

25 March 2024

**US SOLAR FUND PLC**  
**('USF', the 'Company')**

**FULL YEAR RESULTS TO 31 DECEMBER 2023**  
**NOTICE OF AGM**

US Solar Fund plc (LON: USF (USD)/USFP (GBP)), the renewable energy fund investing in utility-scale solar power plants across North America, is pleased to announce its annual results for the year ended 31 December 2023.

**FINANCIAL HIGHLIGHTS**

- Audited Net Asset Value (NAV) of \$258.2m or \$0.78 per share (31 December 2022: \$320.0m or \$0.96 per share), down c.20%, largely driven by:
  - Contributions including improvements in macroeconomic assumptions (\$6.4m), changes in the merchant curve (\$28.5m) and the new Renewable Energy Certificates (REC) Agreements (\$7.9m); offset by
  - Reductions including discount rate widening (\$36.7m), updates to operating cost assumptions (\$41.9m) and dividend payments (\$18.7m)
- Dividends of 5.66 cents per share for 2023. Dividend cash cover of 0.95x for 2023 (31 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: 0.74x)
  - The decrease in operational dividend cover was the result of a number of factors including a reduction in revenues generated by the portfolio following the sale of MS2 and an increase in the operational costs resulting from inflation
- IFRS loss for the year of \$43.1m (31 December 2022: \$14.5m profit), primarily driven by the reduction in overall unrealised fair value of the Company's assets due to factors including increased discount rates and changes to underlying asset cash flow forecasts

**Gill Nott, Chair of US Solar Fund, said:**

"The last 12 months will be remembered as a challenging year for financial markets. Higher inflation and interest rates have weighed on infrastructure companies generally, particularly impacting discount rates used to calculate net asset values, and the costs of operating assets. The end of 2023 sees the Company in a stronger position having secured a new Investment Manager, Amber.

With USF on a firmer footing following these events, we continue to be optimistic about the outlook for performance of the operating portfolio. We are analysing options available to return capital to shareholders, including a share buyback, and a debt refinancing to optimise the Company's capital structure and improve the operational cash flows. We will report on these by the end of April.

The US states in which the Company's assets are located continue to provide a supportive backdrop for renewable generation, which we expect will continue irrespective of the outcome of the 2024 US federal election."

**OPERATIONAL HIGHLIGHTS**

- Portfolio of 41 operating solar assets with a total capacity of 443MWDC, following sale of 50% share of Mount Signal 2 during 2023 (31 December 2022: 543MWDC)
- Total generation of 816GWh including MS2, and 715GWh for the Company's current portfolio (excluding MS2)
- Electricity generated by USF's portfolio equates to 480,900 tCO<sub>2</sub>e emissions displaced (31 December 2022: 618,000 tCO<sub>2</sub>e) and 104,500 equivalent US cars removed from the road (31 December 2022: 134,000)
- Overall generation (excluding MS2) of 7.2% below budget, of which 2.0% attributable to below forecast solar irradiance, and 5.2% attributable to below forecast plant availability, unscheduled outages and other non-irradiance related factors
- Moving forward, the Investment Manager intends to implement a disciplined approach to asset management focused on decreasing unplanned outages and using generation data to inform Operation & Maintenance priorities
- Portfolio weighted average PPA term of 11.9 years (31 December 2022: 13.8 years). All PPA counterparties are investment-grade (Average offtaker credit rating of BBB+)
- Sale of RECs for Oregon projects agreed, contributing \$7.9m to NAV and additional operational cash and dividend coverage for 2024 onwards
- Sale of 50% stake in Mount Signal 2 completed, with approximately \$29m of remaining proceeds following revolving credit facility repayment and tax equity buy-out settlements

**CAPITAL MANAGEMENT AND OUTLOOK**

- The Board and Investment Manager are currently analysing options available to it to return capital to shareholders (including through a share buyback) and refinancing of the Company's

capital to shareholders (including through a share buyback) and refinancing of the Company's existing debt as a means to optimise the Company's capital structure and improve the operational cash flows. A further update on the outcome of this options analysis will be provided by the end of April 2024

- The Company's operating solar assets remain well-located, within host states which remain committed to renewable energy targets and progressive policies which are compatible with renewable generation
- The outlook remains positive as utilities and corporates continue to aim to meet their renewable energy objectives in line with state mandated targets and corporate sustainability objectives

#### **NOTICE OF AGM AND OTHER INFORMATION**

USF's 2024 Annual General Meeting will be held on Tuesday, 21 May 2024 at 3pm at the offices of JTC (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF.

As required by the Company's Articles of Association, because the Company has traded at an average discount to NAV in excess of 10% during 2023, a special resolution will be proposed at the Company's forthcoming AGM, 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. 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.

The Company's Annual Report and Financial Statements for the year ended 31 December 2023 and the formal Notice of the Annual General Meeting will be posted to shareholders. In accordance with Listing Rule 9.6.1, copies of the documents have been submitted to the UK Listing Authority and will shortly be available to view on the Company's corporate website at <http://www.ussolarfund.co.uk> and for inspection from the National Storage Mechanism at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

#### **For further information, please contact:**

**US Solar Fund** +44 20 7939 0550  
Meredith Frost (Amber)

**Cavendish Capital Markets Limited** +44 20 7397 8900  
Tunga Chigovanyika  
James King  
Will Talkington

**JTC (UK) Limited** USSolarFund-CompanySecretary@jtcgroup.com  
Ruth Wright +44 207 409 0181

**KL Communications** +44 20 3995 6673  
Charles Gorman  
Charlotte Francis  
Patrick Lodge

#### **About US Solar Fund plc**

US Solar Fund plc, established in 2019, listed on the premium segment of the London Stock Exchange in April 2019. The Company's investment objective is to provide investors with attractive and sustainable dividends with an element of capital growth by owning and operating solar power assets in North America and other OECD countries in the Americas.

The solar power assets that the Company acquires or constructs are expected to have an asset life of at least 30 years and generate stable and uncorrelated cashflows by selling electricity to creditworthy offtakers under long-term power purchase agreements (or PPAs). The Company's portfolio currently consists of 41 operational solar projects with a total capacity of 443MWDC, all located in the United States.

Further information on the Company can be found on its website at <http://www.ussolarfund.co.uk>.

#### **About Amber Infrastructure Group**

Amber Infrastructure (Amber) is an international infrastructure specialist, focused on investment origination, development, asset management and in Europe, fund management. Amber's core business focuses on infrastructure assets across the public, transport, energy, digital and demographic infrastructure sectors that support the lives of people, homes and businesses internationally.

Among other funds, Amber Infrastructure advises International Public Partnerships, a FTSE 250-listed Company with a market cap of approximately £2.5 billion and 15-year track record of long-term investment in infrastructure assets globally. Amber is headquartered in London with offices in Europe, North America and Australia and employs c.180 infrastructure professionals. Amber has had a strategic partnership with the Hunt Group of Companies in the US since 2015. Learn more at [www.amberinfrastructure.com](http://www.amberinfrastructure.com).

LEI: 2138007BIUWE7AHS5Y90

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACSQKQBNDKBDNB