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# US Solar Fund plc

SHAREHOLDER PRESENTATION

MAY 2024

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Milford, Utah

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Suntex (Euryalus Portfolio), Oregon

# Background

## Amber was appointed as the Company's Investment Manager on 1 December 2023

- ◆ US Solar Fund plc is managed by Amber Infrastructure Investment Advisor LLC (AIIA), a member of the Amber Infrastructure Group (Amber)
- ◆ AIIA was appointed the Company's Investment Manager on 1 December 2023 after a multi-phase competitive process conducted by the Board as part of the strategic review initiated in October 2022
- ◆ Amber was selected based on its experience in the US solar sector and advising a UK closed end listed investment company
- ◆ Amber is a specialist international infrastructure investment manager with approximately £5 billion of funds under management or advisement, including a leading track record built over the past 15 years in UK investment company advisement
- ◆ Including USF, Amber manages or advises 8 funds and other managed accounts, including International Public Partnerships Ltd, a FTSE 250-listed company with a market capitalisation of approximately £2.6 billion (as at 31 December 2023)
- ◆ More information about Amber can be found at <http://www.amberinfrastructure.com>
- ◆ Prior to 1 December 2023, the Company's investment manager was New Energy Solar Manager Pty Limited (NESM)

**The Investment Manager aims to act as a responsible steward for the Company and its assets including evaluating opportunities to enhance shareholder value**

### 1 Reporting and Disclosures

Improving the general approach to disclosures and providing information to shareholders allowing comparison across the peer group, including more detailed explanation of the NAV build-up.

### 2 Communication

The Investment Manager and the Board are committed to providing regular and transparent communications to the Company's shareholders. AIIA will assess and present all options to enhance shareholder value based on its experience and knowledge of the relevant markets.

### 3 Asset Management

Disciplined approach to asset management focused on decreasing unplanned outages and using generation data to inform O&M priorities.

# Share buyback via fixed-price tender offer

## Fixed price tender offer

On publication of its 2023 Annual Results the Company announced that it was analysing options available to it to return capital to shareholders, consistent with previous announcements.

On 24 April 2024, the Company announced its intentions to launch a tender offer as a method of returning capital to shareholders. It is now proposed that the Company conduct a tender offer, at the Tender Price of \$0.764 per share. This is equivalent to the 31 December 2023 NAV of \$0.78 per share, less 2% for costs.

As at 30 April 2024, the USF share price was \$0.47.

Shareholders may choose to tender for sale some or all of their shares, subject to an upper limit of \$19m being returned to shareholders.

## Shareholder approval

The implementation of the tender offer requires the approval of shareholders. There will a General Meeting on 21 May 2024 to approve the proposed tender offer.

The proposed resolution is a special resolution. To become effective, the resolution must be passed by shareholders representing >75% of the total voting rights of shareholders.

## Maximum tender value of \$19m

This upper limit of \$19 million represents the balance of the Mount Signal 2 (MS2) sale proceeds available for distribution:

\$'m	Year ended 31 Dec 2023	Notes
MS2 proceeds	\$53.2m	Total sale proceeds
Tax equity buyouts	(\$3.2m)	Completed in December 2023
RCF	(\$4.5m)	Full repayment
Operating costs including dividends to 31 Dec 2023	(\$12.4m)	c.\$8m for 2023, c.\$4m for April 2024 dividend
LC funding	(\$10.4m)	To provide cash collateral to comply with the rating requirements of an offtaker
2025 tax equity buyouts	(\$2.7m)	Reserved funds for 2025
Cash balance retained	(\$1.0m)	Minimum cash balances
<b>Total</b>	<b>\$19.0m</b>	

More details are available in the Circular on the USF website.

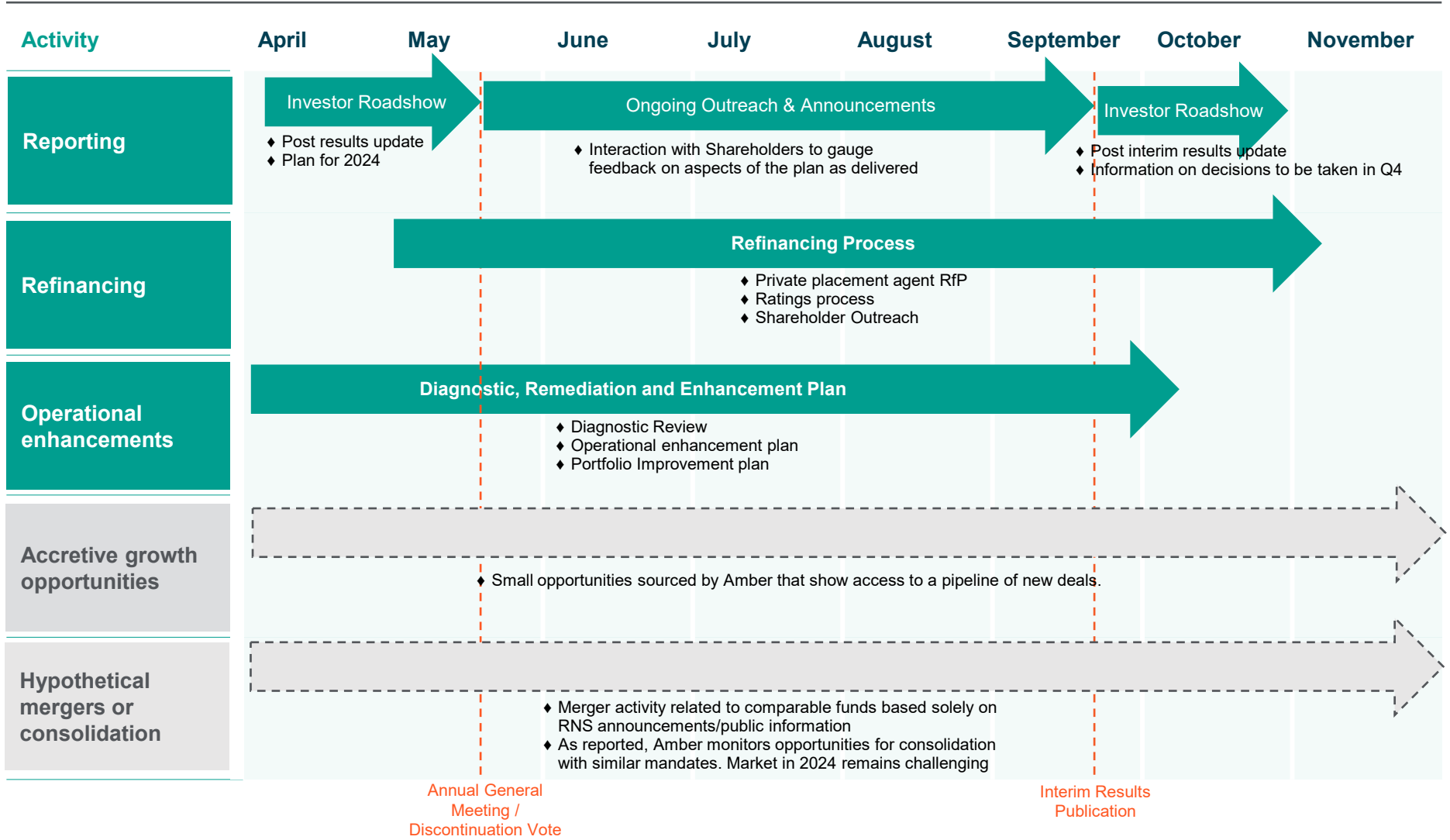
# Aims & 2024 Plan

Consistent with Amber's stated objectives for USF, the Investment Manager's team are working to optimise, enhance and position the Company to maximise Shareholder value.

USF options to maximise shareholder value	Actions taken / being taken
Future liquidity event	Creation of a full diagnostic and remediation plan across the portfolio
	Creation of a repowering / asset optimisation plan that can either be enacted or presented to a buyer to maximise value
	Creating options for optimisation of the senior debt facilities. As announced, the refinancing process is expected to be concluded in Q4 2024.
	Update key forecasts and support with evidence and market comparable data
	Rebuild of financial models
	Comprehensive tracking of deals / comparable transactions
	Creating a narrative around potential growth opportunities (see below)
Mergers	Comprehensive tracking of public information related to merger / deal related activity in the UK market
Growth Opportunities	Working with development partners to source capital light and value enhancing opportunities that could be funded by USF to demonstrate a ready pipeline of deals

Amber's goal is to ensure that the performance of the USF portfolio is robust, optimised and capable of being presented to the market by year end 2024. Doing so will ensure that the Company is in the best position to access and transact upon options that maximise Shareholder value.

# 2024 Plan



# Refinancing Proposal

**To improve operational cash dividend coverage and financial returns to shareholders by reducing near term debt amortisation, the Board has undertaken an exercise to explore likely terms for a refinancing of the senior debt facilities.**

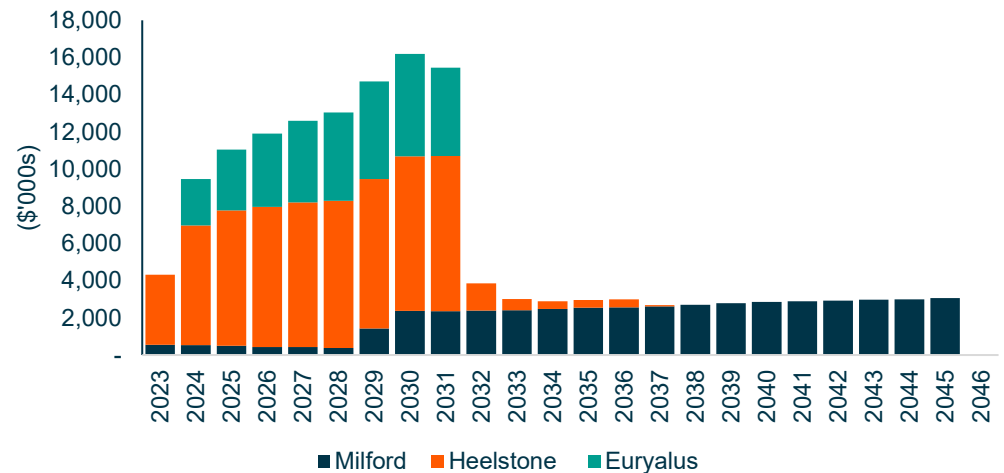
Based on the indicative terms received from potential lenders and brokers, the Board believes that the US private debt market could provide an attractive source of debt capital which is well-matched to the long dated, fixed nominal contracted payments, paid by Investment Grade Counterparties, that comprise USF's revenues.

If successful, expected outcomes of the refinancing may include additional capital becoming available to return to shareholders. This capital could include any refinancing proceeds not used to repay existing facilities, the release of the cash which currently supports a letter of credit and any proceeds from breaking the interest rate derivatives associated with the current debt facilities. A successful refinancing is likely to result in an increase in operational cash dividend coverage for 2025 and beyond.

Subject to market conditions, the Board expects the overall process to be concluded in Q4 2024.

If successful, expected outcomes of the refinancing may include additional capital becoming available to return to shareholders. A successful refinancing is likely to result in an increase in operational cash dividend coverage for 2025 and beyond.

Current gearing <sup>1</sup>	36% (\$146m)
Maximum permitted gearing as per the USF Investment policy	50% (\$202m)
Approximate headroom available to bring current gearing up to maximum permitted gearing limit <sup>2</sup>	\$56m
Total debt amortising in 2024	\$9.5m
Total debt amortised in 2023	\$4.3m
% of debt facilities (excluding RCF) hedged to interest rate movements	~100%



<sup>1</sup> Gearing is calculated as the total debt outstanding to Gross Asset Value (GAV).

<sup>2</sup> Calculated as the difference between the maximum permitted gearing levels as per the USF investment policy (50% of GAV) and total outstanding debt as of 31 December 2023.



# Diagnostic and Remediation Plan

**Demonstrating a route to improved operating performance or repowering could enhance portfolio value.**

## Operational performance improvement priorities

- ◆ Integration of production data across the Company's portfolio to enable accurate monitoring of performance against forecasts and inform prioritisation of O&M activities and resources
- ◆ Working with key subcontractors to support maintenance effectiveness and initiatives to reduce outage times
- ◆ Undertaking an audit of O&M subcontractor performance
- ◆ Replacement of two O&M contractors recently completed with further reviews ongoing

## Portfolio performance summary – non-weather lost generation (as at 31 Dec 2023)

Asset	Size (MW <sub>DC</sub> )	State	Portfolio	Non-weather loss (% total)	Outage causes	Status
Suntex	15.3	OR	Euryalus	11%	Transformer	Repaired
Milford	126.0	UT	Milford	7%	Transformer & inverters	Repaired
West Hines	15.3	OR	Euryalus	6%	Grid outages	Repaired
Gauss	7.0	NC	Heelstone (XIII)	6%	Communication	March 2024
Chiloquin	14.0	OR	Heelstone (XII)	5%	Inverters & feeders	Repaired
Turkey Hill	13.2	OR	Heelstone (XII)	4%	Inverters	Repaired
<b>Remaining 35 assets in portfolio</b>	<b>252</b>	<b>NC, OR, CA</b>		<b>c.61%</b>	Various	27 of 35 repaired <sup>3</sup>

<sup>3</sup> As of year-end, 27 of the remaining 35 assets (equating to 212.9MW out of 252MW) had substantially resolved the causes of controllable non-weather outages that occurred in 2023.

# Diagnostic Work / Plan

Detailed diagnostic planning underpins the remediation plan.

## Diagnostic Testing & Plan; Actions

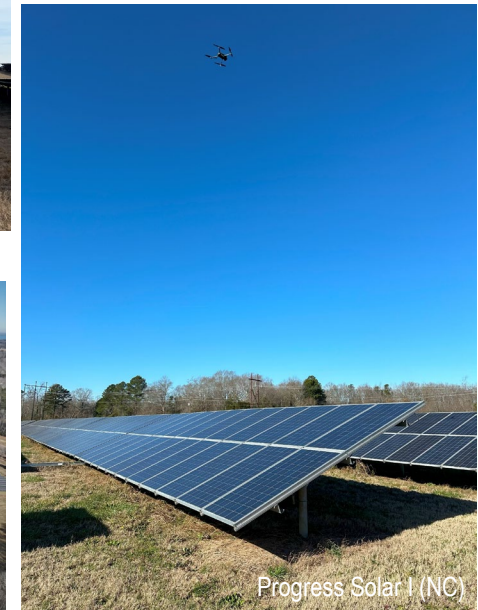
- ◆ Site visits
- ◆ Performance data tracking
- ◆ Amber review of O&M records / direct interface with providers
- ◆ Technical review of diagnostic data where required (drone, electrical testing, medium / high voltage equipment monitoring)
- ◆ Working through project data and models to understand reasons for outages, identifying trends and pre-empting future problems
- ◆ Identifying strategies for dealing with underperforming or potentially underperforming equipment (warranties, insurance)

**Overall generation of the Company's portfolio (excl. MS2) was 7.2% below forecast in 2023; with (2.0%) attributable to weather and (5.2%) attributable to technical (non-weather) factors**  
As at 31 Dec 2023

Site Visit Photos



Site Visit Drone Photos



# Remediation Plan

Demonstrating a route to improved operating performance or repowering could enhance portfolio value.

## Remediation Plan

### Reactive

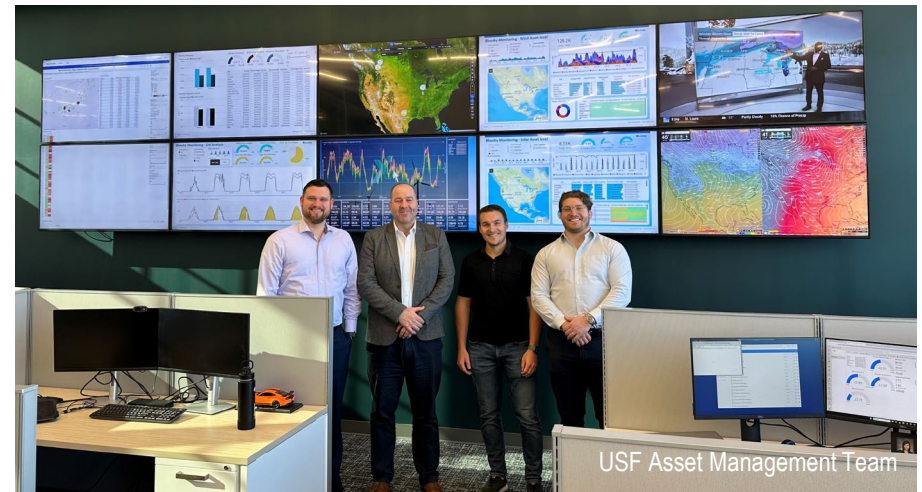
- ◆ Replacement of some O&M providers
- ◆ Strategies for progressing warranty claims leveraging our wider relationships with key component providers
- ◆ Identifying strategies where;
  1. warranties aren't available
  2. replacement parts aren't available
  3. response times aren't adequate

Enhanced protocol and target setting for dedicated Asset Management team

- ◆ Creation of internal papers and reports detailing reactive maintenance activities and solutions

### Proactive

- ◆ Improving spare parts inventory
- ◆ Early warning indicators established through data system
- ◆ Reviewing Major Maintenance Reserve Accounts, lifecycle expenditure forecasts and associated funding mechanisms
- ◆ Enhanced approvals process for preventative maintenance proposals
- ◆ Creation of internal papers and reports detailing the effectiveness of proactive maintenance activities

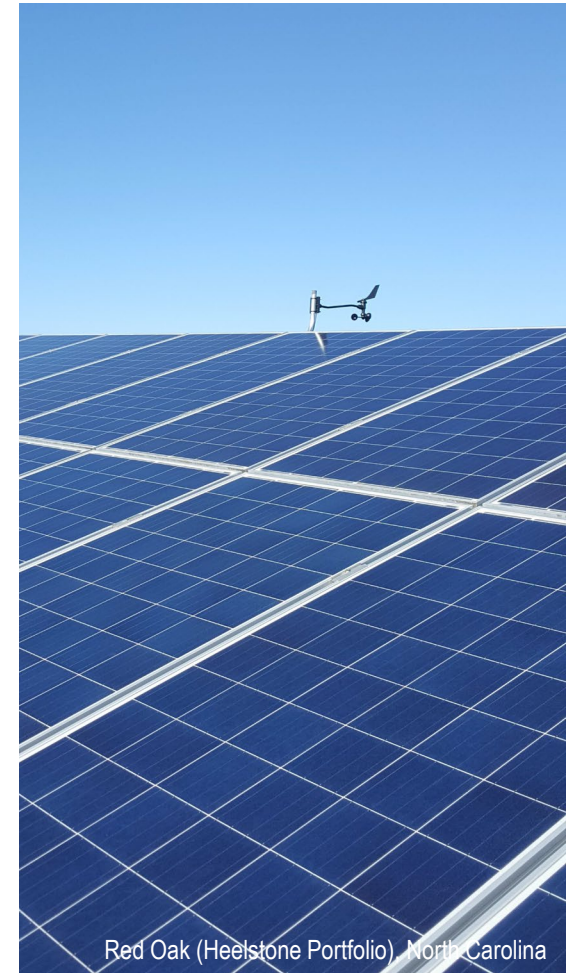


# Enhancement Plan

As part of remediation plan sites are being actively assessed for enhancement opportunities.

## Enhancement Plan

- ◆ Methodical assessment of all portfolio assets, starting with underperforming sites, with a view to replacing components or amending generation capabilities to enhance performance.
- ◆ Assessment of increasing output, load shifting or ancillary service provision through battery storage.
- ◆ Creation of assessment tools allowing asset management teams to quickly appraise and present opportunities to enhance value
- ◆ Procuring 3<sup>rd</sup> party feasibility and design input for repowering opportunities (2 design reviews completed to date)
- ◆ Detailed modelling using in house development resources of economic viability of repowering using in house knowledge of component specifications
- ◆ Creation of a database of equipment across the portfolio and utilising information to inform repowering initiatives or component harvesting to improve the performance or spare parts supply for other projects
- ◆ Creation of a report detailing the potential for, and likely benefits of, enhancement activities



Red Oak (Heelstone Portfolio) North Carolina



# Upcoming meetings: General Meeting & AGM

## General Meeting

- ◆ A General Meeting is scheduled on 21 May 2024 at 2:50pm to approve the Tender Offer. Forms of Proxy to be returned by 2:50pm on 17 May 2024

## Special Resolution

- ◆ For the Tender Offer to become unconditional, the Resolution must be passed by Shareholders representing >75% of the total voting rights of Shareholders

## Board Recommendation

- ◆ The Board considers that the proposed Tender Offer is in the best interests of the Company and its Shareholders as a whole
- ◆ The Directors are making no recommendation to Eligible Shareholders as to whether they should tender Shares in the Tender Offer

## AGM

- ◆ The Company's AGM is scheduled on 21 May 2024 at 3pm. Forms of Proxy to be returned by 3pm on 17 May 2024

## Discontinuation Resolution

- ◆ As required by the Company's Articles, because the Company has traded at an average discount to NAV in excess of 10% over the course of 2023, a special resolution will be proposed for shareholders to vote to wind up or otherwise reconstruct the Company
- ◆ If such a discontinuation resolution is passed, the Company's Articles provide the Board with four months to put forward a proposal

## Board Recommendation

- ◆ The Board remains of the view that the current discount to NAV does not reflect the underlying value of the Company and remains committed to the creation and delivery of long-term shareholder value
- ◆ The strategic review conducted throughout 2023, demonstrated that prevailing market conditions are not conducive to the Company realising the value of its assets
- ◆ For these reasons, the Board recommends that shareholders vote against the discontinuation of the Company at the Company's forthcoming AGM

## Further information

- ◆ The aforementioned aims and plans for 2024 (slides 4-5), including the refinancing plans, are conditional on the Company's continuation





# Results Presentation

USF SOLAR FUND PLC 2023 ANNUAL  
RESULTS PRESENTATION  
25 MARCH 2024

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Progress Solar I (Granite Portfolio), North Carolina



# 2023 Performance

## Financial highlights

**\$258.2m**

Net Asset Value (NAV)  
2022: \$320.0m

**\$177m**

Market capitalisation  
2022: \$279m

**\$0.78**

NAV per share  
2022: \$0.96

**(1.7%)**

NAV total return<sup>3</sup>  
2022: \$9.98

**\$18.7m**

Dividends paid<sup>1</sup>  
2022: \$18.4m

**0.95x**

Total dividend cover<sup>2</sup>  
2022: 1.20x

**5.66 cents**

Dividend per share  
2022: 5.58 cents

**9.54%**

Yield  
2022: 15.1%

**\$(43.1m)**

IFRS 2023 loss<sup>4</sup>  
2022: \$14.5m

**8.8%**

Weighted average pre-tax discount  
rate applied in 2023

**36%**

Gearing  
2022: 44.2%

**0%**

RCF drawn  
2022: 8.75%

<sup>1</sup> Excludes January 2024 dividend paid to shareholders which was transferred in advance of the year end to the registrar to facilitate payment to shareholders in January 2024.

<sup>2</sup> Presented on a total cash flow basis including one-off gains on asset sale. See slide 10 for further dividend cover analysis.

<sup>3</sup> NAV total return is based on dividends paid throughout the period and NAV movement since inception.

<sup>4</sup> Includes unrealised losses on the portfolio fair value for the year ended 31 December 2023.

# 2023 Performance continued

## Operational highlights

**41**

Operating solar assets  
2022: 42

**816GWh**

Total electricity generated<sup>7</sup>  
2022: 904GWh

**(7.2%)**

Generation against forecast  
2022: (4.9%)

**443MW<sub>DC</sub>**

Total capacity  
2022: 543MW<sub>DC</sub>

**11.9years**

Weighted average PPA term remaining<sup>8</sup>  
2022: 13.8years

**BBB+**

Average offtaker credit rating  
2022: BBB+

## Environmental highlights<sup>5,6</sup>

**480,900**

tCO<sub>2</sub> emissions displaced  
2022: 618,000t

**83,100**

Equivalent US homes powered  
2022: 95,000

**104,500**

Equivalent US cars removed from the road  
2022: 134,000

<sup>5</sup> The total electricity generation data includes MS2 for the first six months of 2023.

<sup>6</sup> Remaining PPA term from 31 December 2023.

<sup>7</sup> Environmental figures use actual generation figures for the period. US CO<sub>2</sub> emissions displacement is calculated using data from the US Environmental Protection Agency's 'Avoid Emissions and generation Tool' (AVERT), Equivalent US homes and cars removed figures are based on CO<sub>2</sub> emissions displaced and data from the US Environmental Protection Agency and US Energy Information Administration.

<sup>8</sup> Based on the total electricity generation data which includes MS2 for the first six months of 2023.



# Key messages

## 1 Changes to NAV and risk premium

NAV has reduced from \$320m as at 31 December 2022 (\$0.96/share) to \$258.2m (\$0.78/share) as 31 December 2023. Additional risk premia and treasury rates have resulted in an increase in the discount rate from 7.8% in December 2022 to 8.8% in December 2023.

## 2 Inflation

Long range forecasts for inflation have increased from 2.0% to 2.5% in the period. The impact of higher-than-expected historic inflation has increased operating costs. It has also reduced forecast operational cashflows during the contracted term of the projects due to the fixed nominal (unindexed) power purchase agreements that are in place.

## 3 Dividend coverage

Dividend coverage expressed on a standardised basis has reduced as a result of a number of factors including higher than forecast inflation impacting operating costs over 2022/2023.

The absolute level of dividend cover and escalating dividend target is mismatched with the operating cashflows forecast to be received from the projects.

## 4 Use of balance sheet cash

A refinancing exercise is underway that is intended to delay the amortisation profile of the current debt facilities. Once concluded, and whether or not this exercise is successful, an update will be provided to the market around the use of balance sheet cash.

## 5 Orientation of current energy price curves

Future forecast energy prices have increased during the period.

The current forecasts for energy prices in the relevant regions in which USF assets are located are comparable to prior periods.

## 6 Operational performance

The operational performance of the assets was 7.2% under budget in the period. 2.0% related to weather and 5.2% related to unplanned outages and non-weather-related factors impacting generation. Operational performance improvements, aimed at reducing unplanned outages, are key to the asset management activities being undertaken by AIIA as the new Investment Manager.

# Discount rates

The discount rate applied to the forecast cashflows of the Company is determined by the independent valuer based on market observations. In the current period it has increased from 7.8% to 8.8%

## Valuation Process

USF is valued by an independent valuer.

The valuation process takes into account market transactions, comparable companies and defines a risk premium to be applied to the assets within the portfolio.

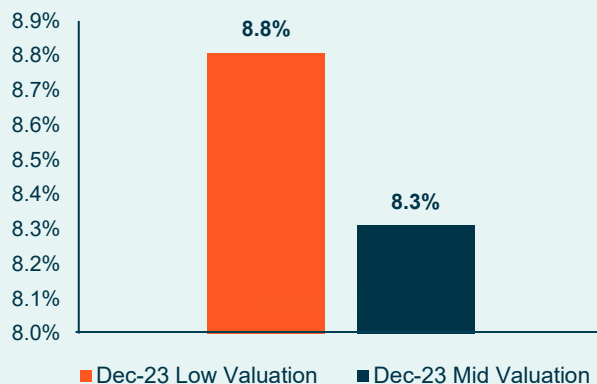
The valuer provides a range for the risk premia to be applied.

In the current period, and further to the conclusion of the strategic review, the highest discount rate and corresponding lowest valuation of the portfolio as provided by the independent valuer has been used.

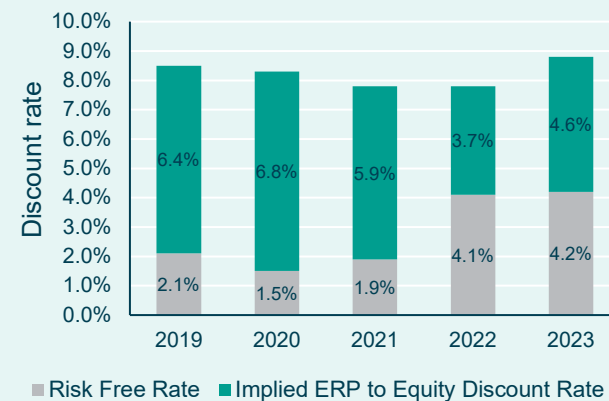
In future periods the use of the low, medium or high end of the range provided by the independent valuer will be considered.

Variable	31 December 2023 (low valuation)	31 December 2023 (mid valuation)	30 June 2023	31 December 2022
NAV	\$258.2	\$274.6	\$284.2m	\$320.0m
NAV per Share	\$0.78	\$0.83	\$0.86	\$0.96
NAV variance to 31 December 23 (low) (\$)	-	(\$16.4)	(\$26.0)	(\$61.8)
NAV variance to 31 December 23 (low) (%)	-	-6.0%	-9.1%	-19.3%

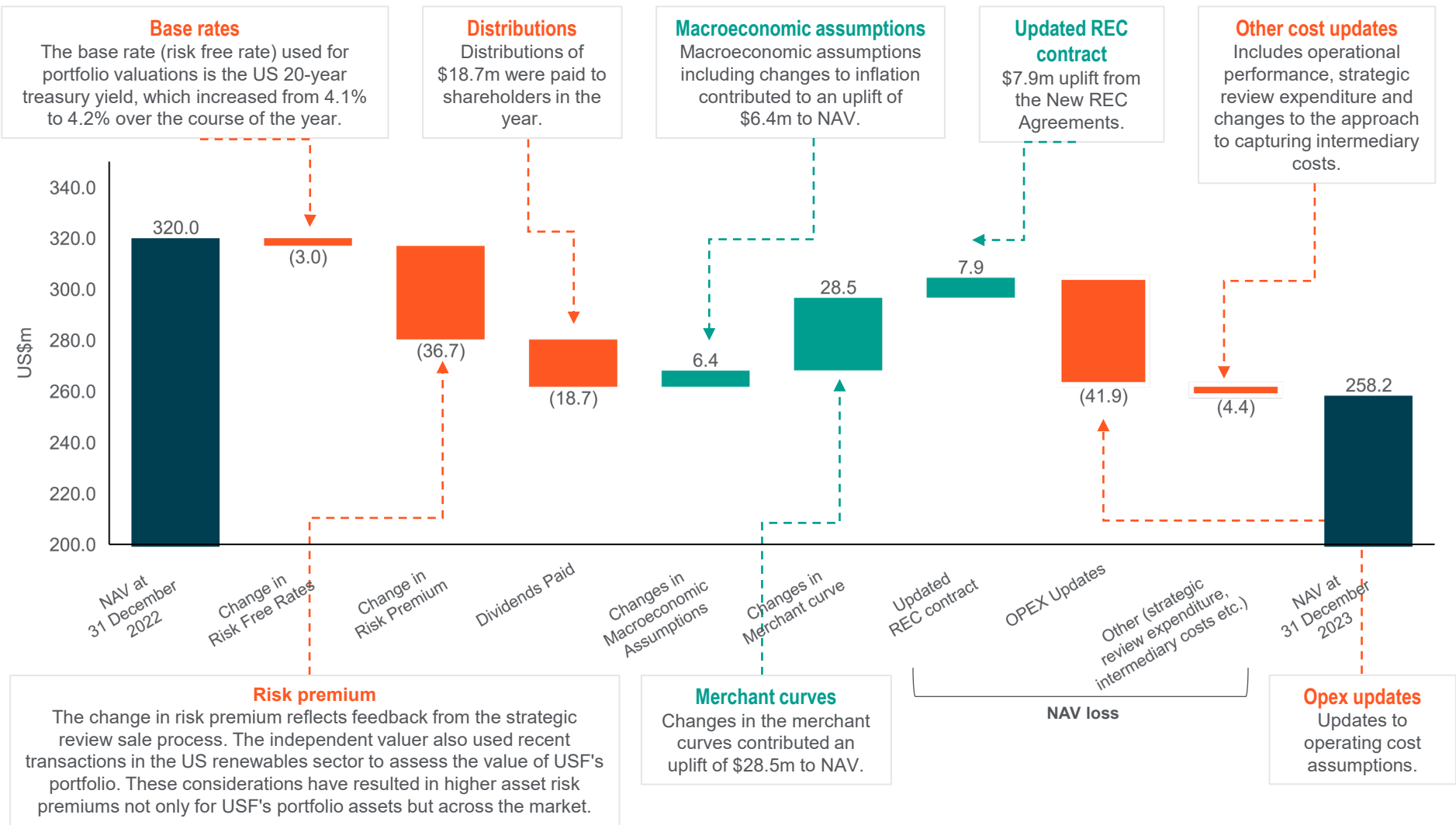
## Portfolio weighted average discount rate



## USF implied equity risk premium (ERP)



# NAV movements (US\$m)



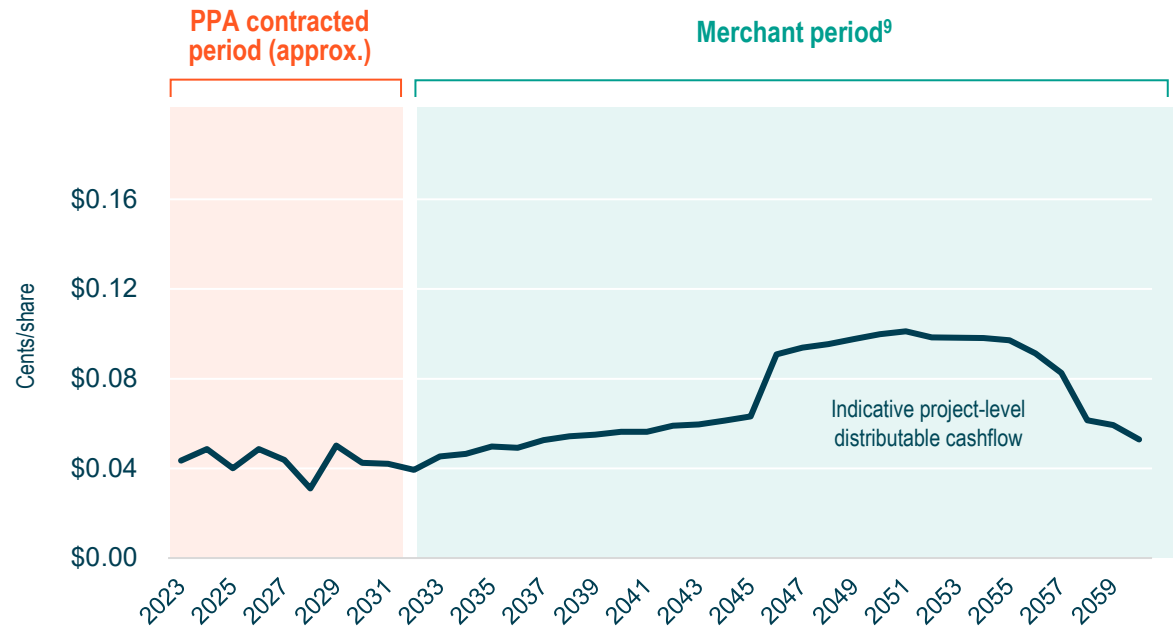
# Impact on inflation on operational cashflows and NAV

**Inflation negatively impacts operational cashflows during the term of the power purchase agreements. Overall inflation has a net positive impact on NAV**

## Impact of inflation on the USF portfolio

- ◆ Each project sells power through a fixed price, nominal (unindexed) PPA
- ◆ In periods of high inflation, operating costs which fluctuate with inflation either through contractual terms or at the point where contracts for the provision of O&M services are renewed, increase. (Similarly in periods of low inflation operating cashflows would typically improve)
- ◆ The reduction in operating cashflows negatively impacts NAV
- ◆ Post the expiry of the fixed price, nominal contracts revenues are assumed to track merchant energy prices which typically move in line with inflation
- ◆ The overall effect is that NAV increases in periods of high inflation but short-term operating cashflows reduce
- ◆ Taken as a proportion of NAV the cashflows forecast to be received during the uncontracted term comprise around 51% of the 2023 NAV

Inflation rate impact	Increase	Impact on NAV (US\$ m)	Decrease	Impact on NAV (US\$ m)
Inflation rate impact on revenue	+1.0%	+43.61	-1.0%	-35.55
Inflation rate impact on operating expenses	+1.0%	(-16.20)	-1.0%	+13.65
Inflation impact on merchant vs PPA (net)	+1.0%	+27.41		

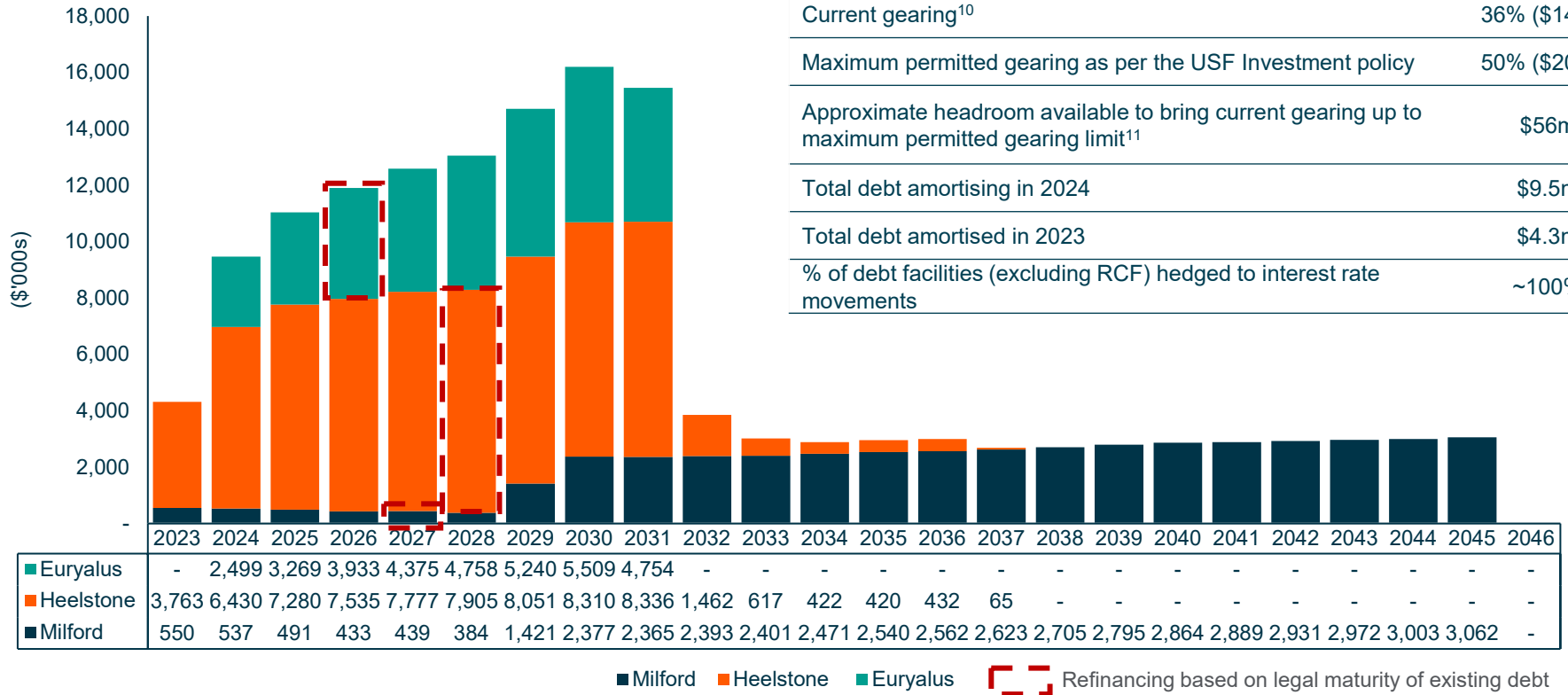


<sup>9</sup> The Indicative project level distributable cashflow illustration represents a target only at 31 March 2024 and is not a profit forecast. There can be no assurance that this target will be met and this information is not a reliable indicator of future performance.



# Refinancing Proposal

The refinancing exercise is aimed at smoothing amortisation of the current debt facilities into later periods. Total forecast debt service in each period is shown in the chart and table below



Current gearing <sup>10</sup>	36% (\$146m)
Maximum permitted gearing as per the USF Investment policy	50% (\$202m)
Approximate headroom available to bring current gearing up to maximum permitted gearing limit <sup>11</sup>	\$56m
Total debt amortising in 2024	\$9.5m
Total debt amortised in 2023	\$4.3m
% of debt facilities (excluding RCF) hedged to interest rate movements	~100%

<sup>10</sup> Gearing is calculated as the total debt outstanding to Gross Asset Value (GAV).

<sup>11</sup> Calculated as the difference between the maximum permitted gearing levels as per the USF investment policy (50% of GAV) and total outstanding debt as of 31 December 2023.

# Dividend cover

Dividends of \$18.7m were paid to investors in 2023. Dividend coverage guidance will be issued following completion of the refinancing exercise.

- ◆ Dividends of \$18.7m were paid to investors over 2023 (December 2022 \$18.4m). This excludes the January 2024 dividend paid to shareholders which was transferred in advance of the year end to the registrar to facilitate payment to shareholders in January 2024
- ◆ Total dividend cover for the period was 0.95x (December 2022: 1.20x). Adjusting for carried forward reserves, the gain on sale of MS2 and non-recurring strategic review payments, the underlying operational dividend cover for the year was 0.50x (December 2022: 0.73x)
- ◆ Once the share buyback and refinancing analysis has been finalised by the Company and Investment Manager, the existing dividend policy will be reviewed to ensure that the dividend target is sustainable and supported by forecast operating cashflows and guidance will be provided on the return of capital to shareholders

\$'m	Year ended 31 December 2023	Year ended 31 December 2022
Project revenue	46.7	53.9
Project operating expenses	(13.7)	(13.9)
Payments to tax equity	(7.1)	(10.3)
Portfolio debt expenses	(11.5)	(9.9)
<b>Project cash flows after debt service</b>	<b>14.4</b>	<b>19.7</b>
Management fees	(3.0)	(3.9)
Corporate operating expenses	(1.7)	(1.9)
Revolver interest and fees	(0.3)	(0.3)
<b>Net operating cash generation (A)</b>	<b>9.4</b>	<b>13.6</b>
One off payments related to strategic review	(3.2)	-
Cash flow reserve carried forward	3.7	8.5
Gain on sale of MS2	7.9	-
<b>Total cash generation (B)</b>	<b>17.8</b>	<b>22.1</b>
<b>Dividends paid (C)</b>	<b>(18.7)</b>	<b>(18.4)</b>
<b>Total dividend cover (B) / (C)</b>	<b>0.95x</b>	<b>1.20x</b>
<b>Operational dividend cover (A) / (C)</b>	<b>0.50x</b>	<b>0.74x</b>

## Operational dividend cover

Operational dividend cover excludes carried forward components to reflect the coverage from operational revenue generation in the period

## Total dividend cover

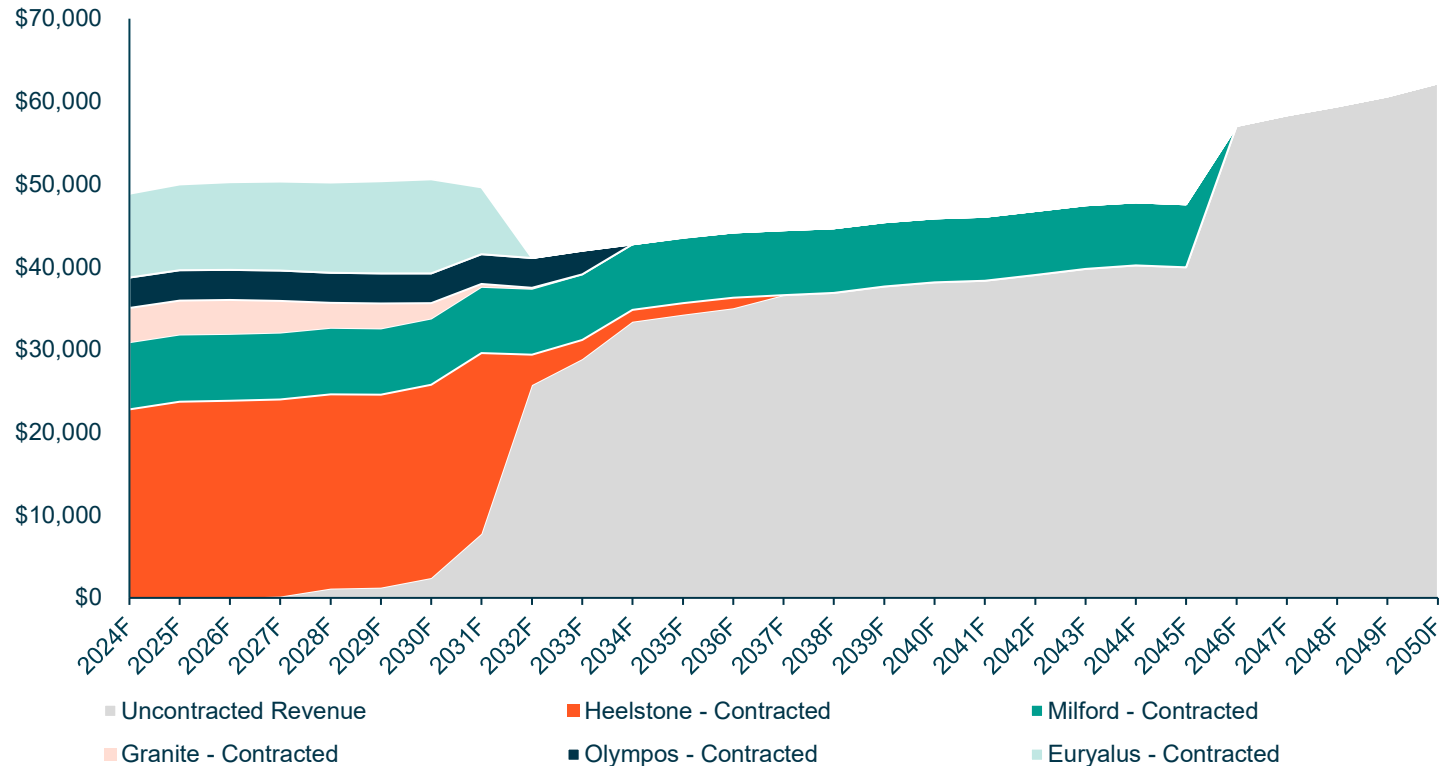
Calculated as net portfolio cash flows divided by dividends paid in the year, with an adjustment for cash flow reserves carried forward from operating cash flows generated in prior periods

# Future energy price assumptions

Energy curves have increased in the current period. Future forecasts of revenue from the portfolio remain below total levels received under the current contracted offtake agreements

Indicative forecast revenue composition (US\$'000s)

- ◆ Future energy prices are provided by two separate advisors
- ◆ Prices provided for each key market
- ◆ Average merchant price assumption is equivalent to 79% of current PPA in real 2024 prices at end of contracted term
- ◆ Excluding Milford, the average merchant price assumption is 73% of the current PPA price in real 2024 prices







# Operational Performance

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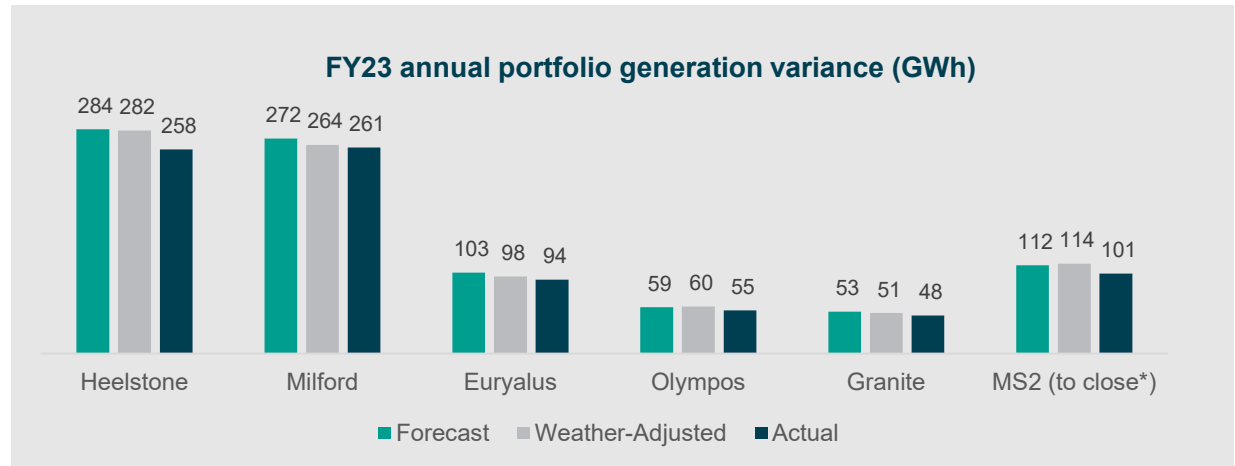
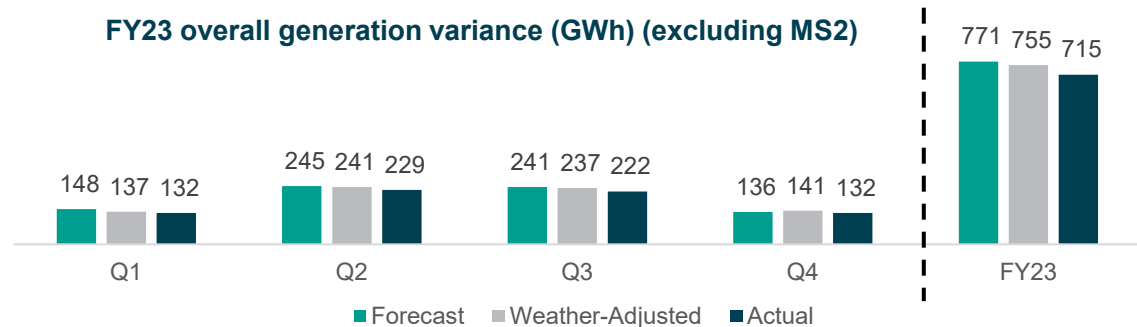
Progress Solar I (Granite Portfolio), North Carolina



# Portfolio performance

**Overall generation of the Company's portfolio (excl. MS2) was 7.2% below forecast in 2023; with (2.0%) attributable to weather and (5.2%) attributable to technical (non-weather) factors**

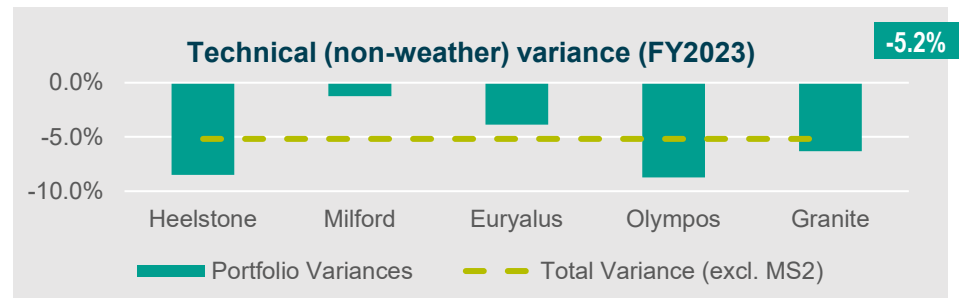
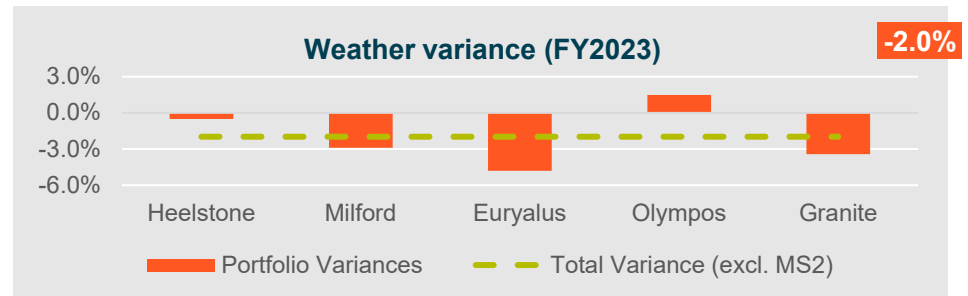
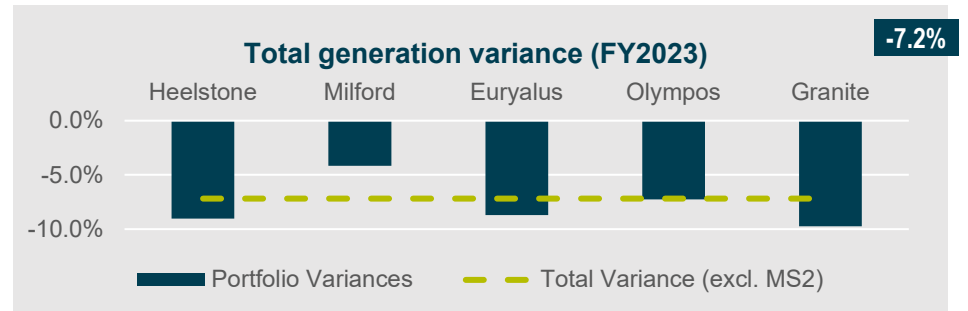
- ◆ Portfolio performance for the year was comparable to 2022
- ◆ Including MS2, total generation was 816GWh, which was 7.5% below total forecast, and 6.0% below the weather-adjusted forecast
- ◆ Excluding MS2, total generation was 715GWh, which was 7.2% below total forecast, and 5.2% below the weather-adjusted forecast
- ◆ Frequent, low impact unscheduled equipment outages and failures of inverters and other electrical components remained a key cause of lost generation in 2023
- ◆ Initiatives aimed at reducing the frequency and length of unplanned outages will remain key priorities in 2024



# Portfolio performance

Over 80% of technical (non-weather) underperformance was due to unplanned outages impacting inverters, transformers and other plant equipment

Portfolio	Performance Commentary
<b>Heelstone</b>	<p>North Carolina: HE IX (26.6MW) &amp; HE X (46.8MW): lost generation was primarily due to inverter outages &amp; unscheduled maintenance. HE XIII (21.0MW): lost generation was primarily due to communication issues at Gauss.</p> <p>Oregon: HE XII (79.5MW), inverter outages were the primary cause of lost generation.</p> <p>California: HE XI (6.9MW), lost generation was attributable to tracker issues, inverter outages and unscheduled maintenance.</p>
<b>Milford</b>	Site experienced transformer caused feeder outage, as well as intermittent inverter outages.
<b>Euryalus</b>	Lost generation primarily due to unplanned outages at Suntex and West Hines, including for transformer outages, and grid instability.
<b>Olympos</b>	Inverter outages across several sites were the primary cause of lost generation.
<b>Granite</b>	Inverter outages and grid outages were the primary cause of lost generation, especially at the NC 1, NC 2 and Faison sites.



# Portfolio performance: Next Steps

Operational performance was 5.2% below the weather-adjusted forecast for 2023 for both generation and revenue

## Portfolio performance summary – non-weather lost generation

Asset	Size (MW <sub>DC</sub> )	State	Portfolio	Non-weather loss (% total)	Outage causes	Status
Suntex	15.3	OR	Euryalus	11%	Transformer	Repaired
Milford	126.0	UT	Milford	7%	Transformer & inverters	Repaired
West Hines	15.3	OR	Euryalus	6%	Grid outages	Repaired
Gauss	7.0	NC	Heelstone (XIII)	6%	Communication	March 2024
Chiloquin	14.0	OR	Heelstone (XII)	5%	Inverters & feeders	Repaired
Turkey Hill	13.2	OR	Heelstone (XII)	4%	Inverters	Repaired
<b>Remaining 35 assets in portfolio</b>	<b>252</b>	<b>NC, OR, CA</b>		<b>c.61%</b>	Various	27 of 35 repaired <sup>12</sup>

### Remediation and performance improvement priorities

- ◆ Integration of production data across the Company's portfolio to enable accurate monitoring of performance against forecasts and inform prioritisation of O&M activities and resources
- ◆ Working with key subcontractors and technical advisors to improve spare parts management, to support maintenance effectiveness and initiatives to reduce outage times
- ◆ Undertaking preliminary assessments of site repowering at certain older sites within the Company's portfolio and
- ◆ Undertaking an audit of O&M subcontractor performance

<sup>12</sup> As of year-end, 27 of the remaining 35 assets (equating to 212.9MW out of 252MW) had substantially resolved the causes of controllable non-weather outages that occurred in 2023.



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# Sustainable investment

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# Sustainable investment

The Company is focused on sustainability, both in its driving purpose as an investor in solar generation capacity and in the way it manages its investments

## Overview

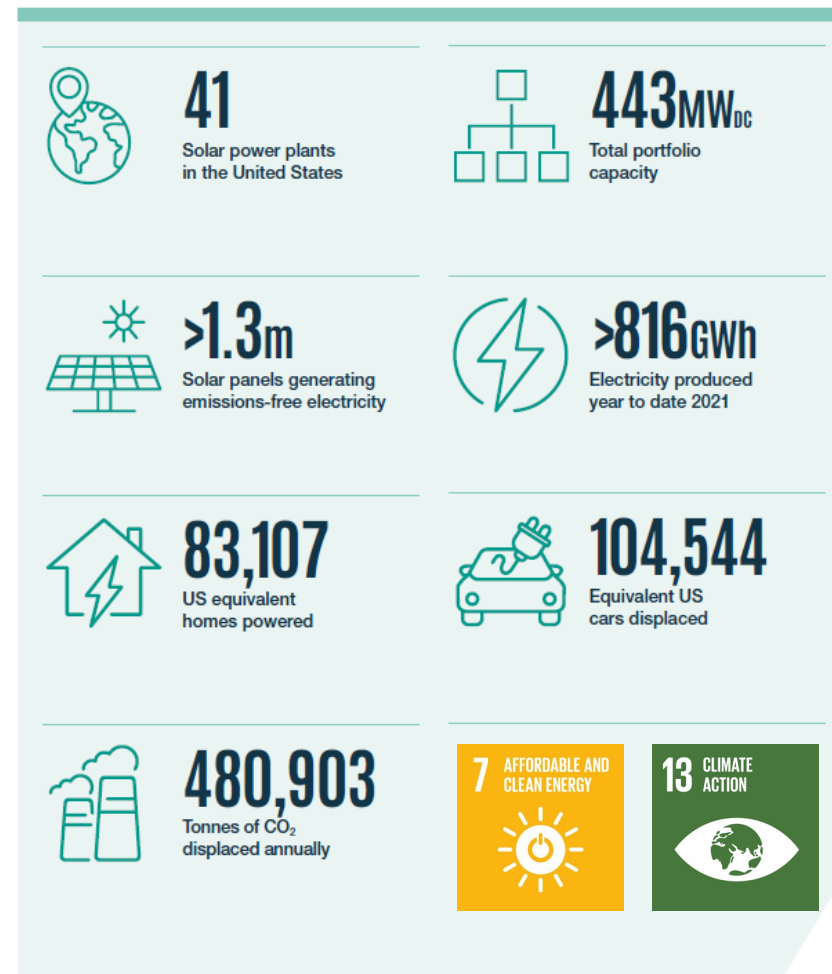
- ◆ The Company draws on the SDGs to demonstrate the positive environmental and social characteristics of its investments. Further information on the Company's approach to sustainability is included in Sustainability Report, published alongside the Annual Report

## Progress during the period

- ◆ Data gathered and processed by internal asset management and ESG teams
- ◆ Annual Report updated to incorporate EU Taxonomy references
- ◆ Sustainable Finance Disclosure Regulation calculations have been updated to provide data for investments

## Planned for 2024

- ◆ USF has the potential to categorise itself as a Sustainable Finance Disclosure Regulation (SFDR) Article 9 Financial Product. Over the period, the Company will consider alignment
- ◆ USF will be required to meet the UK Sustainability Disclosure Requirements (SDR). The Company will commence a workstream to ensure compliance for the 2024 period
- ◆ The Company will update its approach to considering climate change risk to incorporate scenario analysis, as per TCFD compliance requirements
- ◆ The Company plans to incorporate updated ESG KPIs into USF asset management plans and contracts where possible







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# Looking forward

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Red Oak (Heelstone Portfolio), North Carolina

# Market update

## OREGON

(Average contract renewal ~2032)

### Favourable state policy and RPS obligations

- ◆ Oregon's Clean Energy Plan has set a zero-emissions generation target by 2040 – amongst the most aggressive in the US
- ◆ The targets were enhanced in 2021 demonstrating continued commitment to decarbonisation goals
- ◆ Currently forecast a shortfall in renewable energy credits from early 2030

## CALIFORNIA (Average contract renewal ~2037)

### Favourable state policy and RPS obligations

California has a 60% RPS target by 2030 and a 100% greenhouse gas (GHG) emissions-free electricity target by 2045, which are key drivers of renewables additions within the state. California also has economy wide GHG emissions targets of a 40% reduction below 1990 levels by 2030 and an 80% reduction by 2050, which amongst other initiatives is expected to support the electrification of transportation and heating, and therefore contribute to incremental renewables buildout through increased load growth.

## NORTH CAROLINA (Average contract renewal ~2032)

### Favourable state policy and RPS obligations

- ◆ North Carolina increased its target for renewable energy in 2021
- ◆ 100% of electricity sales from carbon neutral sources by 2050
- ◆ Interim target of 70% reduction in CO<sub>2</sub> emissions, from 2005 levels, from electricity generating facilities by 2030
- ◆ Reform in the market for contracting for offtake creates more exposure to long term merchant pricing than at IPO

## UTAH (Contract renewal due 2046)

### Voluntary RPS goals

- ◆ Voluntary RPS goal of 20% by 2025, after which, there is no longer-term target
- ◆ While Utah does not have a mandatory RPS requirement, PacifiCorp, one of the 3 major IOUs in the state and the PPA and REC offtaker for the Company's Milford asset, has its own stated long-term decarbonisation goals – 74% reduction in carbon emissions below 2005 levels by 2030





# Appendices

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# About Amber<sup>13</sup>



## ESTABLISHED TEAM

~180 professionals including specialist investment, asset and fund management



## INTERNATIONAL PRESENCE

personnel and offices across 12 countries including Europe, Australia and North America



## SPECIALISED FUND MANAGER

with 8 funds under management or advisement investing in infrastructure sectors of the future including transport, energy and digital infrastructure



## PROVEN TRACK RECORD

of capital deployment and outperformance over 10+ years with experience across credit cycles



## CULTURE OF ORIGINATION

with over 175 investments made to date. Consistent track record of sourcing primary and off-market opportunities (70% of investments)



## LEADING MANAGER

with c.£5bn equity under management in the infrastructure sector across OECD jurisdictions



## FULL-SERVICE APPROACH

providing the ability to manage assets in-house



## PUBLIC MARKET STANDARDS

rigorous approach to reporting, disclosure, corporate governance and investor relations



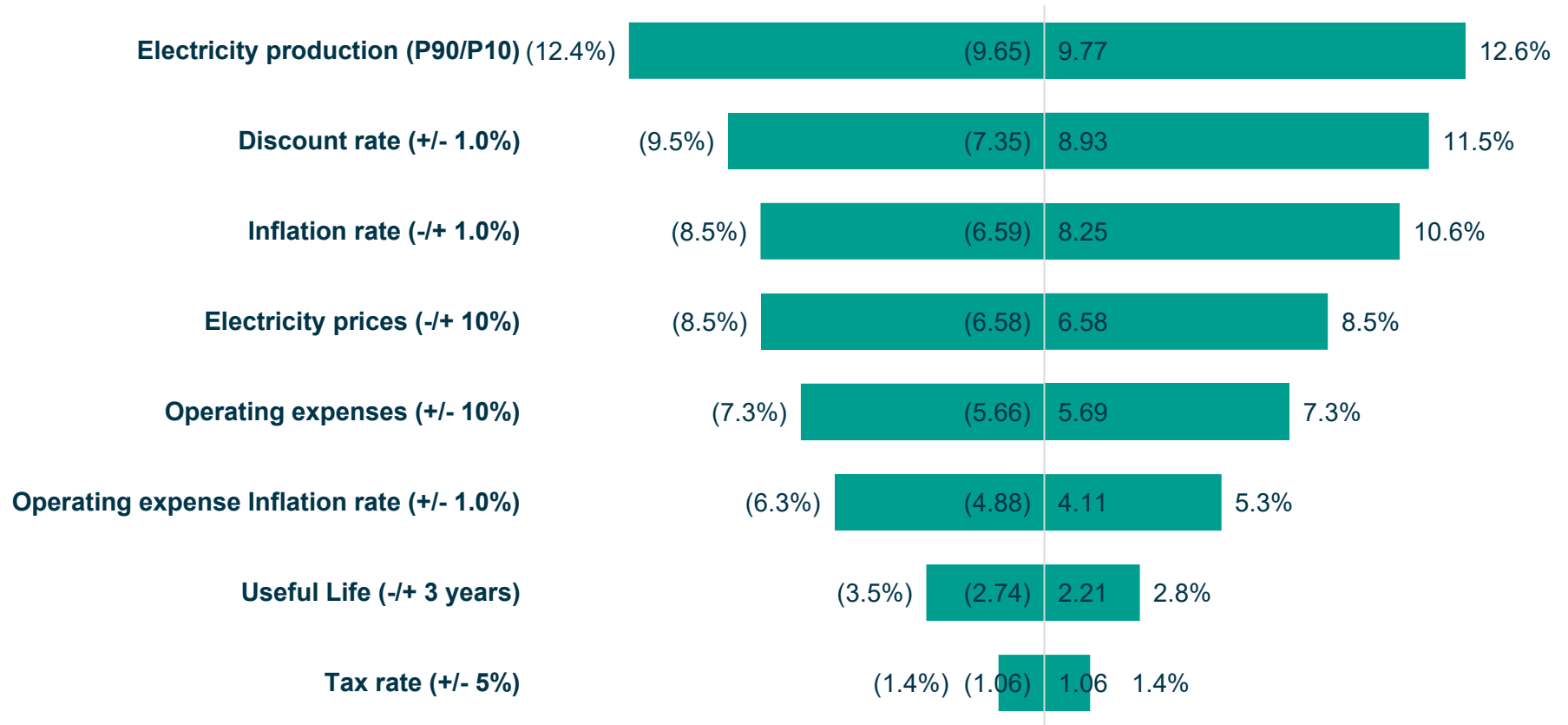
## AWARD WINNING APPROACH TO ESG

integrating ESG factors into all aspects of investment, deployment and management for over a decade to protect and enhance value

<sup>13</sup> The information provided above describes the Amber Infrastructure Group, does not describe the Investment Manager, and is not included for the purpose of illustrating the Investment Manager's experience or capabilities. This information is included solely for the purpose of illustrating the experience and capabilities of the broader Amber platform upon which the Investment Manager expects to rely. As at December 2023.

# NAV sensitivity analysis

The key assumptions the Directors believe would have a material impact on the fair value of the investments are set out below

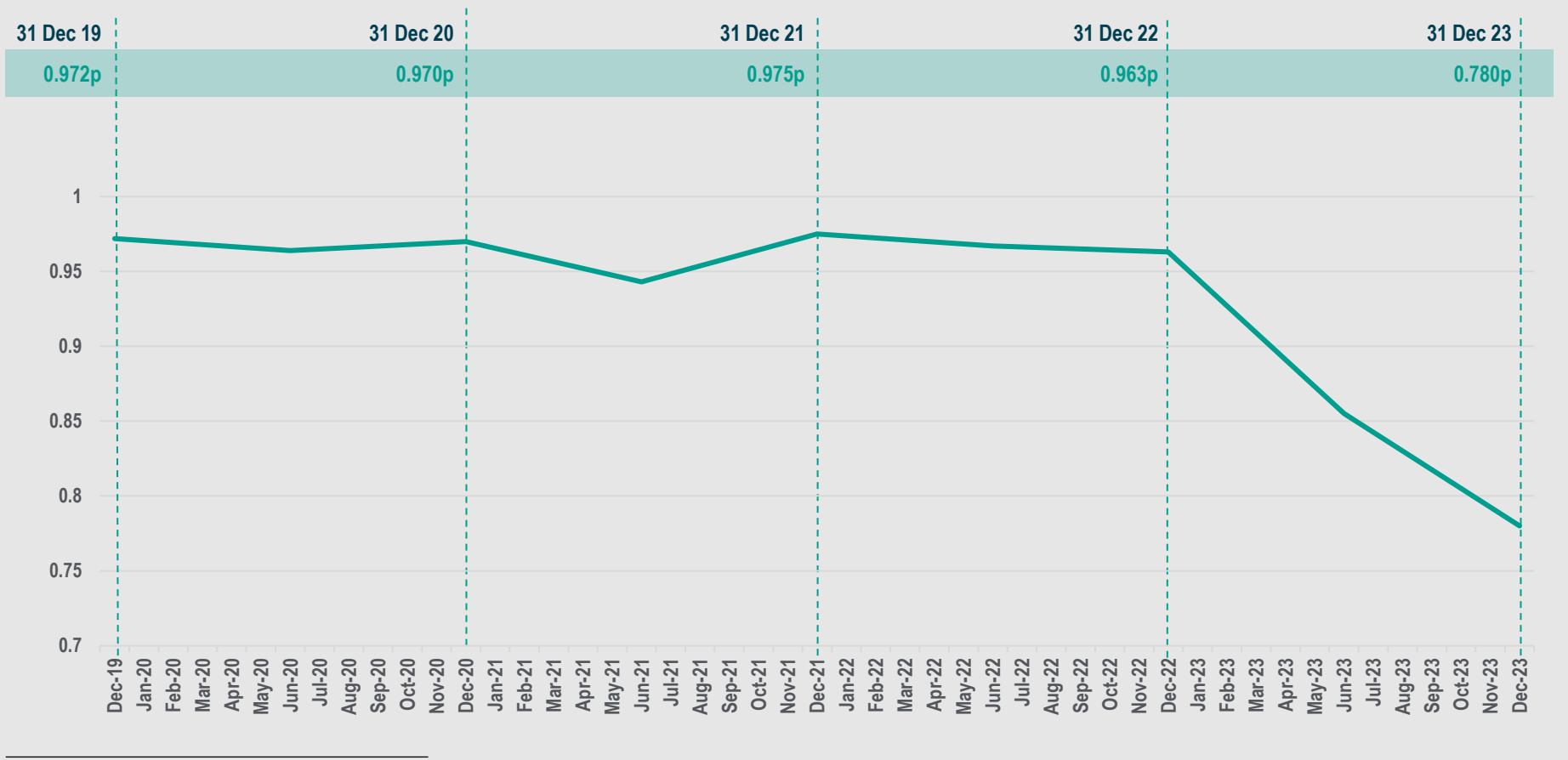


Source: USF 2023 Annual Report



# Historic NAV

NAV<sup>14</sup> PER SHARE (\$) SINCE INCEPTION



<sup>14</sup> The Company's approach to calculating the NAV has been set out in the Valuation Methodology Section of the 2023 Annual Report.



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# Contacts

## INVESTMENT MANAGER

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