USF (\$)/USFP (£)
Dividend Payments:	Quarterly
Financial Year End:	31 December
Website:	www.ussolarfund.co.uk

USF PORTFOLIO OVERVIEW⁶

Oregon
10 operational plants
140 MW_{DC}

Utah
1 operational plant
128 MW_{DC}

California
3 operational plants
107 MW_{DC}



North Carolina
28 operational plants
168 MW_{DC}

¹ Based on the unaudited NAV as at 30 September 2023.

² Once fully operational and on a fully invested and geared basis.

³ 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.

⁴ Q3 2023 dividend will be paid in January 2024.

⁵ 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.

⁶ Portfolio breakdown by state is by MW_{DC}.

Third Quarter Update

Asset	Capacity (MW _{DC})	Location	Acquisition Date	Energy Offtaker	Offtaker Credit Rating	Remaining PPA Length (Years)	COD
Milford	127.8	Utah	Aug 19	PacifiCorp	S&P: BBB+	22.2	Nov 20
Suntex	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	7.8	Jul 20
West Hines	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	7.8	Jun 20
Alkali	15.1	Oregon	Jun 20	Portland General Electric	S&P: BBB+	7.9	Jun 20
Rock Garden	14.9	Oregon	Jun 20	Portland General Electric	S&P: BBB+	7.9	Jun 20
Chiloquin	14.0	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.2	Jan 18
Dairy	14.0	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.1	Mar 18
Tumbleweed	14.0	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.2	Dec 17
Lakeview	13.7	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.1	Dec 17
Turkey Hill	13.2	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.1	Dec 17
Merrill	10.5	Oregon	Mar 20	PacifiCorp	S&P: BBB+	8.1	Jan 18
Lane II	7.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	9.9	Jul 20
Pilot Mountain	7.5	North Carolina	Dec 19	Duke Energy Carolinas	S&P: BBB+	9.9	Sep 20
Davis Lane	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	9.3	Dec 17
Gauss	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	9.9	Oct 18
Jersey	7.0	North Carolina	Mar 20	North Carolina Electric	S&P: A-	4.2	Dec 17
Sonne Two	7.0	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	7.9	Dec 16
Red Oak	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.2	Dec 16
Schell	6.9	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	8.2	Dec 16
Siler 421	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	7.9	Dec 16
Cotten	6.8	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	8.1	Nov 16
Tiburon	6.7	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	7.9	Dec 16
Monroe Moore	6.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	7.9	Dec 16
Four Oaks	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.1	Oct 15
Princeton	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.0	Oct 15
Tate	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	9.9	Aug 20
Freemont	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	7.9	Dec 16
Mariposa	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	8.0	Sep 16
S. Robeson	6.3	North Carolina	Jan 20	Progress Energy	S&P: BBB+	3.8	Jul 12
Sarah	6.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	6.7	Jun 15
Nitro	6.2	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	6.2	Jul 15
Sedberry	6.2	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	7.9	Dec 16
Willard	6.0	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	9.9	Oct 20
Benson	5.7	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	9.9	Aug 20
Eagle Solar	5.6	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	9.9	Aug 20
Granger	3.9	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	13.0	Sep 16
Valley Center	3.0	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	13.2	Dec 16
County Home	2.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	7.9	Sep 16
Progress 1	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	8.5	Apr 12
Progress 2	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	4.3	Apr 13
Faison	2.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	6.5	Jun 15
Faison	2.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.0	Jun 15
Grand Total	443.0					12.2	

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CORPORATE CALENDAR

Company Financial Year-End	December 2023
Annual Financial Results, NAV and Dividend	March 2024
Annual General Meeting	May 2024
1Q24 Dividend and NAV Update	May 2024
Financial Half-Year	June 2024

DISCLAIMER

This Quarterly Update (**Update**) has been prepared by the Investment Manager 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.