

US Solar
Fund

US SOLAR FUND PLC INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

RENEWABLE ENERGY SUSTAINABLE INVESTMENTS

US SOLAR FUND PLC (USF OR THE COMPANY) IS A RENEWABLE ENERGY FUND THAT AIMS TO PROVIDE INVESTORS WITH ATTRACTIVE AND SUSTAINABLE DIVIDENDS WITH AN ELEMENT OF CAPITAL GROWTH BY INVESTING IN A DIVERSIFIED PORTFOLIO OF SOLAR POWER ASSETS IN NORTH AMERICA AND OTHER OECD COUNTRIES IN THE AMERICAS.

The Company develops, acquires or constructs solar power assets that are expected to have an asset life of at least 30 years and generate stable cash flows by selling electricity to creditworthy offtakers under long-term power purchase agreements. The Company's portfolio consists of 41 operational solar projects with a total capacity of 443MW_{DC}, all located in the United States.

Company facts¹

The Company is a closed-end investment trust incorporated under the laws of England (company number 11761009).

The Company’s portfolio comprises of 41 assets located in California, North Carolina, Oregon and Utah with a total capacity of 443MW_{DC}.

The Company was admitted to the premium listing segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange on 16 April 2019.

Since 1 December 2023, the Company has been managed by Amber Infrastructure Investment Advisor, LLC (**AIIA** or the **Investment Manager**), part of the Amber Infrastructure Group (**Amber**). Prior to this date, the Company was managed by New Energy Solar Manager, Pty Ltd.

\$230.4 million Net Asset Value.

\$147.8 million market capitalisation.

The total number of Ordinary Shares in issue is 332,192,361 which are denominated in both US Dollars (ticker ‘USF’) and Sterling (ticker ‘USFP’). Following the finalisation of the Tender Offer (announced on 11 June 2024) there are 24,358,974 shares held in treasury by the Company. The total number of voting rights in the Company is 307,833,387.


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***GLOSSARY**
Certain words and terms used throughout this Interim Report and Financial Statements are defined in the Glossary on pages 53 to 55. Where alternative performance measures (**APMs**) are used, these are identified by being marked with an *. In accordance with the ESMA Guidelines on APMs, the Board has considered what APMs are included in the Interim Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Interim Report and financial statements are identified as non-GAAP measures and are defined within the Glossary.

COVER IMAGES
Front cover: South Robeson (Granite Portfolio) 6.3 MW_{DC} (North Carolina)
Photo credit: US Solar Fund plc
Inside cover: Freemont (Heelstone Portfolio) 6.4MW_{DC} (North Carolina)
Photo credit: US Solar Fund plc



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<https://www.ussolarfund.co.uk/>

1 Figures as at 30 June 2024 unless otherwise specified.

HALF-YEAR HIGHLIGHTS



Financial highlights

\$230.4m

Net Asset Value (NAV)*
31 December 2023: \$258.2m

\$0.75

NAV per share*
31 December 2023: \$0.78

(3.1%)

NAV total return^{2*}
31 December 2023: (1.7%)

\$6.8m

Dividends paid^{3*}
H1 2023: \$9.3m

0.62x

Operational dividend cover^{4*}
31 December 2023: 0.50x

\$(2.0)m

IFRS loss for the year⁵
H1 2023: Loss of \$(26.5)m

(39.0%)

Total Shareholder Return (TSR)^{6*}
31 December 2023: (34.4%)

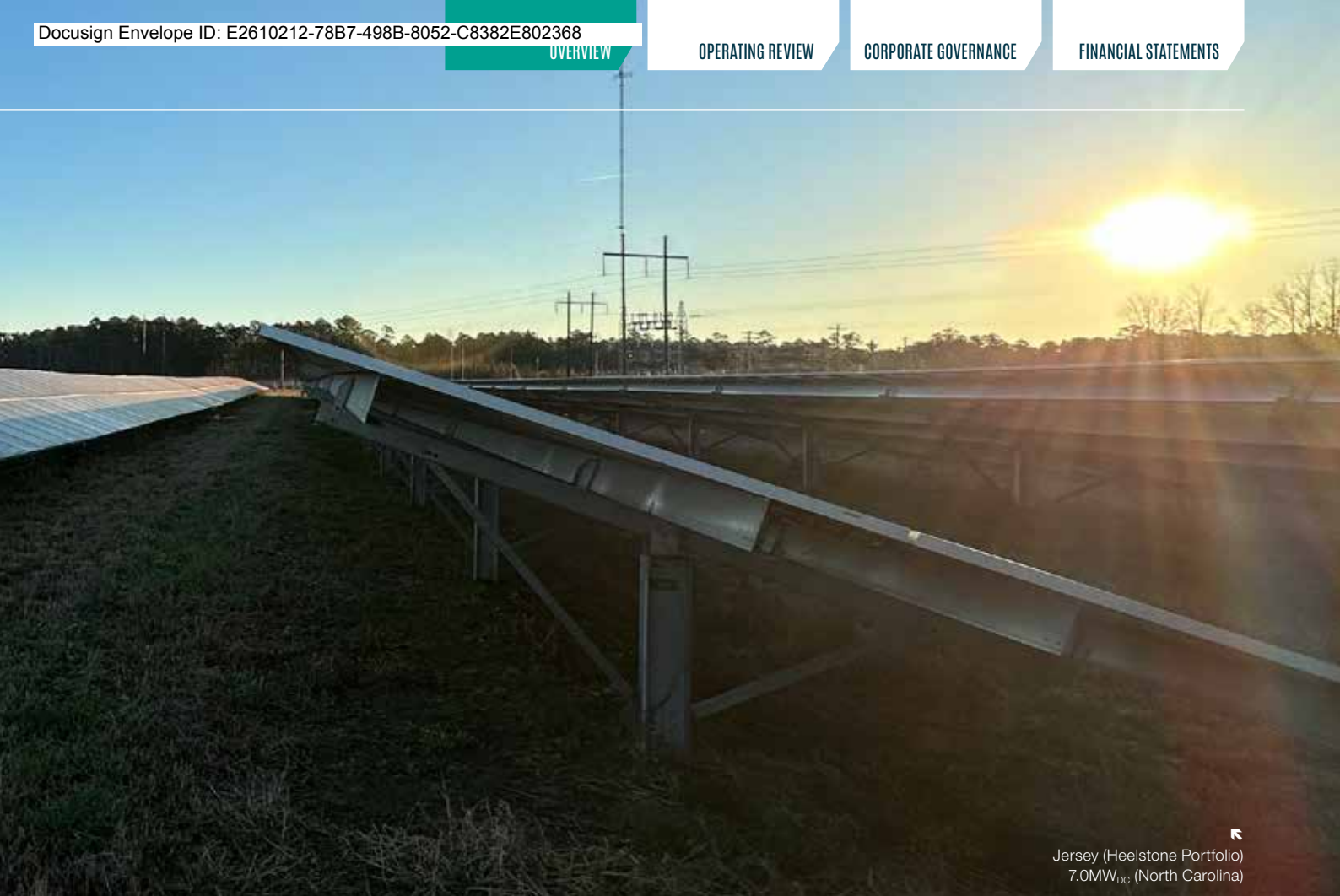
\$0.48

Share price as at 30 June 2024
31 December 2023: \$0.54

35.9%

Discount to NAV^{7*}
31 December 2023: (30.8%)

2 NAV total return is based on dividends paid throughout the period and NAV movement since inception.
3 Includes Q1 2024 dividend declared in advance of the half-year end.
4 Presented on an operational coverage basis for a trailing 12 month period. As announced in April 2024, the Board revised the target dividend for 2024 to \$0.0225 per share in order to improve operational cash dividend coverage, which will begin to be captured in this metric as dividends are paid at this revised rate. The 2024 dividend target is forecast to be fully covered by cash generated from operations. See pages 26 to 27 for further dividend cover analysis.
5 Includes unrealised losses on the portfolio fair value for the period ended 30 June 2024.
6 Total return to shareholders is based on dividends paid and reinvested (at ex-dividend date) throughout the period and share price movement since the issue price of \$1.00.
7 The percentage by which the closing share price on comparable dates exceeds/(falls short of) the NAV per share.



Jersey (Heelstone Portfolio)
7.0MW_{DC} (North Carolina)

Operational highlights

41

Operating Solar Assets
31 December 2023: 41

365GWh

Total electricity generation
H1 2023: 362 GWh (current portfolio)

11.4years

Weighted average PPA term remaining
31 December 2023: 11.9 years

443MW_{DC}

Total capacity
31 December 2023: 443MW_{DC}

(6.8%)

Generation against forecast
31 December 2023: (7.2%)
H1 2023: (8.3%) (current portfolio)

BBB+

Average offtaker credit rating
31 December 2023: BBB+

Environmental highlights⁸

234,500

tCO₂ emissions avoided
H1 2023: 279,200 tCO₂ (excl. MS2)

33,700

Equivalent US homes powered
H1 2023: 36,700 (excl. MS2)

55,800

Equivalent US cars removed from the road
H1 2023: 60,700 (excl. MS2)

⁸ Environmental figures use actual generation figures for the period. The avoided CO₂ emissions figure is calculated using data from the US Environmental Protection Agency's (EPA) 'Avoided Emissions and generation Tool' (AVERT). Equivalent US homes and cars removed figures are based on emissions avoided and data from the EPA and US Energy Information Administration (EIA). To note, these factors vary between reporting periods, so may result in relative increases or decreases in figures presented.

CHAIR'S STATEMENT



Consistent with the objectives stated earlier in the year, the Board's focus is on taking steps to ensure the Company's portfolio is robust, optimised and capable of being presented to the market for a future liquidity event in order to maximise shareholder value. ”

GILL NOTT
CHAIR



Dear Shareholders,

I am pleased to present the Company's Interim Report and Financial Statements for the period from 1 January 2024 to 30 June 2024.

Over the period, the Board delivered on its previously stated commitment to return capital to shareholders, which was achieved via a tender offer that concluded in June. The Company acquired approximately 7% of the issued share capital in the Company at a significant premium to the prevailing market price, returning \$18.6 million to shareholders. This represented the balance of proceeds received by the Company from the sale of Mount Signal 2 available for distribution, and a successful outcome for all shareholders who participated in the offering.

In the light of this return of capital, and consistent with the Board's ongoing focus on disciplined management of capital, a reduction to the dividend target was announced during the period. Distributions of \$6.8 million were approved to be paid to investors during the period (see below).

Amber Infrastructure Investment Advisor, LLC (**AIIA**) completed its first six months as the Investment Manager and during the period has, in line with the Board's request, concluded a full review of the portfolio and valuation assumptions. We have been pleased with the approach AIIA has taken to proactive capital management of the Company as well as enhanced reporting disclosures. Consistent with the objectives stated earlier in the year, the Investment Manager remains focused on taking steps to ensure the Company's portfolio is robust, optimised and capable of being presented to the market for a future liquidity event in order to maximise shareholder value.

The Board continued to monitor market activity during the period which has remained slow for comparable transactions of solar portfolios when compared to 2021 and 2022. In 2023, the US renewables market faced headwinds such as sustained high interest rates, inflationary pressures and relatively low volume of capital raised for investments in renewable generation assets compared to prior years⁹. During the current period, some modest improvement in activity has been observed across both capital raising for renewables and for sales of solar portfolios. Overall, the Board's view is that the market has not yet recovered to match the activity observed during 2021 and 2022 but that the market is showing early signs of improvement compared to 2023.

PORTFOLIO UPDATE AND FINANCIAL PERFORMANCE

During the period to 30 June 2024, the Company's NAV decreased to \$230.4 million (31 December 2023: \$258.2 million) and NAV per share to \$0.75 per share (31 December 2023: \$0.78 per share). The primary reasons for the reduction in NAV was the return of capital to shareholders by way of the tender offer, a change in cash flow assumptions and an increase in risk free rates between 31 December 2023 and 30 June 2024 of 40bps (the US 20-year treasury rate has increased from 4.2% to 4.6%).

Total generation by the Company's portfolio was 365 GWh which was 6.8% below budget. Performance during the period was impacted by below forecast solar irradiance (3.2%) due to unfavourable weather impacting most of the portfolio during the first quarter, with a particular impact on Milford which is the Company's largest asset at c.128MW_{DC}. AIIA have sought to improve the presentation of weather-related performance recognising the relatively high levels of weather-related variances for US based solar assets over recent years, with a review of historical weather variances and measured solar irradiance now included within the operating report below. A further 3.6% was attributable to unscheduled outages. While this represents an improvement on levels achieved in 2023 (5.2%) and the trend continues to improve due to the work being undertaken by the Investment Manager, we are still witnessing underperformance due to frequent, low impact outages of solar plant, utility grid outages, and delays to repair and restoration work. The Board support the work of the Investment Manager who continues to assess the performance of external contractors to ensure early detection and resolution of issues impacting generation.

During the period it was necessary to change the cash flow assumptions for expected revenue arising from the Renewable Energy Certificate (REC) contracts related to the Heelstone Oregon assets which were entered into in November 2023 under the direction of the Company's previous investment manager. In isolation, these cash flows amount to approximately \$8 million. Further details on this matter are provided in the announcement released immediately prior to the publication of this report as well as on pages 22 and 28 of this report.

RETURN OF CAPITAL AND DIVIDENDS

As noted in the 2023 Annual Results, during the period the Company concluded its analysis of options available to it to return capital to shareholders. In April 2024, USF announced a tender offer to return up to \$19 million (less costs) to shareholders which represented the balance of proceeds received for the sale of Mount Signal 2 available for distribution. The tender price was \$0.764 per share, equal to the 31 December 2023 NAV less 2% for costs of administering the tender offer. The maximum number of shares were validly tendered and settlement was finalised during June 2024. The Board remains focused on the efficient and disciplined management of capital with the overriding objective of driving shareholder value.

Alongside the tender offer announced in April 2024, and consistent with its objective to improve operational cash dividend coverage, the Board determined it was prudent to reduce the target dividend for 2024 to \$0.0225 per share. Over the period, the Company has approved \$6.8 million in dividends (\$5.1 million of dividends paid out during the period and \$1.7 million dividend declared in advance of the half-year end). In line with the Company's interim annual dividend target of 2.25 cents per ordinary share, the Q2 2024 dividend will be 0.56 cents per ordinary share which will be paid by 29 October 2024.

The Board intends to revise the dividend target for 2025 in light of any improvement in operational cash dividend coverage that may be achieved as a result of successfully completing the proposed refinancing.

STATISTIC

\$0.75

NAV per share

STATISTIC

\$18.6m

Returned to shareholders via a tender offer concluded in June 2024

9 National Renewable Energy Laboratory, Spring 2024 Solar Industry Update. (Spring 2024 Solar Industry Update (nrel.gov)).



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CHAIR'S STATEMENT CONTINUED

CAPITAL MANAGEMENT

During the period, the Board determined it was prudent to reduce the revolving credit facility (**RCF**) from its previous size of \$40 million to \$20 million, given (among other factors) the Company does not currently intend to make further investments. The updated facility size reduces costs to the Company whilst maintaining a smaller facility which will continue to provide working capital flexibility and support the Company's operational/ongoing liquidity requirements.

The Board announced in April 2024 its intention to carry out a potential refinancing of existing debt facilities. The Investment Manager continues to make progress on the refinancing initiative with the primary objectives of any such refinancing being the improvement of near-term operational cash dividend coverage and financial returns to shareholders. The Board anticipates that the proposed refinancing would satisfy the near and medium-term requirements to refinance existing debt held in connection with the Euryalus, Heelstone and Milford portfolios.

GOVERNANCE

Rachael Nutter, who has served on the Board since the Company's inception in 2019, did not stand for re-election at the AGM. We again thank Rachael for her valued contributions and wise counsel over the past five years.

During the period, the Board oversaw a recruitment process to select a new board member as part of broader succession planning. The Board is pleased to announce the appointment of Mark Lerdal as an independent non-executive director. Mark is based in the US and has over thirty years of experience in the energy and renewables sectors. He has a long-standing track record of realising value in the US solar sector which will be beneficial to the Board and the Company. Mark's appointment as a non-executive director of the Company will be effective as of 1 October 2024.

At the AGM held on 21 May 2024, shareholders voted against discontinuation, confirming continuation of the Company.

OUTLOOK

The Board, with the ongoing support of the Investment Manager, remains focused on ensuring robust asset management practices are established and maintained to optimise performance of the portfolio and further reduce unscheduled outages impacting generation.

Immediate plans for the Company, in addition to the continuing focus on improving performance, is progressing the proposed refinancing.

The Board will continue to monitor the market for similar assets as those held by the Company with a view to the realisation of value from the Company's assets when the time is right.

The Board has valued the constructive discussions held with shareholders during the period and looks forward to continued engagement. On behalf of the Board, thank you for your ongoing support.



GILL NOTT

CHAIR

27 September 2024

Progress Solar 1 (Granite portfolio)
2.5MW_{DC} (North Carolina)



PORTFOLIO OVERVIEW

As at 30 June 2024 the Company owned 41 utility scale solar projects, totalling 443MW_{DC}. All assets in the Company’s portfolio are operational and are generating revenue for the Company.

Oregon

The Company owns ten Solar Assets located in Oregon with a collective capacity of 140MW_{DC}.

These assets comprise the Euryalus portfolio (four assets acquired by the Company in 2020 pre-COD) and a portion of the Heelstone portfolio (six assets acquired by the Company as operational assets in 2020).

10

Assets

140MW

Capacity

41

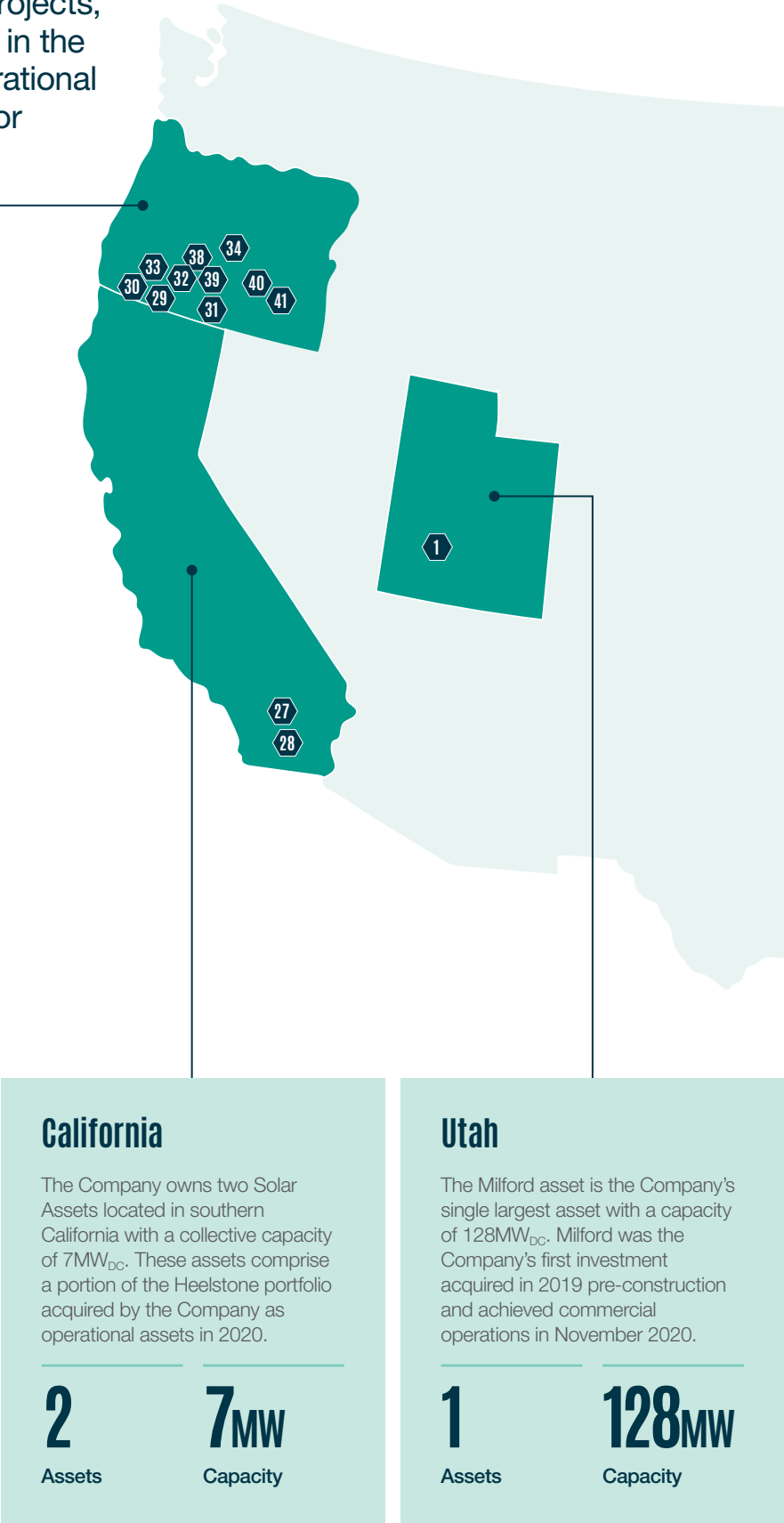
Assets

4

States

443MW_{DC}

Total capacity



California

The Company owns two Solar Assets located in southern California with a collective capacity of 7MW_{DC}. These assets comprise a portion of the Heelstone portfolio acquired by the Company as operational assets in 2020.

2

Assets

7MW

Capacity

Utah

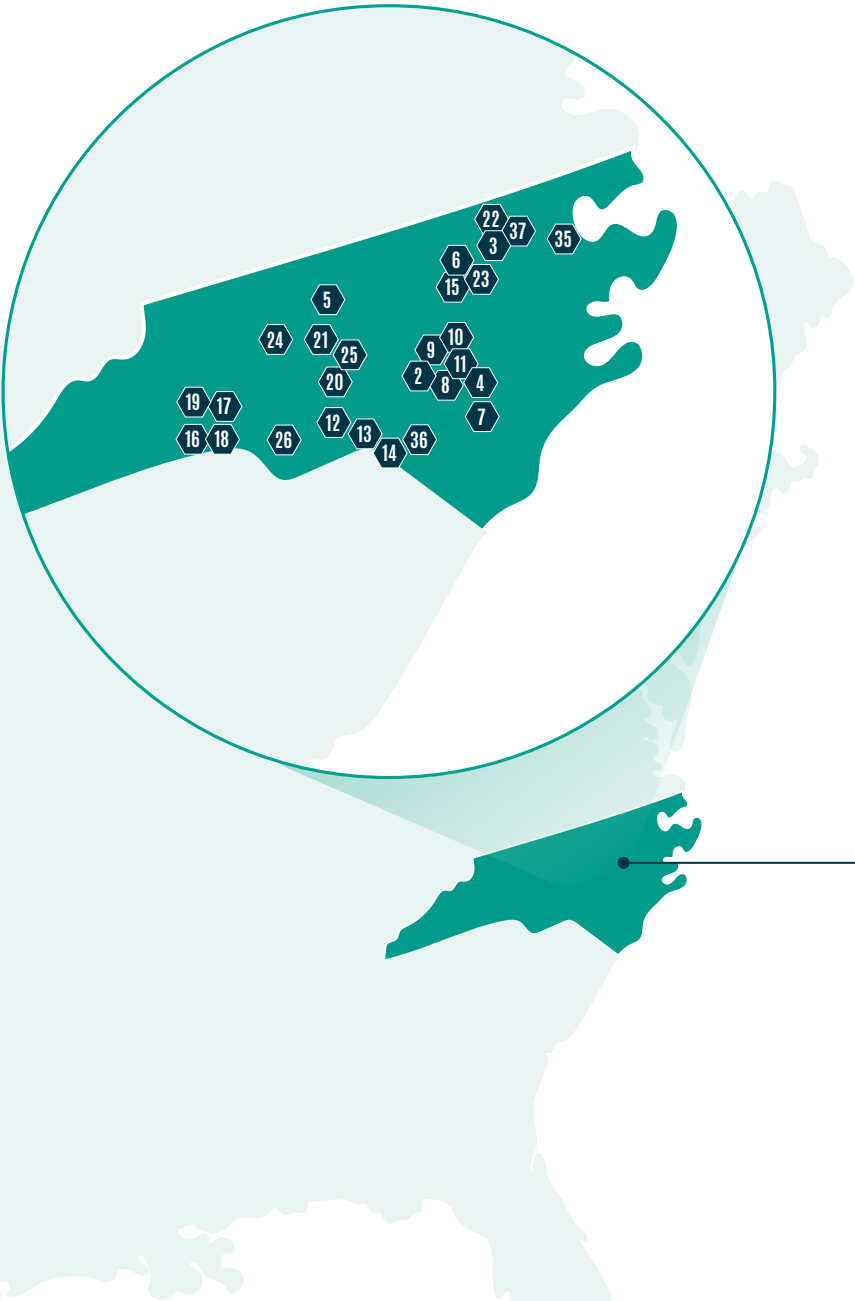
The Milford asset is the Company’s single largest asset with a capacity of 128MW_{DC}. Milford was the Company’s first investment acquired in 2019 pre-construction and achieved commercial operations in November 2020.

1

Assets

128MW

Capacity



North Carolina

The Company owns 28 Solar Assets located in North Carolina with a collective capacity of 168MW_{DC}.

These assets comprise the Granite (eight assets acquired by USF as operational assets in late 2019/early 2020) and the Olympos (six assets acquired by the Company in later 2019 pre-COD) portfolios as well as a portion of the Heelstone portfolio (14 assets acquired by the Company as operational assets in 2020).

28
Assets

168MW
Capacity

Assets by portfolio



MILFORD

1

Asset

128MW_{DC}

Capacity



OLYMPUS

6

Assets

39MW_{DC}

Capacity



GRANITE

8

Assets

39MW_{DC}

Capacity



HEELSTONE

22

Assets

176MW_{DC}

Capacity



EURYALUS

4

Assets

61MW_{DC}

Capacity

PORTFOLIO OVERVIEW CONTINUED

41 PROJECTS ACROSS 4 STATES

#	Portfolio	Asset	Capacity (MW _{DC})	Location	Commercial operation date	Acquisition date
1	Milford	Milford	127.8	UT	November 2020	September 2019
2	Olympos	Benson	5.7	NC	August 2020	December 2019
3	Olympos	Eagle Solar	5.6	NC	August 2020	December 2019
4	Olympos	Lane II	7.5	NC	July 2020	December 2019
5	Olympos	Pilot Mountain	7.5	NC	September 2020	December 2019
6	Olympos	Tate	6.5	NC	August 2020	December 2019
7	Olympos	Willard	6.0	NC	October 2020	December 2019
8	Granite	Faison	2.3	NC	June 2015	December 2019
9	Granite	Four Oaks	6.5	NC	October 2015	December 2019
10	Granite	Nitro	6.2	NC	July 2015	December 2019
11	Granite	Princeton	6.5	NC	October 2015	December 2019
12	Granite	Progress Solar 1	2.5	NC	April 2012	January 2020
13	Granite	Progress Solar 2	2.5	NC	April 2013	January 2020
14	Granite	S. Robeson	6.3	NC	July 2012	January 2020
15	Granite	Sarah	6.3	NC	June 2015	December 2019
16	Heelstone IX	County Home	2.6	NC	September 2016	March 2020
17	Heelstone IX	Mariposa	6.4	NC	September 2016	March 2020
18	Heelstone IX	Freemont	6.4	NC	December 2016	March 2020
19	Heelstone IX	Sonne Two	7.0	NC	December 2016	March 2020
20	Heelstone X	Sedberry	6.2	NC	December 2016	March 2020
21	Heelstone X	Siler 421	6.9	NC	December 2016	March 2020
22	Heelstone X	Schell	6.9	NC	December 2016	March 2020
23	Heelstone X	Red Oak	6.9	NC	December 2016	March 2020
24	Heelstone X	Tiburon	6.7	NC	December 2016	March 2020
25	Heelstone X	Cotten Farm	6.8	NC	November 2016	March 2020
26	Heelstone X	Monroe Moore	6.6	NC	December 2016	March 2020
27	Heelstone XI	Granger	3.9	CA	September 2016	March 2020
28	Heelstone XI	Valley Center	3.0	CA	December 2016	March 2020
29	Heelstone XII	Turkey Hill	13.2	OR	December 2017	March 2020
30	Heelstone XII	Merrill	10.5	OR	January 2018	March 2020
31	Heelstone XII	Lakeview	13.7	OR	December 2017	March 2020
32	Heelstone XII	Dairy	14.0	OR	March 2018	March 2020
33	Heelstone XII	Chiloquin	14.0	OR	January 2018	March 2020
34	Heelstone XII	Tumbleweed	14.0	OR	December 2017	March 2020
35	Heelstone XIII	Davis Lane	7.0	NC	December 2017	March 2020
36	Heelstone XIII	Gauss	7.0	NC	October 2018	March 2020
37	Heelstone XIII	Jersey	7.0	NC	December 2017	March 2020
38	Euryalus	Alkali	15.1	OR	June 2020	June 2020
39	Euryalus	Rock Garden	14.9	OR	June 2020	June 2020
40	Euryalus	Suntex	15.3	OR	June 2020	July 2020
41	Euryalus	West Hines	15.3	OR	June 2020	June 2020

Milford is the only asset within the Company's portfolio that is not a qualifying facility (QF), as defined under the Public Utility Regulatory Policies Act (PURPA). QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility. In the case of the Company's portfolio, its assets (other than Milford) are eligible small power production facilities, being generating facilities with a production capacity of less than 80MW whose primary energy source is renewable. Among other benefits, being a QF affords the asset owner certain rights to sell energy or capacity to a utility, the right to purchase certain services from utilities such as back-up power at a reasonable rate, and relief from certain regulatory obligations.

Milford

127.8MW_{DC}

CAPACITY

278,781MWh

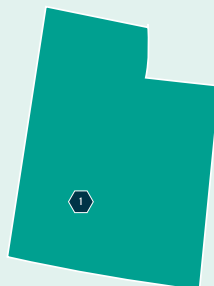
ANNUAL PRODUCTION (P50)

NOV 2020

COD

1

OF PLANTS


Milford 127.8MW_{DC} (Utah)

Portfolio details

USF Acquisition	September 2019 (from Longroad Energy Partners, LLC)
PPA	Investment grade offtaker Busbar PPA MW Weighted Avg. Remaining Term: 21.4 years ¹⁰ Unbundled
REC Agreement	Investment grade offtaker MW Weighted Avg. Remaining Term: 21.4 years ¹⁰
QF Eligible	No ¹¹
Site Control	Long-term lease
Debt	Mini-perm term loan + LC facility Legal maturity 2027 Outstanding balance \$46.5m ¹⁰
Tax Equity	Yes. Scheduled buy-out 2028.

Olympos

39MW_{DC}

CAPACITY

60,518MWh

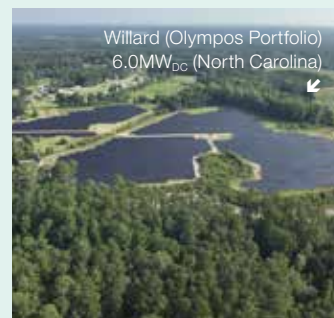
ANNUAL PRODUCTION (P50)

JUL-OCT 2020

COD

6

OF PLANTS


Willard (Olympos Portfolio)
6.0MW_{DC} (North Carolina)

Portfolio details

USF Acquisition	December 2019 (from Cypress Creek Renewables)
PPA	Investment grade offtakers Busbar PPA MW Weighted Avg. Remaining Term: 9.3 years ¹⁰ Unbundled
REC	Unrated offtakers Remaining term of 2.5 years ¹⁰
QF Eligible	Yes
Site Control	Long-term leases
Debt	None
Tax Equity	Yes. Scheduled buy-out 2025.

¹⁰ As at 30 June 2024.

¹¹ Milford is the only asset within the Company's portfolio that is not a qualifying facility (QF), as defined under the Public Utility Regulatory Policies Act (PURPA). QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility. In the case of the Company's portfolio, its assets (other than Milford) are eligible small power production facilities, being generating facilities with a production capacity of less than 80MW whose primary energy source is renewable. Among other benefits, being a QF affords the asset owner certain rights to sell energy or capacity to a utility, the right to purchase certain services from utilities such as back-up power at a reasonable rate, and relief from certain regulatory obligations.

PORTFOLIO OVERVIEW CONTINUED

Granite



Four Oaks (Granite Portfolio)
6.5MW_{DC} (North Carolina)



Portfolio details	
USF Acquisition	January 2020 (from Greenbacker Renewable Energy)
PPA	Investment grade offtaker Busbar PPA MW Weighted Avg. Remaining Term: 5.5 years ¹² Unbundled
REC Agreement	Rated and unrated offtakers Remaining term of 6 years ¹²
QF Eligible	Yes
Site Control	Long-term leases
Debt	None
Tax Equity	None (buy-out completed 2020).

39MW_{DC}
CAPACITY

46,279MWh
ANNUAL PRODUCTION (P50)

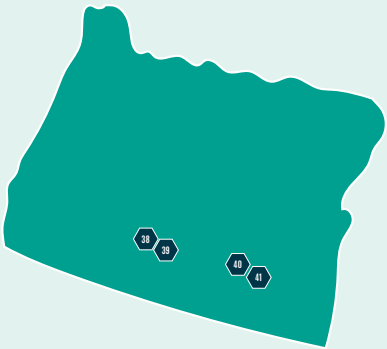
2012 (Progress Solar 1; South Robeson)
2013 (Progress Solar 2)
2015 (Faison; Four Oaks; Nitro;
Princeton; Sarah)
COD

8
OF PLANTS

Euryalus



Suntex (Euryalus Portfolio)
15.2MW_{DC} (Oregon)



Portfolio details	
USF Acquisition	May 2020 (from Southern Current)
PPA	Investment grade offtaker Busbar PPA MW Weighted Avg. Remaining Term: 7.1 years ¹² Bundled
QF Eligible	Yes
Site Control	Long-term lease
Debt	Mini-perm term loan + LC facility Legal maturity 2026 Outstanding balance \$34.3m ¹²
Tax Equity	Yes. Scheduled buy-out 2025.

61MW_{DC}
CAPACITY

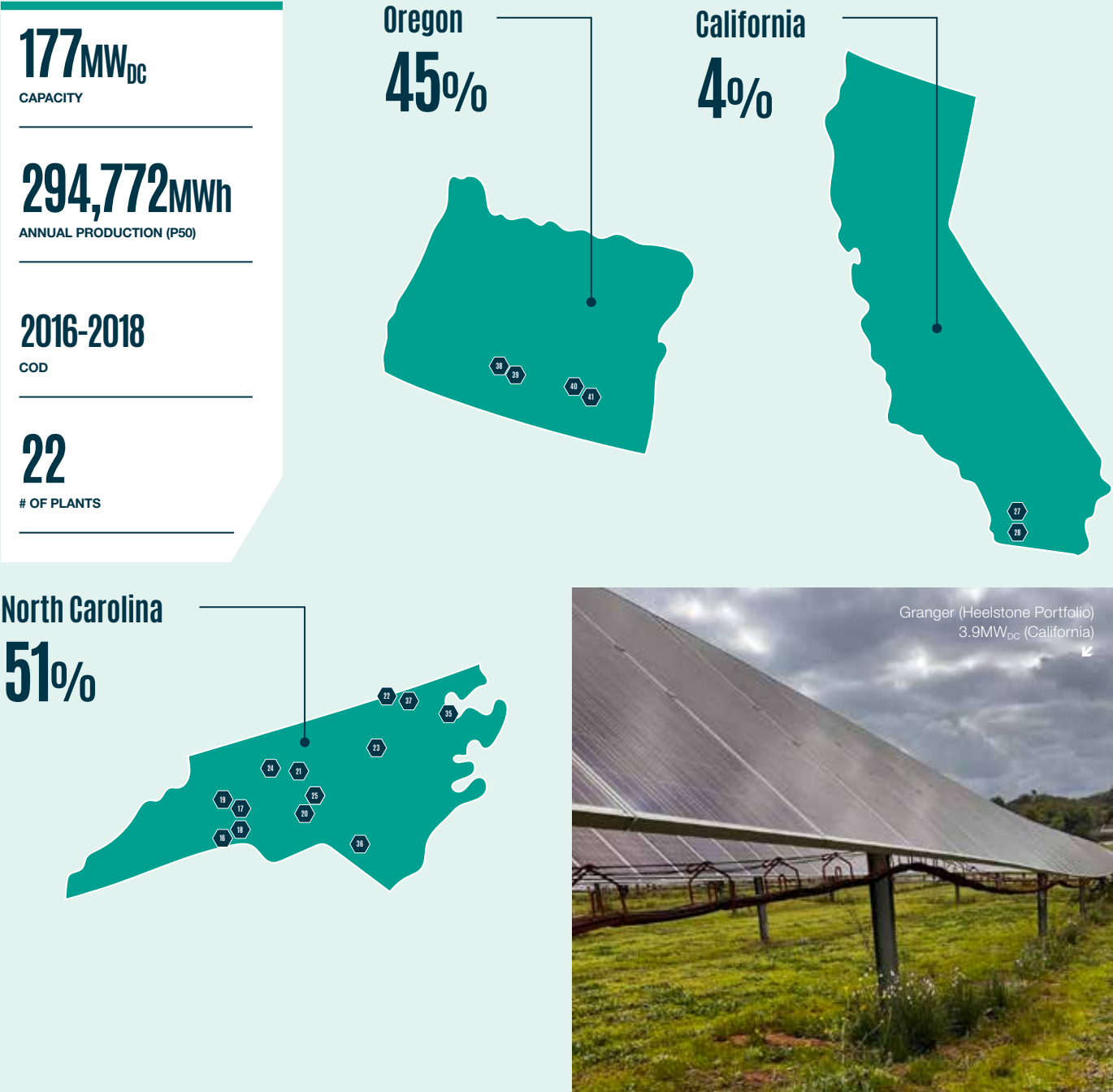
105,333MW_{DC}
ANNUAL PRODUCTION (P50)

JUNE 2020
COD

4
OF PLANTS

¹² As at 30 June 2024.

Heelstone



Portfolio details	
USF Acquisition	March 2020 (from Heelstone Renewable Energy)
PPA	Investment grade offtaker Busbar PPAs MW Weighted Avg. Remaining Term: 7.4 years ¹³ Bundled
REC Agreement	Investment grade and unrated offtakers MW Weighted Avg. Remaining Term: 6.7 years ¹³
QF Eligible	Yes
Site Control	Long-term leases
Debt	Mini-perm term loan + LC facility Legal maturity 2028 Outstanding balance \$63.9m ¹³
Tax Equity	None (buy-out completed 2023).

13 As at 30 June 2024.

WHY INVEST?

The Company's investment objective is to provide investors with attractive and sustainable dividends with an element of capital growth by investing in a diversified portfolio of solar power assets in North America and other OECD countries in the Americas.

1. Stable cash flow profile underpinned by long-term power purchase agreements (PPAs) with investment grade offtakers and Qualifying Facilities recontracting
2. Highly diversified US Solar portfolio across locations and counterparties
3. Operational portfolio with demonstrated operating history
4. Tier 1 equipment with industry-standard warranties and long technical life
5. Long-term demand for portfolio supported by increasing load growth forecasts combined with decarbonisation targets
6. Conservative capital structure, with a significant portion of tax equity investments already bought out
7. Experienced investment manager aiming to maximise shareholder value

88%

Over the next 10 years, approximately 88% of forecast revenue will be generated from contracted sources

40

of 41 assets within the Company's portfolio are certified as Qualifying Facilities, and are therefore eligible for favourable treatment for revenue recontracting

39%

As at 30 June 2024, the Company's Gearing*, calculated as total debt outstanding to GAV, was approximately 39%

Freemont (Heelstone Portfolio)
6.4MW_{DC} (North Carolina)

MARKET OVERVIEW

The installed base of US Solar Assets continues to grow strongly with record new installations in 2023 of approximately 32GW¹⁴, with the US Energy Information Administration (EIA) forecasting further record installations in 2024 and 2025.

The outlook for continued growth remains robust with several key drivers expected to continue to support solar development in the near-to-medium term, including:

- Federal tax credit extensions and other government incentives provided by recent legislation, including the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, continue to provide material funding support for new projects
- State and local mandates for renewable energy generation and reductions in carbon emissions from regional electricity supply systems create binding renewable procurement requirements for local utilities and energy suppliers, supplemented by individual corporate sustainability goals

- Ongoing development and build-out of firming capacity, including battery storage capacity in particular, to better manage and mitigate the inherent intermittency of solar and other renewable generation resources, and thereby support the development of additional solar projects
- Forecast load growth from the rapid build-out of data centres and growing domestic investment in the onshoring and reshoring of manufacturing capacity in critical industries¹⁵

While the demand picture remains strong, new development activity continues to be moderated by several factors including transmission system bottlenecks and lack of spare capacity, restrictive trade policy and tariffs increasing costs of imported equipment, and resistance to new development in urban and other populated areas.

In terms of average solar PPA prices across the US, according to data from LevelTen Energy¹⁶, while average prices fell slightly in early 2024, they remain materially higher than historical lows experienced in 2019.

The states in which the Company's assets are located, and its primary offtake counterparties, continue to provide a supportive backdrop for renewable generation.

State	MW _{dc}	State Mandates	Utility Targets ¹⁷
North Carolina	168	Net-zero emissions electricity by 2050	Duke Energy: in Carolinas aiming to add 2.7GW of solar by 2026, and to reach 4.1GW of solar by 2030 and growing to 16.3GW by 2040
Oregon	140	Net-zero emissions electricity by 2040	Portland General Electric: corporate target of 80% carbon reduction by 2030
Utah	128	Voluntary goal of 20% renewable by 2025	PacifiCorp: corporate target of ~74% reduction in carbon emissions from 2005 level by 2030
California	7	Net-zero emissions electricity by 2045	California Public Utility Commission has identified a need for 57.5GW of new solar capacity by 2045 to achieve stated emissions reduction targets

14 National Renewable Energy Laboratory, Spring 2024 Solar Industry Update. (Spring 2024 Solar Industry Update (nrel.gov)).
15 Grid Strategies (National-Load-Growth-Report-2023.pdf (gridstrategiesllc.com)).
16 LevelTen Energy, Q2 2024 North America PPA Price Index, (LevelTen 2024 Q2 PPA Index).
17 Sources: Duke Energy 2023 Carolinas Resource Plan and Duke Energy 2023 Impact Report (https://duke-energy.com) | Portland General Electric: PGE 2023 Environmental, Social and Governance Report (www.https://portlandgeneral.com/) | PacifiCorp 2023 Integrated Resource Plan (https://pacificorp.com) | CPUC: 2023 Preferred System Plan (https://www.cpuc.ca.gov/).

THE INVESTMENT MANAGER

The Company has been managed by Amber Infrastructure Investment Advisor, part of the Amber Infrastructure Group (**Amber**), since 1 December 2023.

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.

With a presence across 12 countries, Amber manages >175 infrastructure investments representing total assets under management of £14 billion (c.\$17.5 billion). Amber currently manages or advises nine funds (two listed and seven private) with c.£5 billion (c.\$6 billion) in funds under management or advisement. Among other funds, Amber advises International Public Partnerships, a FTSE 250-listed Company with a market cap of approximately £2.4 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 Companies, Inc. in the US since 2015 and completed their previously announced strategic transaction with US based Boyd Watterson in August 2024. Learn more at www.amberinfrastructure.com.



Learn more at
www.amberinfrastructure.com



Tate (Olympos Portfolio)
6.5MW_{DC} (North Carolina)



OBJECTIVES

AIIA's objective as Investment Manager of the Company is to provide ongoing advice to the Board and shareholders to optimise, enhance and position the Company to maximise shareholder value. This is consistent with the objectives stated earlier in the year.

To the extent macro-economic conditions allow, in the future such options may include:

- Sale of the Company and/or its assets
- Consolidation with other investment companies with similar mandates
- Growth of the Company via accretive acquisitions

The Board acknowledges that, based on the outcome of the strategic review (which commenced in October 2022 and was conducted during the course of 2023, concluding in AIIA's appointment on 1 December 2023), prevailing market conditions and the current share price under performance, these options are not currently available to the Company. The Investment Manager's role includes advising the Board of changes which may create favourable conditions that are conducive to pursuing any of these options, whilst these have not yet arisen, they remain under close review.

AIIA's goal is to ensure that the performance of the Company's 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.

RESPONSIBLE STEWARDSHIP

Amber Infrastructure Investment Advisor, LLC aims to act as a responsible steward for the Company and its assets in preparation for the potential options set out. This includes evaluating opportunities to enhance the attractiveness of the Company:

REPORTING AND DISCLOSURE

Improving the general approach to disclosure and providing information to shareholders allowing comparison across the peer group.

Under the Investment Manager's guidance, USF continues to improve disclosures and provide additional information in this Report for the benefit of existing and prospective shareholders.

As part of increased transparency in reporting, an operational dividend cover has been included in the annual and interim reports in addition to total dividend cover as previously reported. This also includes the provision of a table of figures that support the graphs and charts included in the Report on the Company's website. These are provided to enable analysis of the Company.

ASSET MANAGEMENT

Disciplined approach to asset management focused on decreasing unplanned outages.

Current priorities in 2024 include:

- Continuing to enhance collection and 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 partial and whole-of-site repowering at certain older sites within the Company's portfolio
- Undertaking an in-depth review of O&M subcontractor performance (which resulted in the replacement of the O&M subcontractor for the two California sites within the Heelstone portfolio, and consideration for additional sites going forward)

COMMUNICATION

AIIA continues to focus on improving shareholder communication and will seek to address issues that are taking up time and attention for each shareholder.

The Investment Manager and the Board are committed to continuing to provide regular and transparent communications to the Company's shareholders.

CAPITAL STRUCTURE

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

The key objectives of the proposed refinancing include:

- Extension of the amortisation profile of existing debt to improve near-term operational cash dividend coverage and financial returns to shareholders
- Availability of upfront proceeds to support the further return of capital to shareholders in 2024
- Ensuring the robustness of the Company's balance sheet, and ability to meet its future obligations



OPERATING REVIEW: ACTIVE ASSET MANAGEMENT

STATISTIC

41

Operating Solar Assets

STATISTIC

443MW_{DC}

Total operational capacity

PORTFOLIO

As at 30 June 2024, the Company has a portfolio with a total operational capacity of 443MW_{DC} (329MWA_C) comprised of 41 Solar Assets across four states, with no changes to report during the period since 31 December 2023.

PORTFOLIO PERFORMANCE

Total generation by the Company's portfolio was 365 GWh for the six-month period to 30 June 2024 (H1 2023: 362 GWh (current portfolio)). The overall generation of the Company's portfolio was 6.8% below budget (2023: 7.2%), with 3.2% attributable to below forecast solar irradiance (2023: 2.0%), and 3.6% attributable to unscheduled outages and other non-irradiance related factors (2023: 5.2%). Performance during the first quarter was materially impacted by below forecast solar irradiance, and particularly impacting the Milford asset. In the second quarter solar irradiance met forecast levels although frequent, low impact unscheduled outages and failures of inverters and other electrical components remained a material cause of lost generation during the entire period. For the most part these outages were readily repairable, and the focus is now on reducing the time taken to identify individual

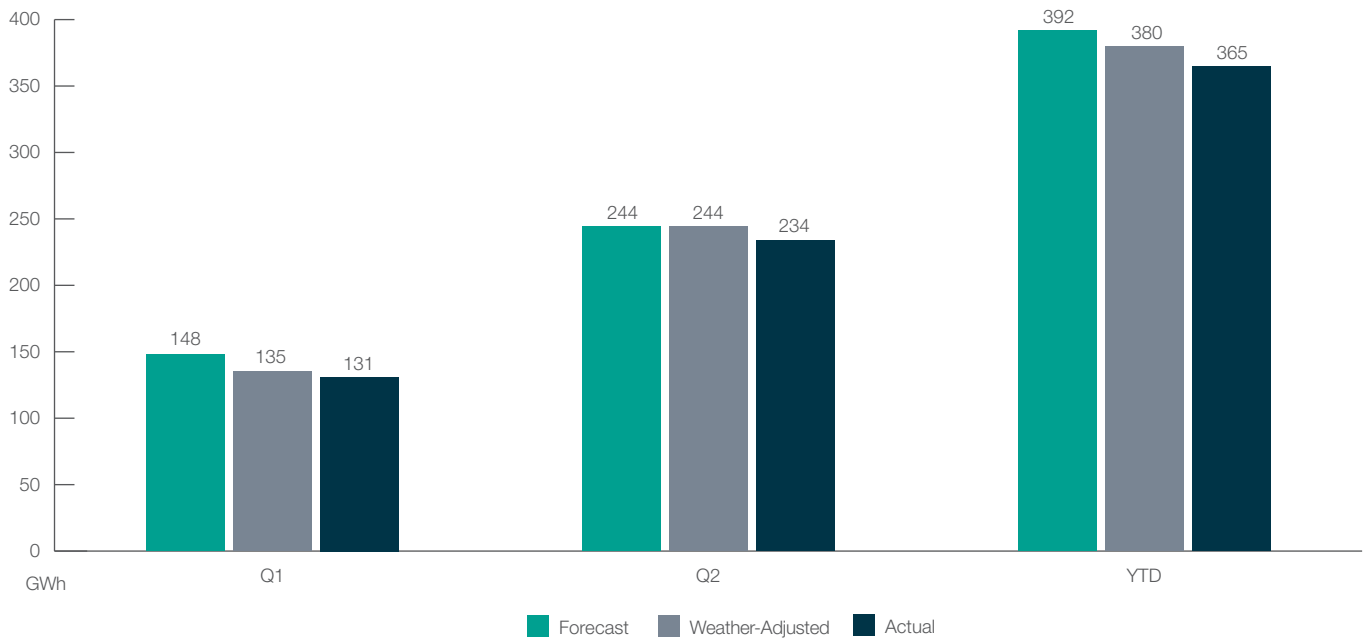
outages, improving the availability of replacement parts, and reducing lead times for repair crews to mobilise to site. Initiatives to improve maintenance effectiveness and reduce the length of unscheduled outages are and continue to be key priorities for the remainder of 2024.

'Forecast' means the generation forecast per the base case (P50) generation forecasts prepared for each project by third-party technical advisors and inclusive of assumptions relating to solar irradiance (based on long-term average historical irradiance), module efficiency and degradation, scheduled downtime for maintenance activities, and performance degradation due to grid outages, and weather events (e.g. snow), measured in gigawatt hours (GWh).

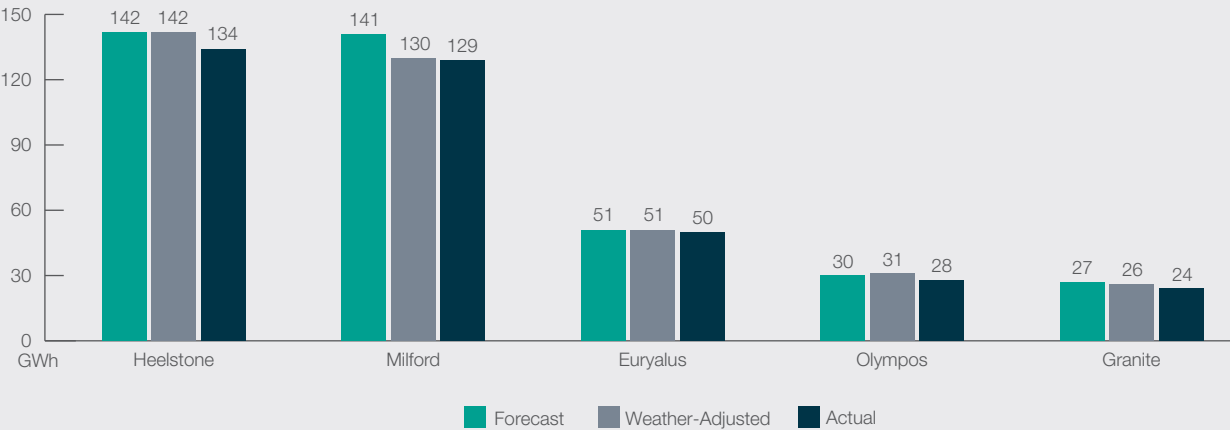
'Weather-Adjusted' means the project base case forecasts adjusted for actual solar irradiance and other weather parameters impacting generation including ambient temperatures and average wind speeds experienced at each project during the applicable period, measured in GWh.

'Actual' means actual measured production in GWh.

QUARTERLY GENERATION VARIANCE (H1 2024)

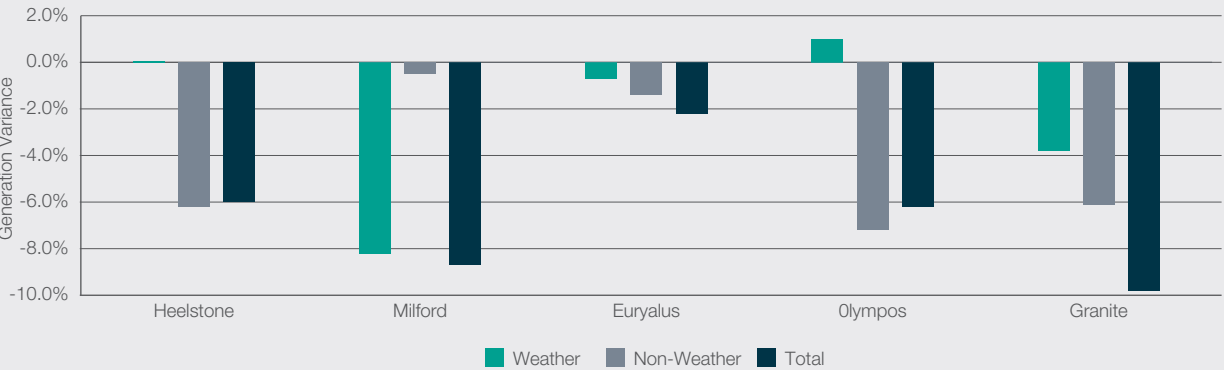


PORTFOLIO GENERATION VARIANCE (H1 2024)



Generation variances by portfolio are summarised below. Weather variance represents the variance from Forecast generation to Weather-Adjusted generation, and non-weather (technical) variance represents the variance from Weather-Adjusted generation to Actual generation.

GENERATION VARIANCES (H1 2024)



Compared to the Forecast generation performance of the portfolio the first quarter of 2024 was 8.4% below expectations due to actual weather conditions and the second quarter was in line with expectations due to weather. The following chart shows the historic trend of generation performance related to weather conditions since IPO¹⁸.



Freemont (Heelstone Portfolio)
6.4MW_{DC} (North Carolina)

¹⁸ Weather variances for Q1 2021 to Q2 2024 reflect the current 41 asset portfolio. Weather variances for 2020 reflect partial results given the Granite portfolio was acquired in Q1 2020, the Heelstone portfolio was acquired in Q2 2020, the Euryalus assets commenced operations in Q2 and Q3 2020, the Olympos assets commenced operations in Q3 and Q4 2020, and Milford commenced operations in November 2020.

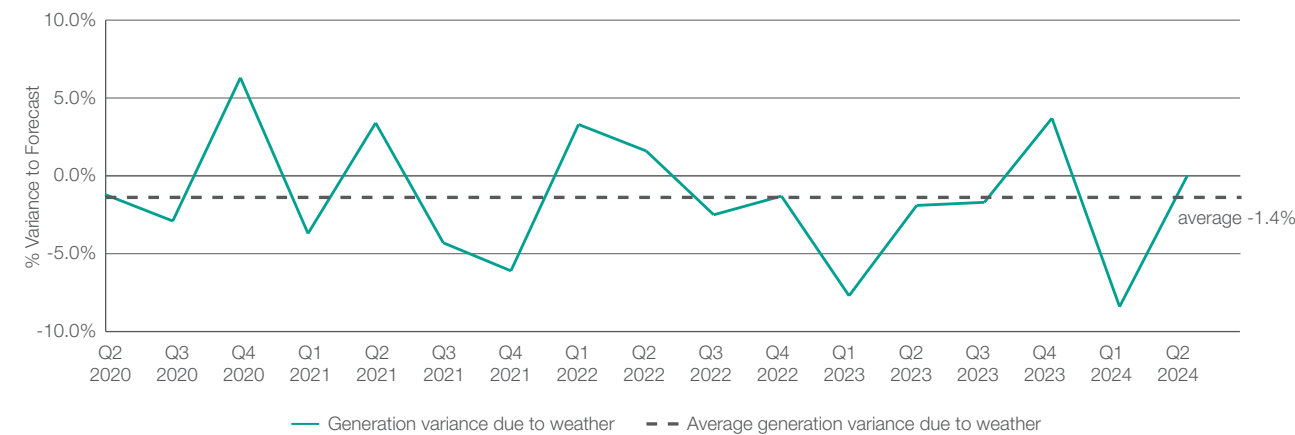


OPERATING REVIEW:

ACTIVE ASSET MANAGEMENT CONTINUED

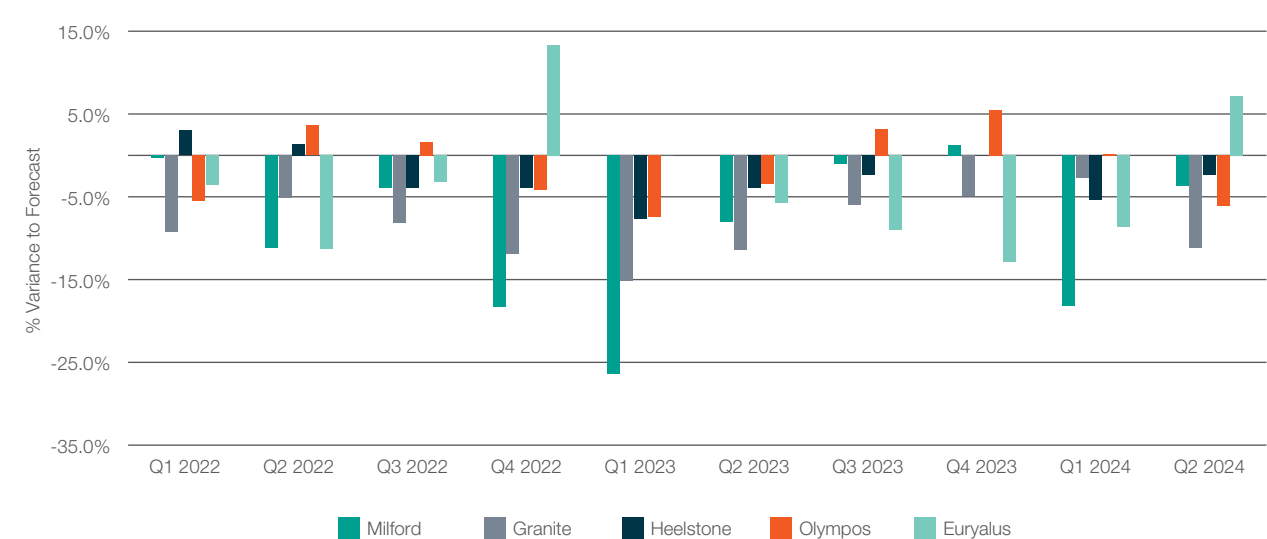
PORTFOLIO PERFORMANCE continued

PORTFOLIO GENERATION VARIANCE FROM FORECAST (QUARTERLY)



Factors including actual irradiance, ambient temperatures, and performance specifications of solar modules contribute to variances in the Weather-adjusted generation of the portfolio in each period. The following chart shows the variance in the irradiance recorded at each asset compared to the forecasts of irradiance expected for each asset for each quarter since 2022.

IRRADIANCE MEASURED ON SITE VS FORECASTS (QUARTERLY)



The portfolio was impacted by unfavourable weather during the period, particularly during the first quarter of 2024. During the first quarter of 2024, data provided by the US National Oceanic and Atmospheric Administration (**NOAA**) indicates that above average precipitation (rain and snow) was recorded in Utah, Oregon, Southern California and western North Carolina, with “much above average” precipitation recorded in Beaver County, Utah where the Milford project is located. Whereas at or below average precipitation was recorded across all four operating states during the second quarter of 2024, leading to generation performance that was aligned with forecasts.

NON-WEATHER RELATED PORTFOLIO PERFORMANCE

- Heelstone:** Portfolio generation was approximately 6.2% below the Weather-Adjusted forecast, with the largest individual losses attributable to continuing intermittent feeder line outages at Chiloquin and inverter outages at Dairy within the portfolio's Oregon sites. The ongoing feeder line issues at Chiloquin are principally due to rodent activity at the site, with several possible rectification options continuing to be assessed by the asset management team. There were also tracker and intermittent inverter outages at the portfolio's two California sites (Granger and Valley Center). An ongoing decline in service quality from the O&M subcontractor for the California sites, including failures to adequately respond to outage events and failures to adequately monitor site conditions, was identified by the Investment Manager's internal asset management team, leading to the replacement of that O&M subcontractor during the period
- Milford:** Generation was approximately 0.5% below the Weather-Adjusted forecast, with these losses primarily attributable to a feeder line outage and intermittent inverter outages during the period
- Euryalus:** Portfolio generation was approximately 1.4% below the Weather-Adjusted forecast, primarily attributable to an extended grid outage and intermittent inverter outages at West Hines
- Olympos:** Portfolio generation was approximately 7.2% below the Weather-Adjusted forecast, attributable to frequent low impact outages across the portfolio
- Granite:** Portfolio generation was approximately 6.1% below the Weather-Adjusted forecast, attributable to premature module failures (that remain under ongoing warranty claims with applicable module suppliers), and intermittent inverter and electrical equipment outages at NC Solar 1, South Robeson and Faison

ACTIVE ASSET MANAGEMENT AND PORTFOLIO OPTIMISATION

During the period the Investment Manager, led by its internal asset management team, continued to implement various initiatives targeted at reducing the frequency and duration of unscheduled outages and generally improving the operating performance of the portfolio. Examples of such initiatives progressed during the period included:

- Following a detailed review of performance, replacement of the O&M subcontractor for the two California sites within the Heelstone portfolio with a new subcontractor with a stronger local presence and focus, and progressed consideration for replacing O&M subcontractors at other assets across the portfolio
- Continued optimisation and enhancement of a data collection and management platform to improve the collection of data from the Company's portfolio to improve operational oversight of the portfolio. A pilot program for a new data collection software is being undertaken at the two Californian sites within the Heelstone portfolio, and if successful will be rolled out to other sites within the broader portfolio
- Continued usage of drones and drone flights, with the capability to materially reduce the time and resource needed to undertake periodic visual and thermal scans of plant operations, and thereby accelerate the identification of technical issues and outages at the Company's assets

Current priorities for the Investment Manager continue to include:

- Enhancing collection and 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 partial and whole-of-site repowering at certain older sites within the Company's portfolio
- Undertaking an in-depth review of O&M subcontractor performance (which resulted in the replacement of the O&M subcontractor for the two California sites within the Heelstone portfolio, and consideration for additional sites going forward)

STATISTIC

88%

of forecast revenue over the next 10 years will be generated from contracted sources

STATISTIC

11.4 years

average remaining PPA term



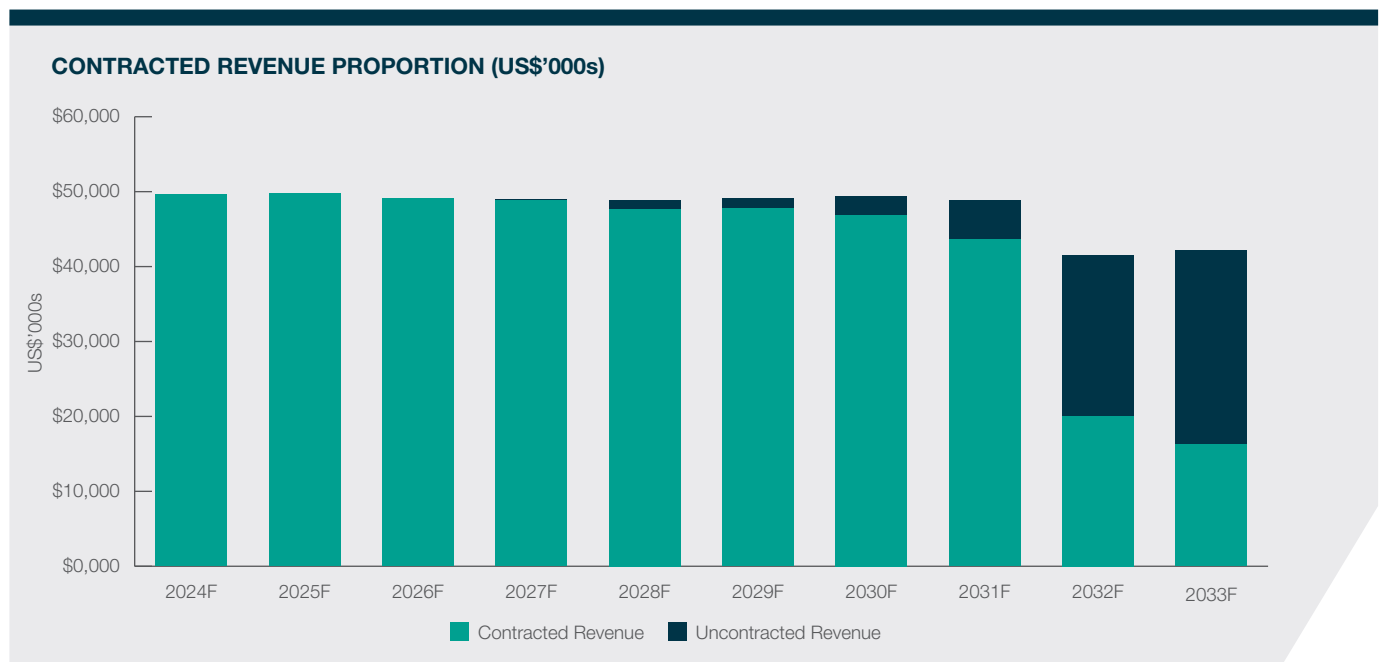
OPERATING REVIEW:

ACTIVE ASSET MANAGEMENT CONTINUED

REVENUE

In accordance with the Company's investment policy, a high level of revenue contracting is maintained across the Company's portfolio. To the end of 2033, approximately 88% of forecast revenue will be generated from contracted sources. While the energy offtake agreements in place for all of the Company's assets have fixed pricing with no escalation, as is common in the US market, these contracts provide substantial protection against merchant price fluctuations over the near-to-medium term.

Contracted revenue contribution over next ten years is illustrated in the chart below:



As of 30 June 2024, existing offtake contracting has a capacity-weighted average remaining life of 11.4 years (11.9 years as at 31 December 2023 due to the passage of time). The Company expects to seek precontracting opportunities for all assets at the appropriate time closer to the expiration of existing offtake agreements.

As announced in the RNS released immediately prior to this report, it was determined by the Company and the Investment Manager that the REC contracts related to the Heelstone Oregon assets executed in November 2023 under the direction of the Company's previous investment manager required termination. Consequent reductions in cash flow assumptions arising from the removal of the expected revenue associated with these REC contracts are reflected in the Company's 30 June 2024 interim reporting. In addition to these updates to cash flow assumptions, operating assumption revisions were made to calibrate forecasted project revenue to contracted PPA rates and PPA end dates. The NAV impact of these updates can be found in the Valuations section.

Market	Number of assets	Capacity (MWDC)	Share of total capacity (%)	Average PPA term remaining years)
North Carolina	28	168	38.0%	7.3
Oregon	10	140	31.6%	7.2
California	2	7	1.6%	12.3
Utah	1	128	28.8%	21.4
Total	41	443	100%	11.4 (average)

North Carolina has the largest capacity by market, accounting for 38% of the total portfolio. Oregon and Utah account for 32% and 29% of the portfolio capacity respectively.

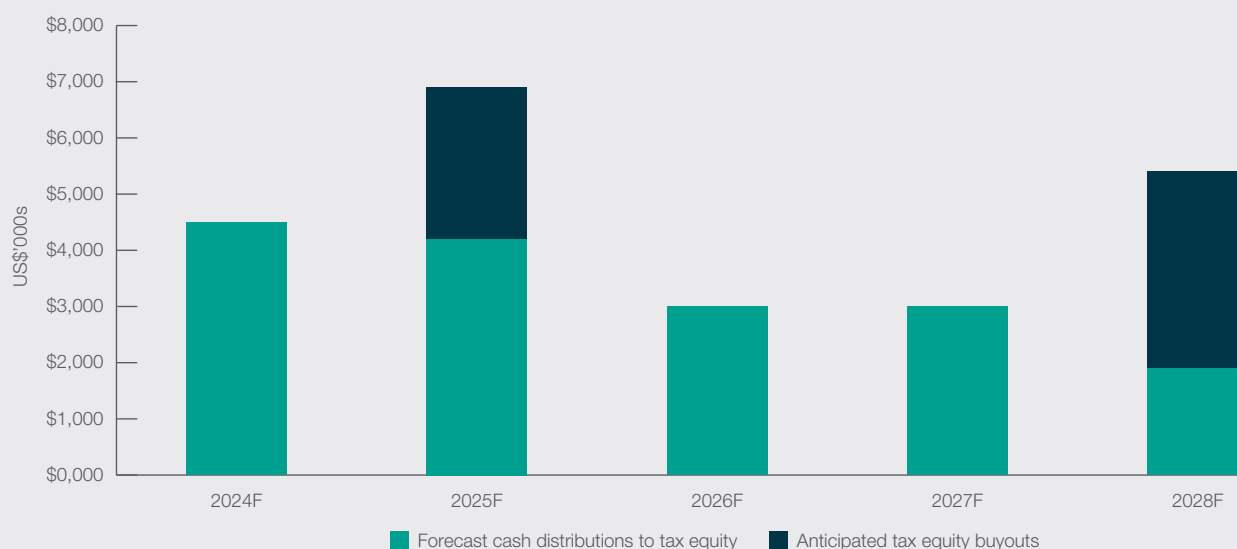
Most of the Solar Assets in North Carolina and Oregon are expected to be recontracted in the next ten years. The assets in California have longer durations on existing PPAs and would be recontracted in the mid-2030s. Milford, the asset in Utah, is expected to be recontracted in the mid-2040s.

PORTFOLIO FINANCING

Tax equity was raised to support the construction of all assets within the Company's portfolio.

As at 30 June 2024, tax equity obligations remain active for the Milford, Euryalus and Olympos portfolios. Tax equity partnerships for the Granite and Heelstone portfolios were previously fully bought out in 2020 and 2023 respectively. Estimated cash payments to remaining tax equity obligations, incorporating both regular distributions and expected buyouts, are summarised in the table below. The Company expects buyout amounts in the order of approximately \$2.7 million in 2025 and \$3.5 million in 2028, which are considered in projected cash flows.

FORECAST PAYMENTS TO TAX EQUITY (US\$'000s)



US\$'000s	2024F	2025F	2026F	2027F	2028F
Forecast cash distributions	\$4,500	\$4,200	\$3,000	\$3,000	\$1,900
Forecast buyouts	–	\$2,700	–	–	\$3,500

Non-recourse, portfolio-level debt is currently in place for the Milford, Euryalus and Heelstone portfolios, which collectively represent approximately 82% of total portfolio capacity. Each of these facilities include amortising loans that supported the construction or acquisition of those portfolios (as applicable), and associated letter of credit facilities to support collateral posting requirements. Both Olympos and Granite portfolios are unlevered, although are included in the collateral package supporting the Company's revolving credit facility.

Outstanding portfolio-level debt is summarised in the table below:

Portfolio	Loan type	Outstanding loan balance ¹⁹	LCs on issue	Legal maturity	Amortisation profile
Milford	Mini-perm term loan + LC facility	\$46.5m	\$12.2m	2027 (7yr term)	2020-2045 (25yr profile)
Olympos	None	–	–	–	–
Granite	None	–	–	–	–
Heelstone	Mini-perm term loan + LC facility	\$63.9m	\$6.8m	2028 (7yr term)	2021-2037 (16yr profile)
Euryalus	Mini-perm term loan + LC facility	\$34.3m	\$4.5m	2026 (6yr term)	2020-2031 (11yr profile)
Total		\$144.7m	\$23.5m		

¹⁹ As at 30 June 2024.



OPERATING REVIEW:

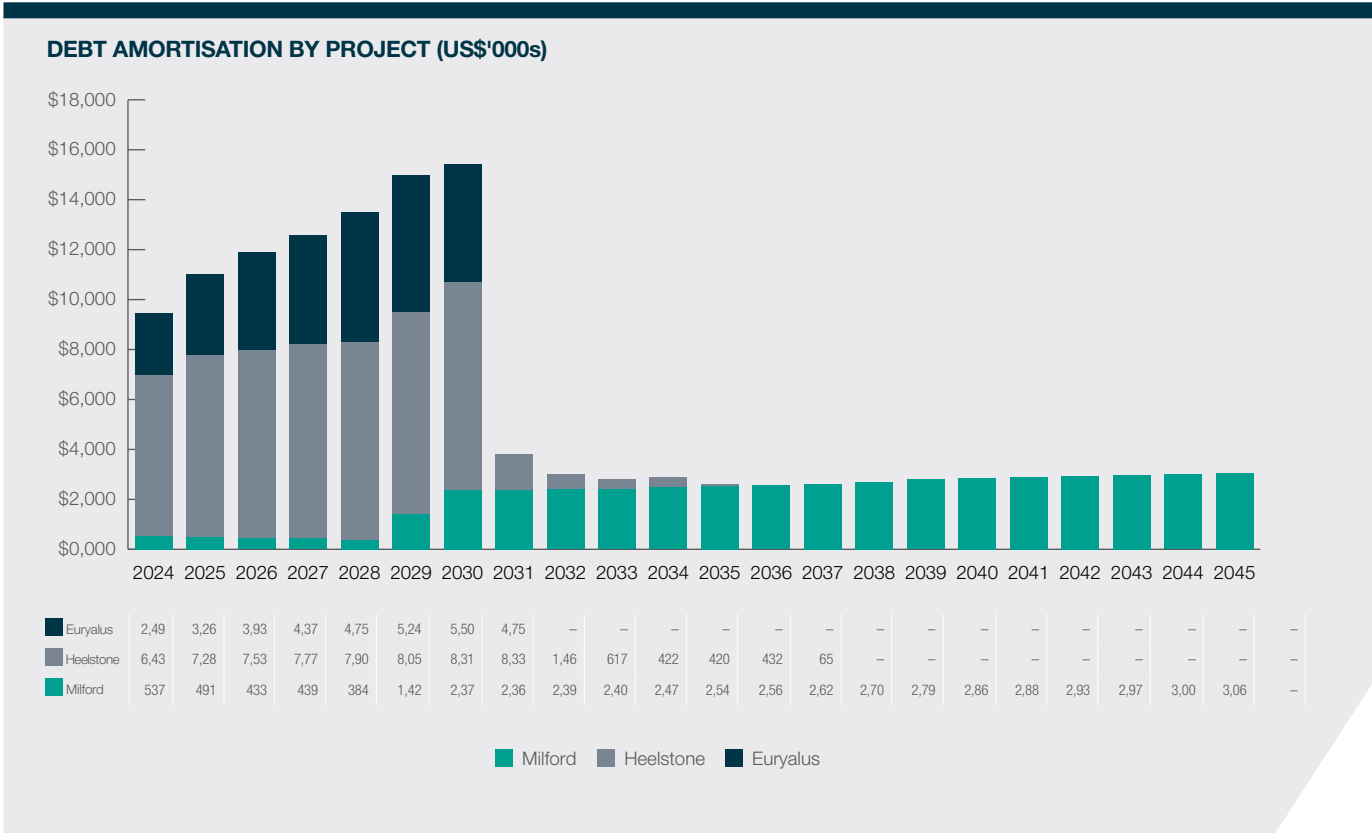
ACTIVE ASSET MANAGEMENT CONTINUED

PORTFOLIO FINANCING CONTINUED

A ‘mini-term loan’ is a loan where the amortisation period and the legal tenor of the loan are different. For example, the Company’s portfolio-level facilities have longer amortisation periods aligned with the term of existing PPAs (see ‘Amortisation Profile’ in the above table), whereas the legal tenors are for shorter periods (see ‘Legal Maturity’ in the above table).

‘LC’ means letter of credit, which are used to satisfy collateral posting requirements under the Milford PPA and to support debt service reserve account requirements.

The amortisation schedule for the Milford, Heelstone and Euryalus debt is shown below.



GEARING

As at 30 June 2024, the portfolio's level of Gearing, calculated as total debt outstanding to GAV, was approximately 39% (31 December 2023: 36%).

FAIR VALUE

The Fair Value of the portfolio on an asset level is set out in the table below:

Portfolio	Fair Value 30 June 2024 \$'m	Fair Value 31 December 2023 \$'m
Milford	34.8	32.8
Olympos	30.5	30.5
Granite	28.7	28.7
Heelstone	118.4	123.2
Euryalus	26.1	24.9
Total ²⁰	238.6	240.1



20 Figures may not sum due to rounding.



OPERATING REVIEW: FINANCIAL MANAGEMENT



Cotten Farm (Heelstone Portfolio)
6.8MW_{DC} (North Carolina)

APPROACH

The Company looks to maintain an efficient balance sheet, as well as identifying opportunities to optimise the capital structure of the portfolio to maximise returns.

FINANCIAL PERFORMANCE

- At asset level, over the 12-month period to June 2024, the underlying portfolio assets generated \$44.0 million of project revenues*. For the 6-month period to 30 June 2024, distributions made from the asset portfolio totalled \$4.8 million
- At the Company level, under International Financial Reporting Standards (IFRS) loss for the period was \$2.0 million (30 June 2023: loss of \$26.5 million). The modest loss was primarily the result of the reduction in the overall unrealised fair value of the Company's assets offsetting investment income arising from the portfolio in the period
- During the period c.\$18.9 million was distributed on account of the tender offer that concluded in June 2024 (\$18.6 million returned to shareholders and \$0.3 million of costs incurred by the Company in administering the tender offer). This utilised the remaining proceeds from the sale of the Company's interest in the Mount Signal 2 asset (**MS2**) which closed in June 2023
- Total administrative and other expenses in the period included some residual amounts from the Company's strategic review which are considered non-recurring in nature

CORPORATE DEBT FACILITY POSITION

- The Company has access through USF Avon LLC (a wholly owned subsidiary of the Company) to a revolving credit facility in the absence of acquisition financing, the RCF's primary purposes are to provide working capital flexibility and reserve operational liquidity as may be needed from time to time
- Given the Company's focus on efficient capital management the RCF was reduced from \$40 million to \$20 million in June 2024. The updated facility size will reduce costs whilst maintaining working capital flexibility and supporting the Company's operational/ongoing liquidity requirements
- The Company's RCF has a maturity date of 22 September 2025
- The facility was undrawn as at 30 June 2024 and at the date of this report

DIVIDENDS

- Dividends to investors of \$6.8 million were accrued over the period to 30 June 2024 (December 2023 \$18.7 million). This included the Q1 2024 dividend of \$1.7 million which was declared and accrued but not yet paid as at the period end
- Operational dividend cover for the 12-month period to June 2024 was 0.62x (December 2023: 0.50x). During the period, it was announced that dividends would be rebased in order to be fully covered by operational cash flows, with a target dividend of 2.25 cents per share for the financial year 2024. The 2024 dividend target is forecast to be fully covered by cash generated from operations. As the dividend cover calculation includes historic dividends under the previous target level, this change will take time to be fully reflected in the dividend cover calculation
- Total dividend cover is calculated as net portfolio cash generation* divided by dividends paid in the year, with an adjustment for cash flow reserves carried forward from operating cash flows generated in prior periods. Operational dividend cover excludes carried forward components to reflect the coverage from operational revenue generation in the period
- The operational dividend cover ratio seeks to reflect the sustainability of the level of dividends paid by looking at underlying cash generation from the portfolio, excluding one off costs and incomes not expected to be recurring in nature

“
The 2024 dividend target is forecast to be fully covered by cash generated from operations.”

SUMMARY OF PORTFOLIO CASH GENERATION

US\$m	12 months to 30 June 2024	12 months to 30 June 2023	Year ended 31 December 2023
Project revenue	44.0	54.4	46.7
Project operating expenses	(13.7)	(14.1)	(13.7)
Payments to tax equity	(5.0)	(10.4)	(7.1)
Portfolio debt expenses	(9.1)	(11.5)	(11.5)
Project cash flows after debt service	16.2	18.4	14.4
Management fees	(4.0)	(3.3)	(3.0)
Corporate operating expenses	(0.3)	(2.6)	(1.7)
Revolver interest and fees	(0.2)	(0.4)	(0.3)
Net operating cash generation (A)	11.7	12.1	9.4
One off payments related to the strategic review / tender offer	(3.5)	–	(3.2)
Cash flow reserve carried forward	–	2.0	3.7
Gain on sale of MS2	–	7.9	7.9
Total cash generation (B)	8.2	22.0	17.8
Dividends paid (C)	(18.8)	(18.5)	(18.7)
Cash returned to shareholders via tender offer	(18.6)	–	–
Total dividend cover (B)/(C)	0.44x	1.19x	0.95x
Operational dividend cover (A)/(C)	0.62x	0.65x	0.50x

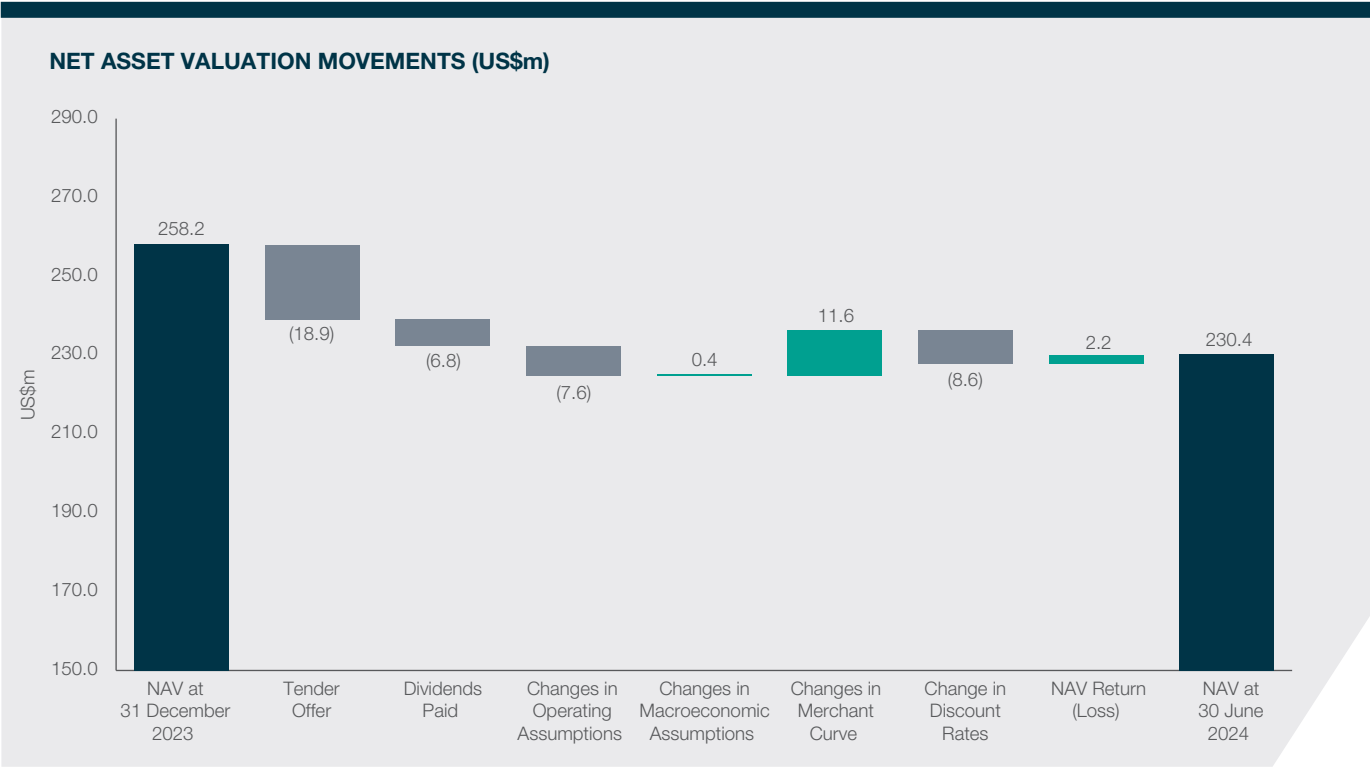
ONGOING CHARGES

The ongoing charges ratio for the Company on recurring costs were 1.53% for the period to June 2024 (June 2023: 1.39%). Whilst annualised expenditure has decreased in the period to June 2024, the reduction in average NAV over the period has caused an increase in this ratio. The ratio has been calculated using the Association of Investment Companies (AIC) recommended methodology and is set out in the table below.

US\$m	Annualised position at 30 June 2024	Annualised position at 30 June 2023	Year ended 31 December 2023
Annualised administrative expenses	(4.0)	(4.1)	(7.1)
Adjust for non-recurring costs	0.2	–	3.1
Total annualised recurring expenses for ongoing charges	(3.8)	(4.1)	(4.0)
Average NAV	248.2	292.7	287.5
Ongoing charges ratio	1.53%	1.39%	1.39%



OPERATING REVIEW: INVESTOR RETURNS



PERFORMANCE

Net Asset Value as at 30 June 2024 was \$230.4 million (NAV per share \$0.75), representing a decrease compared to the December 2023 NAV of \$258.2 million (NAV per share \$0.78). A primary factor in this decrease were the significant distributions to shareholders in the period. Cash returns to shareholders totalled c.\$25.7 million which included the return of funds by way of tender offer concluded in June 2024 as well as the quarterly dividends recognised in the period.

Underlying asset valuations were impacted by increase in the risk premiums, which resulted in an increase in the discount rates used in the valuation of the assets. There were also changes in underlying asset forecasts including changes in merchant curves. Further analysis of the NAV movement is provided.

TOTAL SHAREHOLDER RETURN AND NAV TOTAL RETURN

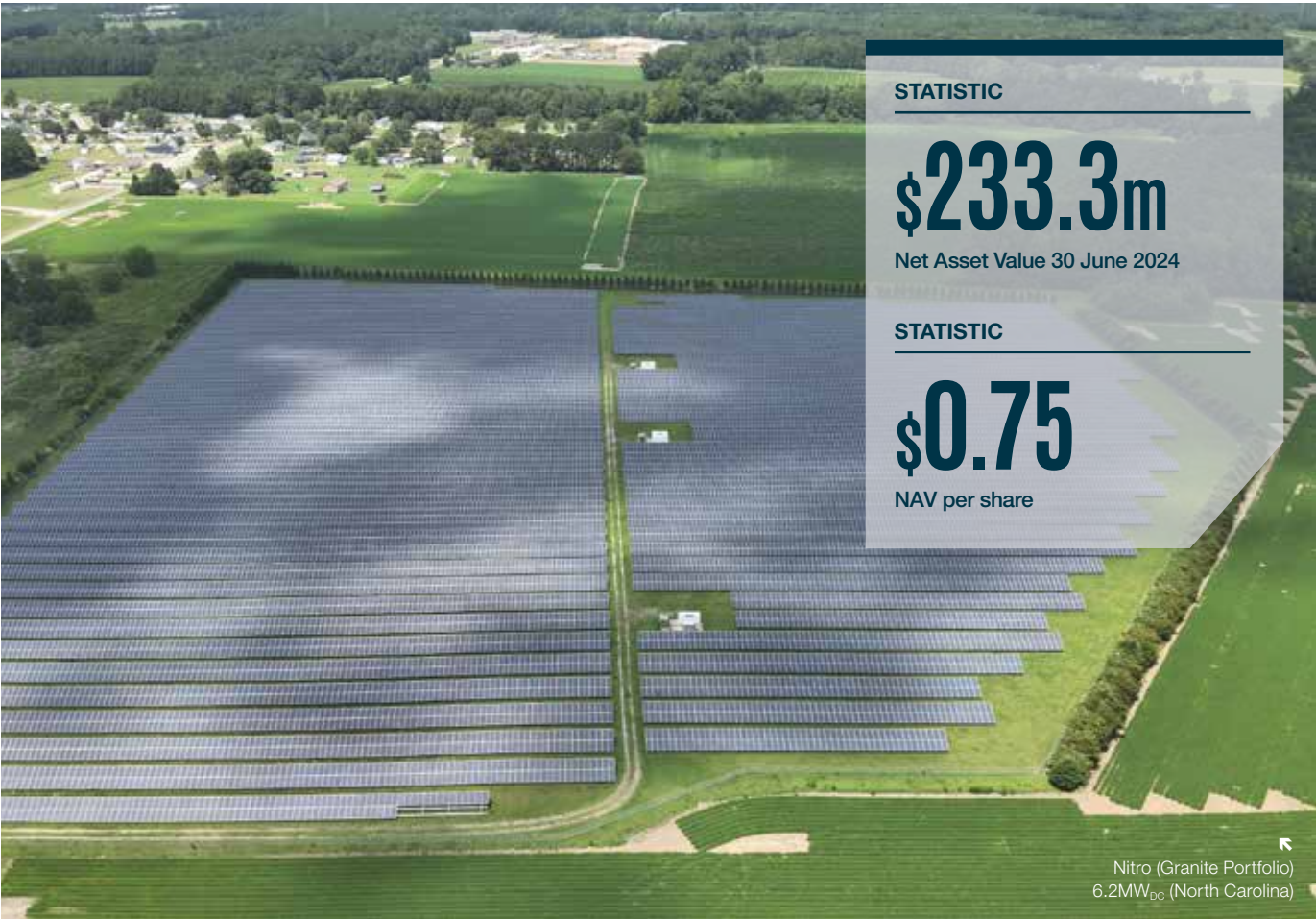
The Company’s annualised Total Shareholder Return (**TSR**) since inception to 30 June 2024 was a total loss of 39.0% (31 December 2023 total loss of 34.4%). The NAV total return from inception to 30 June 2024 was a loss of 2.1% (31 December 2023 a loss of 1.7%).

**VALUATIONS
NAV Bridge**

- During the period \$18.9 million was incurred in the tender offer that concluded in June 2023: c.\$18.6 million was returned to shareholders and costs of c.\$0.3 million were incurred by the Company in administering the tender offer. This utilised the remaining proceeds from the sale of MS2
- Dividends of \$6.8 million were recognised in the period, including an amount accrued (\$1.7 million) for the Q1 2024 distribution paid post period end on 5 July
- The changes in operating assumptions reflects the valuation impact of the revisions made to revenue and cash flow assumptions
- Macroeconomic assumptions including changes to inflation and depositary rates contributed to an uplift of \$0.4 million to NAV

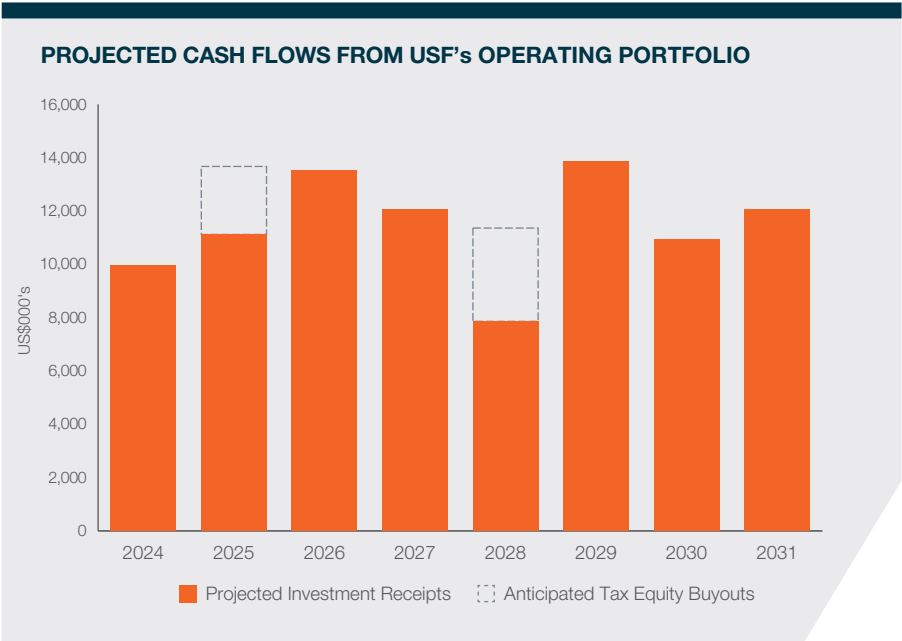
- Changes in the merchant curves contributed an uplift of \$11.6 million to NAV
- The risk free rate used in the discount rate for portfolio valuations is the US 20 year treasury yield has increased from 4.2% to 4.6% over the course of the year. This 40bps increase resulted in a \$11 million reduction which was partially offset by a reduction in risk premia
- The weighted average discount rate used is 9.2% (December 2023: 8.8%), the discount rates are presented on a pre-tax basis. The change in risk premium used in the discount rate reflects recent transactions in the US renewables sector and resulted in a \$2.4 million uplift to NAV
- The NAV return of \$2.2 million reflects the valuation impacts of cash distributions from the underlying assets, RCF reduction, timing impact of moving forward valuation date to 30 June 2024, net working capital and other adjustments (including the payment to be made as a result of the termination of the Heelstone Oregon REC contracts)

Note: Figures may not sum due to rounding.



PROJECTED CASH FLOWS

The chart below forecasts the operating cash flow receipts as at 30 June 2024 based on the current portfolio financial models. The projections are provided on an indicative post-tax basis. The projections include project debt service, tax equity buyouts, operating costs, holding company costs, and estimated state and federal tax payable based on the current capital structure (i.e. assuming no further refinancing). The projections exclude cash flows carried forward, proceeds from the MS2 sale and investment management fees. This chart is not intended to provide profit guidance and actual outcomes may vary from those presented.





OPERATING REVIEW: VALUATION METHODOLOGY

VALUATION PROCESS

The NAV approved by the Board takes into account the overall valuations of portfolio assets assessed by the Independent Valuer on a semi-annual basis as at 30 June and 31 December. These valuations form part of the NAV calculation of the Company, which is subject to review/audit respectively.

The Company engaged KPMG as the Independent Valuer to calculate the fair value of its assets. KPMG is one of the largest valuation firms in the US with significant experience in estimating the fair value of solar and other renewable energy assets. In line with USF policy, all of its operating assets were externally valued at 30 June 2024.

The Administrator, in conjunction with the Investment Manager, calculates the NAV and the NAV per Ordinary Share, based on the valuation range provided by the Independent Valuer. This is submitted to the Board for its approval. The valuation has been calculated in accordance with Uniform Standards of Professional Appraisal Practice (**USPAP**) as applied to PV electricity generation systems in the US.

Fair value for operational Solar Assets is derived from a discounted cash flow (**DCF**) methodology using pre-tax cash flows and a pretax discount rate. In a DCF analysis, the fair value of the assets is the present value of the asset's expected future cash flows, based on a range of operating assumptions for revenues and costs and an appropriate discount rate range.

The Independent Valuer has reviewed a range of sources in determining the fair market valuation of the Solar Assets, including but not limited to:

- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes;
- quality of cash flow forecasts in terms of operations;
- the level of gearing at each investment level; and
- capital asset price model outputs and implied risk premium over relevant risk-free rates.

A broad range of assumptions are used in valuation models. Where possible, assumptions are based on observable long-term historical market or market observations. The budgeted operational costs are based on observed market and/or technical data and the implicit financing costs for leveraged investments are based on market data. The Company also engages technical experts to provide a long-term electricity price forecast which is a critical datapoint used to forecast revenues.

VALUATION ASSUMPTIONS AND SENSITIVITIES

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

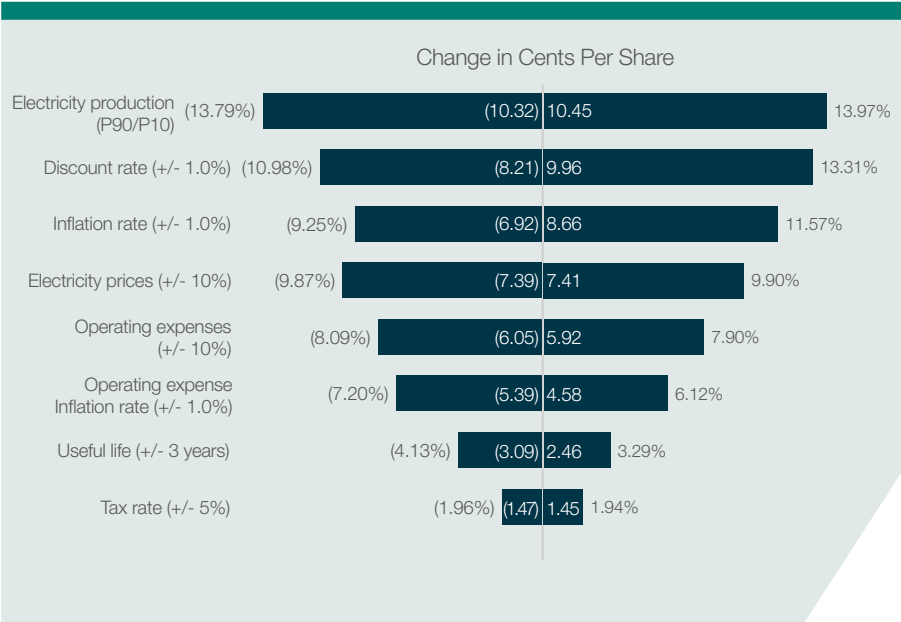
A sensitivity analysis is used to assess the impact of changes in key assumptions on the fair value of the Company's investments. The sensitivities shown above assume the relevant input is changed over the entire useful life of each of the assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

DISCOUNT RATE

Discount rates used in the valuation of the portfolio are derived from long term government bond yields, plus an investment specific risk premium, reflecting the risk of investing in that particular investment. The discount rate also reflects the Independent Valuer's view of the transactional activity in the relevant market along with implied execution discount rates.

As at 30 June 2024, the weighted average discount rate was 9.2% (December 2023: 8.8%). The discount rates are presented on a pre-tax basis.

The sensitivity demonstrates the impact of a change in the discount rate applied to the pre-tax cash flows from all of the Company's assets as at 30 June 2024. A range of +/- 1.0% has been considered to determine the resultant impact on the Company's NAV per share and the fair value of its assets. A sensitivity of +/-1.0% is considered reasonable given historic Company discount rate changes and is in line with discount rate sensitivities utilised by the Company's peers.





ELECTRICITY PRODUCTION

The Company's assets are valued based upon a forecast P50 solar energy generation profile (being a 50% probability that this generation estimate will be met or exceeded). A technical adviser has derived this generation estimate considering a range of irradiation datasets, satellite and ground-based measurements, and site-specific loss factors including module performance degradation, module mismatch and inverter losses. These items are then considered in deriving the anticipated production of the individual solar asset (MWh per annum) based upon a 50% probability of exceedance.

This sensitivity estimates the impact on the fair value of the assets and NAV per share of a change of production estimates to P90 (90% probability of being exceeded) and a P10 generation estimate (10% probability of being exceeded).

As P10 generation estimates were not independently obtained for each solar asset around the time of the asset acquisition, the Board has determined a proxy P10 estimate for those assets by assessing the relationship between the independently determined P50 and P90 generation estimates for each of the assets in the Operating Portfolio (e.g. a one year P90 generation estimate might be 92.5% of a one year P50 generation estimate, implying that it is 7.5% lower than the P50 generation estimate).

In determining the proxy P10 generation estimate, the Board has assumed that the relationship between a P50 generation estimate and a P10 generation estimate is the same as that between a P50 generation estimate and a P90 generation estimate in absolute terms. Therefore a one year P10 generation estimate by this methodology would be 107.5% (i.e. 100% +7.5%) of the asset's P50 generation estimate.

MERCHANT PERIOD ELECTRICITY PRICES

Each of the Company's assets have long-term PPAs in place with creditworthy offtakers. PPA prices are not impacted by energy price changes. For the post-PPA period of each asset, the Board uses long-term electricity price forecasts that have been prepared by market consultants in their determination of the fair value of the Company's assets. These forecasts from market consultants take into consideration climate change related factors when pricing the electricity price forecasts.

Long-term electricity price forecasts are obtained every six months from two leading independent power price forecasting firms for each jurisdiction in which the Solar Assets are located. The two most recent electricity price forecasts from each firm are averaged and provided to the Independent Valuer to project the prices at which existing PPAs will be recontracted.

The averaging of curves and providers is used to prevent the valuation of the portfolio being unduly influenced by one forecaster's set of assumptions; to mitigate potential forecaster errors in a particular period; and to reduce the timing risk inherent in valuing the portfolio shortly before curve updates are released. The Independent Valuer assesses these forecast prices for reasonableness against their own internal forecasts and others in the marketplace.

As at 30 June 2024, approximately 36% of the NAV is attributable to contracted cash flows, 62% of the NAV is attributable to uncontracted (merchant period) cash flows (assuming a constant discount rate for contracted and uncontracted cash flows for the purposes of this analysis) and the remaining balance is made up from cash and net working capital adjustments.

The sensitivities show the impact of an increase/decrease in power prices for each year of the power price curve over the remaining economic life after the conclusion of the existing PPAs. A flat 10% increase/decrease in market electricity prices from forecasted levels over the remaining asset life of all plants has been used in the sensitivity analysis.



OPERATING REVIEW: VALUATION METHODOLOGY CONTINUED



OPERATING EXPENSES

The operating costs of the Company's assets include annual operations and maintenance (**O&M**), asset management (**AM**), insurance expenses, land lease expenses, major maintenance, and general administration expenses. O&M and AM costs are mostly contracted for periods of up to five years, the costs of operations, maintenance and asset management activities for the assets covered by these contracts are subject to change upon recontracting.

The sensitivity above assumes a 10% increase/decrease in annual operating costs for all underlying assets and the resultant impact on the Company's fair value of investments and NAV per share.

OPERATING LIFE

The useful operating life of a solar asset is generally accepted by Independent Valuers to be the lesser of the lease term for the asset site and the independent engineer's assessment of the asset's useful life. The useful life assumption for each asset is typically 35–40 years.

The sensitivity above assumes a three year increase/decrease in the useful operating life of the Company's Solar Assets, and the resultant impact on the Company's fair value of investments and NAV per share.

TAX

The US imposes a tax on profits of US resident corporations at a rate of 21%. The sensitivity assumes the US corporate tax rate increases/decreases by 5% (to 26%/16%) and shows the resultant impact on the Company's fair value of investments and NAV per share.

INFLATION

USF considers inflation in terms of potential impact on cash flows from the existing portfolio and NAV. Following a period of higher inflation, there has been a gradual downward trend which is expected to continue.

Higher inflation generally has a positive impact on the Company's NAV through increased merchant pricing expectations, but would be expected to negatively impact the Company's short to medium term portfolio cash flows. This is a result of increased insurance costs, wage and equipment and other costs which may materialise on expiry of short-term O&M and AM contracts versus the more stable revenue from USF's long-term PPAs.

OPERATING EXPENSE INFLATION RATE

Where there are uncontracted operating costs, the Investment Manager has assumed these costs will be recontracted at existing price levels, escalated in accordance with long term inflation assumptions. The sensitivity above assumes a 10% increase/decrease in inflation rates applied to long term operating costs for all underlying assets and the resultant impact on the Company's fair value of investments and NAV per share.

INTEREST RATE ON DEBT FACILITIES

Base interest rates on the Company's amortising debt facilities are fully hedged for the amortisation period of the relevant loan which includes the initial term and one or more subsequent refinancings. In general, the amortisation period on term loans matches the PPA term.

SHARE PRICE PERFORMANCE AND DIVIDENDS

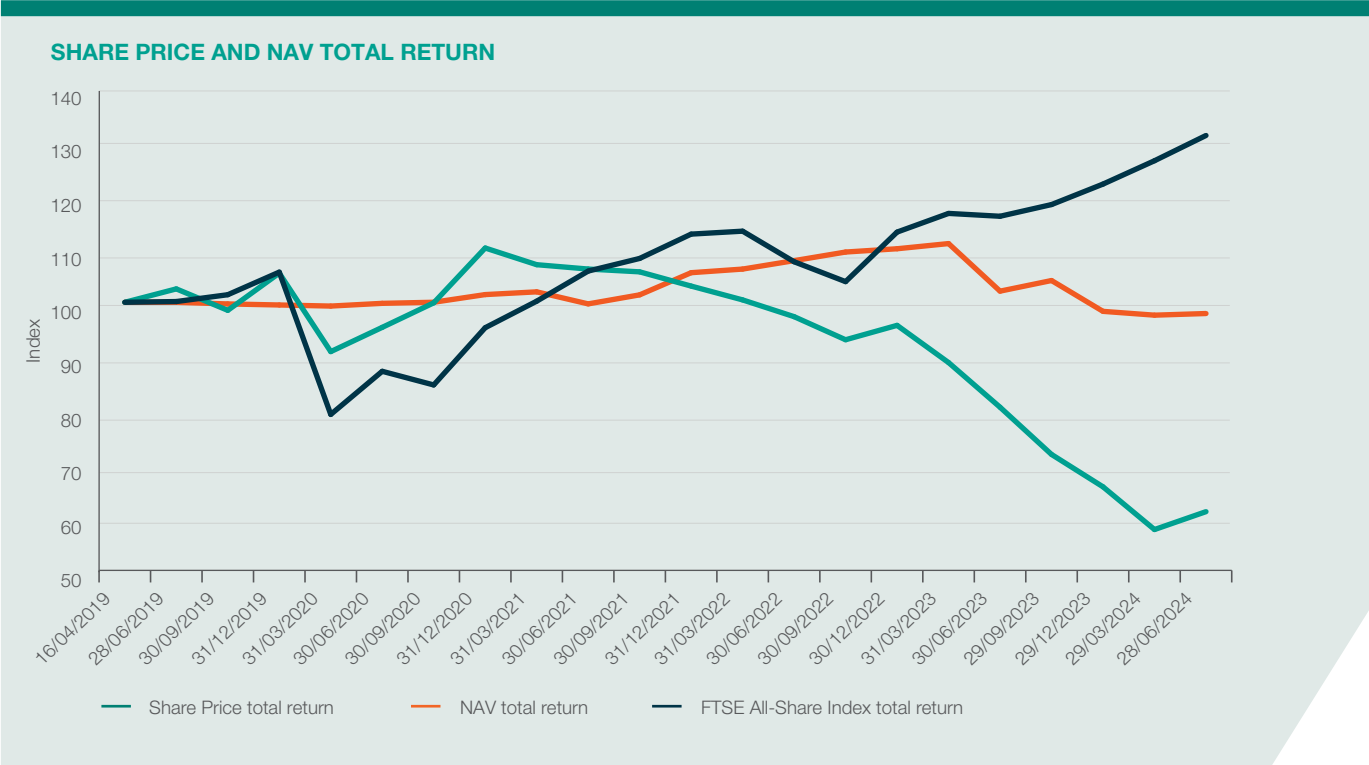
In line with the broader renewable energy infrastructure sector²¹, and in the wake of widespread macroeconomic volatility which was further compounded by the uncertainty created by the Company's strategic review and the departure of the USF's previous Investment Manager, the Company's share price traded at a sustained discount to NAV. This is consistent with the peer group due to a continuation of the trends already in place. These include a long period of near-zero interest rates, outgoing asset outflows and a reduced level of investor demand.

The Company's share price based on closing price as at 30 June 2024 was \$0.48, representing a 39.0% discount to the 30 June 2024 NAV. Dividends of \$5.1 million were paid to investors in H1 2024 (December 2023 \$18.7 million), representing a dividend per share* of 2.25 cents for the year.

The graph below represents the Company's performance over the reporting periods since the Company's Ordinary Shares were first listed on the London Stock Exchange, and shows share price total return and net asset value total return performance.

The share price total return exhibits share price appreciation plus dividends assumed to be reinvested since IPO. The NAV total return is based on the NAV appreciation plus dividends paid since the IPO.

All series are rebased to 100 at 16 April 2019, being the date the Company's shares were listed.



21 The average premium/discount to last published NAV as at 30 June 2024 for the renewable energy infrastructure investment company sector was -23.9% (weighted average) and -30.1% (simple average). (Morningstar, 28 June 2024).



RESPONSIBLE INVESTMENT

APPROACH TO RESPONSIBLE INVESTMENT DISCLOSURES

USF was established to both capitalise on and contribute to the world's increasing awareness of the impacts of climate change and the need to better manage the world's resources for present and future generations. The Company is focused on sustainability, both in its driving purpose as an investor in solar generation capacity, and also in the way the Company is managed. In addition to USF's sustainable fundamentals, the Company also seeks to conduct its business in a sustainable way, to ensure that its impact on the communities in which it operates is positive and that the risk of potential adverse impacts is reduced or removed entirely.

For more information on the Company's approach to Responsible Investment, please refer to the most recent Sustainability Report²².

REGULATORY ALIGNMENT AND DISCLOSURES

The Company recognises that the expanding ESG regulatory landscape means that its stakeholders require increasingly detailed information on the sustainability performance of investments. To support this, the Company has taken significant steps in recent years to align its disclosures with the Taskforce on Climate-related Financial Disclosures, the EU Sustainable Finance Disclosure Regulation (**SFDR**) and more recently, alignment with the EU Taxonomy Regulation criteria.

During the period, the UK Sustainability Disclosure Requirements (**SDR**) came into force on 31 May 2024. Whilst the rule does not directly apply to USF, as it is not an FCA-authorised firm, the Board has a strong commitment to clear and transparent disclosures for investors and, working with the Company's Investment Manager, will always aim to comply with the anti-greenwashing rule and the published guidance²³.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

The Company draws on the SDGs to demonstrate the positive environmental and social characteristics of its investments. This page highlights the primary SDGs that are supported by the Company's investments, alongside alignment of the full portfolio by fair value. Please refer to Section 1 of the Sustainability Report for more information on the Company's approach to SDG alignment.

AFFORDABLE AND CLEAN ENERGY

The 41 solar power projects in USF's portfolio have a combined capacity of 443 MWDC. These assets generated 365 GWh of renewable electricity in H1 2024, equivalent to powering 33,700 US homes. In addition the 234,500 tCO₂ avoided over this same period is equivalent to removing 55,800 US cars from the road.



DECENT WORK AND ECONOMIC GROWTH

Solar farms create employment opportunities throughout their lifecycle, from construction and installation to operation and maintenance. These projects stimulate economic growth by attracting investment, fostering innovation in the renewable energy sector, and supporting local businesses involved in supply chains.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Solar farms drive innovation in technology and infrastructure related to solar energy generation, such as photovoltaic cell efficiency, energy storage solutions, and smart grid technologies. They contribute to the development of sustainable infrastructure by expanding the renewable energy infrastructure and enhancing energy access and reliability.



CLIMATE ACTION

Solar farms play a crucial role in combating climate change by reducing reliance on fossil fuels and decreasing carbon emissions. By generating clean energy, they help to mitigate the impacts of climate change, such as extreme weather events, sea-level rise, and disruptions to ecosystems and communities. Solar energy also contributes to building climate resilience by diversifying energy sources and increasing energy security.



²² USF sustainability report: https://www.ussolarfund.co.uk/sites/default/files/45433_us_solar_fund_sr23.pdf
²³ <https://www.handbook.fca.org.uk/handbook/ESG/4/3.html>

The statistics show the positive contributions the Company's investments are making in support of the SDGs described above.

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Operating Solar Assets

443MW_{DC}

Total portfolio capacity

C.>1.3m

Solar panels generating emissions-free electricity

365GWh

Total electricity generation in H1 2024

33,700

US equivalent homes powered in H1 2024

55,800

Equivalent US cars removed from the road in H1 2024

234,500

tCO₂ avoided in H1 2024



Benson (Olympos Portfolio) 5.7ME_{DC}
(North Carolina)

RISK AND RISK MANAGEMENT

The Company is exposed to a broad range of events which have the potential to disrupt the Company's business model and/or adversely impact the Company's reputation, financial or operational performance. Utilising a well-developed risk management framework can mitigate the likelihood of occurrence and the impact of such events.

The Board is ultimately responsible for the oversight and effectiveness of the Company's system of internal controls and for setting the risk appetite of the Company. The Board defines the level and type of risk that the Company considers appropriate in accordance with the Company's investment objective and investment policy.

The Company's approach to risk and risk management is set out in the 2023 Annual Report and Financial Statements (pages 46-54), which provides an overview of the principal and emerging risks most relevant to the Company, and their mitigation.

On an ongoing basis, the Board and Investment Manager consider and review the risks to which the Company is exposed.

During the period, there have been no significant changes in the nature or assessment of the principal and emerging risks identified in the 2023 Annual Report. These risks will continue to be the principal risks and uncertainties relevant to the Company during the next six month period.

As noted within the 2023 Annual Report, the geopolitical environment (including the continued existence of major conflicts and territorial tensions) impacts global structures, relationships and the stability of financial markets. While this likely contributes to the ongoing trading discount of the Company shares, it has not directly impacted performance of the portfolio.

During the period, significant attention has been given to the mitigation of risks that do contribute to the performance of the portfolio – and specifically (i) the performance of operations and maintenance subcontractors and the internal processes in place to manage such performance (or underperformance) as the case may be and (ii) internal capabilities to more effectively identify and address performance issues – both through subcontractor management and data capture and analysis. Outcomes of this focus include (A) the replacement of certain subcontractors in connection with the Company's 2 California assets and the development of a broader replacement strategy to ensure optimal subcontracting arrangements and (B) ongoing investment in data capture and analysis tools to provides the Company's asset management team with direct data feeds from all the Company's assets providing granular project-level data to assist in the prompt identification of outages, proactive identification of performance issues within key project equipment, and monitoring of corrective maintenance work undertaken by subcontractors.

BOARD OF DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and policy and its investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the supervision and control of the Investment Manager. The Directors have delegated responsibility for managing the assets comprising the portfolio to the Investment Manager. Further information on the Board is provided at www.ussolarfund.co.uk.



GILL NOTT
NON-EXECUTIVE CHAIR

DATE OF APPOINTMENT:
February 15, 2019

BACKGROUND AND EXPERIENCE

Gill has spent the majority of her career working in the energy sector, including positions with BP. In 1994 she became CEO of ProShare, a not-for-profit organisation promoting financial education, savings and investment, and employee share ownership. She was a non-executive director of the Financial Services Authority from 1998 until 2004. Subsequently she has held numerous board roles, including being a non-executive director of Liverpool Victoria Friendly Society, a leading insurer, and deputy chair of the Association of Investment Companies. Mrs Nott has served as both a non-executive director and chair of a number of venture capital trusts and investment trusts. She is currently chair of Premier Miton Global Renewables Trust plc, PMGR Securities 2025 plc and Gresham House Renewable Energy VCT 1 plc.

ROLE:

Chair | Member of the Audit Committee, Remuneration and Nomination Committee and Management Engagement Committee



THOMAS PLAGEMANN
NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT:
June 29, 2020

BACKGROUND AND EXPERIENCE

Thomas has almost 30 years of experience originating and executing financings and investments in energy and infrastructure assets. Thomas previously served as the chief financial officer for PosiGen Inc., a New Orleans based residential solar and energy efficiency company focused on energy efficiency upgrades and installation of solar on homes in low-income communities. Prior to that, Mr Plagemann was the chief commercial officer at Vivint Solar, a leading residential solar business in the US and held senior positions at Santander Global Banking and Markets, First Solar and GE Capital. Thomas is an elected director on the board of the Solar Energy Industry Association, a non-profit trade association of the solar-energy industry in the US.

ROLE:

Chair of the Management Engagement Committee | Member of the Audit Committee and the Remuneration and Nomination Committee



JAMIE RICHARDS
NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT:
February 15, 2019

BACKGROUND AND EXPERIENCE

Jamie is a chartered accountant and has 30 years' experience in fund management, banking and corporate recovery with a focus on the infrastructure and solar sector. Jamie was previously a partner at Foresight Group having joined in 2000. Between 2007 and 2018 he had overall responsibility from inception for the group's infrastructure and solar business in the UK, Australia, Italy, Spain and the US. As a member of the investment committee, he oversaw more than 100 solar projects representing the group's approximately £1.5 billion solar portfolio at the time and led the IPO of Foresight Solar Fund Limited. Prior to Foresight, Jamie worked at PwC, Citibank and Macquarie.

ROLE:

Chair of the Audit Committee, Chair of the Remuneration and Nomination Committee | Member of the Management Engagement Committee



MARK LERDAL
NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT:
October 1, 2024

BACKGROUND AND EXPERIENCE

Mark will join the Company's Board on 1 October 2024. Mark is based in San Francisco, and is an experienced board director with over thirty years' experience in the energy and renewables sectors. He began his career working with developers, including as CEO of Kenetech, a large wind and alternative energy developer, constructor and operator. He has held several other senior renewables roles including Executive Chair at Leaf Clean Energy, a renewable energy and sustainable technology investment firm formerly listed on the AIM division of the London Stock Exchange. He has a number of board/advisory roles including an adviser to Adapture Renewables and a board member of BluePath Finance.

COMMITTEE MEMBERSHIP:

Each Director named above is or will be a member of the Audit, Remuneration and Nomination, and Management Engagement Committees.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Interim Report and financial statements in accordance with applicable law and regulations.

As a Company listed on the London Stock Exchange, US Solar Fund plc is subject to the FCA's Listing Rules and Disclosure and Transparency Rules, as well as to all applicable laws and regulations in England and Wales where it is registered.

The financial statements have been prepared in accordance with UK-adopted international accounting standards. Under the *UK Companies Act 2006*, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss for the period. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.


The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and are to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Interim Report and financial statements and the Directors confirm that they consider that, taken as a whole, the Interim Report and financial statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. In accordance with the FCA's Disclosure and Transparency Rules, the Directors confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole;
- the Interim Report and accounts include a fair view of important events that have occurred during the financial period; and
- the Interim Report and accounts include the related parties' transactions that have taken place in the financial period and that have materially affected the financial position or the performance of the enterprise during that period.

The Directors have acknowledged their responsibilities in relation to the financial statements for the period to 30 June 2024.

Signed by order of the Board,



GILL NOTT
CHAIR

27 September 2024

South Robeson (Granite Portfolio)
6.3MW_{DC} (North Carolina)



INDEPENDENT REVIEW REPORT TO US SOLAR FUND PLC

CONCLUSION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the Condensed Statement of Profit and Loss and Other Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.



DELOITTE LLP

Statutory Auditor
London, UK
27 September 2024

CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2024

	Notes	6 Months ended 30 June 2024			6 Months ended 30 June 2023		
		Revenue USD '000	Capital USD '000	Total USD '000	Revenue USD '000	Capital USD '000	Total USD '000
Net loss on investments at fair value through profit and loss	8	–	(6,812)	(6,812)	–	(35,273)	(35,273)
Dividends received		3,764	–	3,764	7,916	–	7,916
MSA fee income		2,069	–	2,069	2,436	–	2,436
Intercompany loan interest income		997	–	997	992	–	992
Interest income	4	–	–	–	8	–	8
Total income		6,830	(6,812)	18	11,352	(35,273)	(23,921)
Expenditure							
Administrative and other expenses	5	(2,053)	–	(2,053)	(2,555)	–	(2,555)
Operating profit/(loss) for the period		4,777	(6,812)	(2,035)	8,797	(35,273)	(26,476)
Loss on foreign exchange		–	(12)	(12)	–	(27)	(27)
Profit/(loss) before taxation		4,777	(6,824)	(2,047)	8,797	(35,300)	(26,503)
Taxation	6	–	–	–	–	–	–
Profit/(loss) and total comprehensive income for the period		4,777	(6,824)	(2,047)	8,797	(35,300)	(26,503)
Earnings per share (basic and diluted)							
– cents/share	7	1.45	(2.07)	(0.62)	2.65	(10.63)	(7.98)

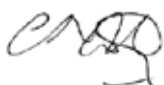
All items dealt with in arriving at the result for the period relate to continuing operations. There are no other sources of other comprehensive income, therefore no separate statement is presented.

The Total column of this statement represents the Company's profit and loss account. The financial statements have been prepared in accordance with UK-adopted international accounting standards. The supplementary revenue and capital columns are presented for information purposes, in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies, as further explained in Note 2.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 USD '000	31 December 2023 USD '000
Non-current assets			
Investment held at fair value	8	228,911	254,723
		228,911	254,723
Current assets			
Trade and other receivables	9	924	3,088
Cash and cash equivalents	8	3,346	1,554
		4,270	4,642
Total assets		233,181	259,365
Current liabilities			
Trade and other payables	10	1,055	1,135
Dividends payable	11	1,724	–
		2,779	1,135
Net current assets		1,491	3,507
Total net assets		230,402	258,230
Shareholders equity			
Share capital		3,322	3,322
Share premium		128,036	128,036
Capital reduction reserve		156,067	175,008
Capital reserve		(61,297)	(54,473)
Retained earnings		4,274	6,337
Total shareholders equity		230,402	258,230
Net asset value per share	12	0.75	0.78



GILL NOTT

CHAIR

27 September 2024

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024

	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2024	3,322	128,036	175,008	(54,473)	6,337	258,230
Dividends	–	–	–	–	(6,840)	(6,840)
Return of capital	–	–	(18,610)	–	–	(18,610)
Share transaction costs	–	–	(331)	–	–	(331)
Profit/(Loss) and total comprehensive income for the period	–	–	–	(6,824)	4,777	(2,047)
Balance at 30 June 2024	3,322	128,036	156,067	(61,297)	4,274	230,402

For the period ended 30 June 2023

	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2023	3,322	128,036	175,008	8,471	5,186	320,022
Dividends	–	–	–	–	(9,335)	(9,335)
Loss and total comprehensive income for the period	–	–	–	(35,300)	8,797	(26,503)
Balance at 30 June 2023	3,322	128,036	175,008	(26,829)	4,648	284,184

For the year ended 31 December 2023

	Share capital USD '000	Share premium USD '000	Capital reduction reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2023	3,322	128,036	175,008	8,471	5,186	320,022
Dividends	–	–	–	–	(18,736)	(18,736)
Profit/(Loss) and total comprehensive income for the year	–	–	–	(62,944)	19,888	(43,056)
Balance at 31 December 2023	3,322	128,036	175,008	(54,473)	6,337	258,230

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2024

	NOTES	1 January 2024 to 30 June 2024 USD '000	1 January 2023 to 30 June 2023 USD '000
Cash flows from operating activities			
Loss for the period		(2,047)	(26,503)
Adjustments for:			
Net loss on investments at fair value through profit and loss	8	6,812	35,273
Losses on foreign exchange		12	28
Operating cash flows before movements in working capital		4,777	8,797
Increase/(decrease) in trade and other receivables		2,165	(98)
Increase/(decrease) in trade and other payables		(81)	(181)
Net cash generated in operating activities		6,861	8,518
Cash flows used in investing activities			
Return of capital from investments	8	19,000	–
Net cash inflow from investing activities		19,000	–
Cash flows used in financing activities			
Cash paid on repurchase of shares		(18,941)	–
Dividends paid		(5,116)	(10,099)
Net cash outflow from financing activities		(24,057)	(10,099)
Net increase/(decrease) in cash and cash equivalents for the period		1,804	(1,581)
Effect of foreign exchange rate movements		(12)	(28)
Cash and cash equivalents at the beginning of the period		1,554	7,326
Cash and cash equivalents at the end of the period		3,346	5,718

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

1. GENERAL INFORMATION

US Solar Fund Plc (**the Company**) was incorporated as a Public Company, limited by shares, in England and Wales on 10 January 2019 with registered number 11761009. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF. Its share capital is denominated in US Dollars and currently consists of Ordinary Shares. The Company's principal activity is to invest in a diversified portfolio of Solar Power Assets located in North America and other countries forming part of the Organisation for Economic Co-operation and Development (**OECD**) in the Americas.

2. BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements have been prepared in compliance with UK adopted International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and using accounting policies consistent with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued by the Association of Investment Companies, (the **AIC SORP**) in July, 2022. The financial statements have been prepared on a historical cost basis except for the investment portfolio at fair value through the profit or loss. The accounting policies and methods of computation are the same as those applied in the Company's Annual financial statements and should be read in conjunction with the Company's Annual financial statements as at 31 December 2023.

A copy of the statutory accounts for the year ended 31 December 2023 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

In terms of the AIC SORP, the Company presents an Income Statement which shows amounts split between those which are revenue and capital in nature. The determination of the revenue or capital nature of a transaction is determined by giving consideration to the underlying elements of the transaction. Capital transactions are considered to be those arising as a result of the appreciation or depreciation in the value of assets, whether due to the retranslation of assets held in foreign currency or fair value movements on investments held at fair value through profit and loss. Revenue transactions are all transactions, other than those which have been identified as capital in nature.

FUNCTIONAL AND PRESENTATION CURRENCY

The currency of the primary economic environment in which the Company operates (the functional currency) is US Dollar which is also the presentation currency.

GOING CONCERN

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. In addition, note 10 to the Annual financial statements includes the policies and processes for managing its capital, its financial risk management, details of its financial instruments and its exposure to credit risk and liquidity risk.

The Company generated a loss after tax of \$2.0 million which included a fair value loss of \$6.8 million and operating cash inflows of \$6.9 million for the period. As at 30 June 2024, the Company is in a net current asset position of \$1.5 million and has available cash of \$3.3 million. As of the same date, the Company's subsidiary, USF Holding Corp., has available cash of \$2.1 million, which is available to meet the obligations of the Company. The Directors and the Investment Manager have so far been able to ensure the operational and trading integrity of the Company, and based on the aforementioned the Company appears to have sufficient cash resources to continue its operations for a period of at least 12 months from the date of approval of the accounts. As such the Directors believe that the Company will continue into the foreseeable future and have adopted the going concern basis of preparation in preparing these financial statements. In addition, the Company (through a wholly owned US subsidiary) had access to a \$20 million revolving credit facility with Fifth Third Bank National Association (**RCF**). The RCF provides liquidity for capital expenditures, working capital and general corporate purposes. With an undrawn balance of \$20 million as at 30 June 2024 as well as at the date of this report, the RCF provides additional liquidity for capital expenditures, working capital and general corporate purposes.

SEGMENTAL INFORMATION

The Board is of the opinion that the Company is engaged in a single segment business, being the investment in Solar Power Assets located in North America and other countries forming part of the Organisation for Economic Co-operation and Development in the Americas.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2024 to 30 June 2024

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS

APPLICATION OF NEW AND REVISED STANDARDS

The accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Company's Annual Report and Accounts for the year ended 31 December 2023. The adoption of new standards, interpretations and amendments in the current year has not had a material impact. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at 30 June 2024.

4. INTEREST INCOME

	1 January 2024 to 30 June 2024 USD '000	1 January 2023 to 30 June 2023 USD '000
Bank interest	–	8
	–	8

5. ADMINISTRATIVE AND OTHER EXPENSES

	1 January 2024 to 30 June 2024 USD '000	1 January 2023 to 30 June 2023 USD '000
Administrative fees	150	72
Director & officer insurance	43	45
Directors fees	135	130
Fees payable to the Company's auditor for the audit of the Company's financial statements	102	106
Fees payable to the Company's auditor for non-audit services ¹	22	28
Investment Management expenses	8	4
Investment Management fees	1,209	1,497
Legal and professional fees ²	193	445
Regulatory fees	6	6
Sundry expenses	185	222
	2,053	2,555

1. The non-audit services provided related to the review of the interim report as well as an agreed-upon procedures engagement.

2. Elevated levels in prior period due to one-off costs associated with the strategic review.

The Company has no employees and therefore no employee related costs have been incurred.

6. TAXATION

The Company is approved as an Investment Trust Company with effect as of 16 April 2019 and is subject to tax at the UK corporation tax rate of 19% up to 31 March 2023, after which the rate in corporation tax increased to 25% effective 1 April 2023. An Investment Trust Company can claim a corporation tax deduction for dividends designated as interest distributions that are derived from net interest income. Therefore, no UK corporation tax charge has been recognised by the Company for the period ended 30 June 2024.

	1 January 2024 to 30 June 2024 USD '000	1 January 2023 to 30 June 2023 USD '000
Tax charge in profit or loss:		
– UK corporation tax	–	–

7. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	1 January 2024 to 30 June 2024 USD '000	1 January 2023 to 30 June 2023 USD '000
Net loss attributable to ordinary shareholders	(2,047)	(26,503)
Weighted average number of Ordinary Shares for the period	329,649,467	332,192,361
Earnings per share – Basic and diluted (cents per share)	(0.62)	(7.98)

8. FINANCIAL INSTRUMENTS

8.1 FINANCIAL ASSETS

	30 June 2024 USD '000	31 December 2023 USD '000
Financial asset		
Financial assets at fair value through profit and loss:		
Investment in subsidiary	228,911	254,723
Financial assets at amortised cost:		
Cash at bank	3,346	1,554
Total financial assets	232,257	256,277

8.2 FINANCIAL LIABILITIES

	30 June 2024 USD '000	31 December 2023 USD '000
Financial liabilities		
Financial liabilities at amortised cost: Trade and other payables	1,055	1,135
Dividends payable	1,724	–
Total financial liabilities	2,779	1,135

At the balance sheet date, all financial assets and liabilities were measured at amortised cost except for the investment in subsidiary which is measured at fair value.

8.3 FAIR VALUE MEASUREMENT

The following table analyses within the fair value hierarchy the Company's assets measured at fair value at 30 June 2024. The fair value hierarchy to be applied under IFRS13 is as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000
Investment in subsidiary	–	–	228,911

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2024 to 30 June 2024

8. FINANCIAL INSTRUMENTS CONTINUED

8.3 FAIR VALUE MEASUREMENT CONTINUED

The following table analyses within the fair value hierarchy the Company's assets measured at fair value at 31 December 2023:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000
Investment in subsidiary	–	–	254,723

The investment at fair value through profit or loss is a Level 3 in the fair value hierarchy and the reconciliation in the movement of this Level 3 investment is presented below. No transfers between levels took place during the period.

	30 June 2024 USD '000	31 December 2023 USD '000
Opening balance	254,723	317,634
Less: Capital returned in the year	(19,000)	–
Total fair value movement through the profit or (loss)	(6,812)	(62,911)
Closing balance	228,911	254,723

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the guidelines of the Company's valuation policy, all assets held as at 30 June 2024 have been valued by an external valuation expert, as they are now fully operational.

VALUATION METHODOLOGY

VALUATION PROCESS

The NAV approved by the USF Board takes into account the overall valuations of portfolio assets assessed by the Independent Valuer on a semi-annual basis as at 30 June and 31 December. These valuations form part of the NAV calculation of the Company, which is subject to review/audit.

The Company engaged KPMG as the Independent Valuer to calculate the fair value of its assets. KPMG is one of the largest valuation firms in the US with significant experience in estimating the fair value of solar and other renewable energy assets. In line with USF policy, all of its operating assets were externally valued at 30 June 2024.

Based on the valuation range provided by the Independent Valuer, the Administrator, in conjunction with the Investment Manager, calculates the NAV and the NAV per Ordinary Share, and submits the same to the Board for its approval. The valuation has been calculated in accordance with Uniform Standards of Professional Appraisal Practice (**USPAP**) as applied to PV electricity generation systems in the US. Fair value for operational Solar Assets is derived from a discounted cash flow (**DCF**) methodology using pre-tax cash flows and a pre-tax discount rate. In a DCF analysis, the fair value of the Solar Power Asset is the present value of the asset's expected future cash flows, based on a range of operating assumptions for revenues and costs and an appropriate discount rate range.

The Independent Valuer has reviewed a range of sources in determining the fair market valuation of the Solar Assets, including but not limited to:

- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes;
- quality of cash flow forecasts in terms of operations;
- the level of gearing at each investment level; and
- capital asset price model outputs and implied risk premium over relevant risk-free rates.

A broad range of assumptions are used in valuation models. Where possible, assumptions are based on observable long-term historical market or market observations. The budgeted operational costs are based on technical data and the implicit financing costs for leveraged investments are based on market data. The Company also engages technical experts to provide long-term electricity price forecast which is a critical datapoint used to forecast revenues.

DISCOUNT RATES

Discount rates used in the valuation of the portfolio are derived from long term government bond yields, plus an investment specific risk premium, reflecting the risk of investing in that particular investment. Such premium is considered to implicitly include the market's assessment of the risk posed by climate factors. The discount rate also reflects the Independent Valuer's view of the transactional activity in the relevant market along with implied execution discount rates. As at 30 June 2024, the weighted average discount rate was 9.2% (December 2023: 8.8%). The discount rates are presented on a pre-tax basis.

8.4 SENSITIVITY ANALYSIS

Set out below are the initial indications of the key assumptions the Directors believe would have a material impact upon the fair value of the investments should they change. In the absence of an operating business model for each underlying renewable energy asset, the sensitivities have been conducted on the acquisition models of these assets. The following sensitivities assume the relevant input is changed over the entire useful life of each of the underlying renewable energy assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

The Directors consider the changes in inputs to be within a reasonable expected range based on their understanding of market transactions. This is not intended to imply that the likelihood of change or that possible changes in value would be restricted to this range.

Change in input	Change in NAV	Change in NAV per share	
		USD (M)	USD (cents)
Electricity production (change from P50)	P90	-31.77	-10.32
	P10	+32.18	+10.45
Discount rate	+1%	-25.29	-8.21
	-1%	+30.66	+9.96
Inflation rate	+1%	+26.66	+8.66
	-1%	-21.30	-6.92
Merchant period electricity prices	-10%	-22.74	-7.39
	+10%	+22.80	+7.41
Operating expenses	+10%	-18.64	-6.05
	-10%	+18.21	+5.92
Operating expenses inflation rate	+1%	-16.59	-5.39
	-1%	+14.11	+4.58
Operating life	- 3 years	-9.51	-3.09
	+ 3 years	+7.57	+2.46
Tax rate	+5%	-4.52	-1.47
	-5%	+4.47	+1.45

9. TRADE AND OTHER RECEIVABLES

	30 June 2024 USD '000	31 December 2023 USD '000
Amounts receivable from subsidiary	842	2,888
Prepayments	82	67
VAT receivable	—	133
	924	3,088

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2024 to 30 June 2024

10. TRADE AND OTHER PAYABLES

	30 June 2024 USD '000	31 December 2023 USD '000
Creditors and operating accruals	482	916
Investment management fee accrual	573	219
	1,055	1,135

11. SHARE CAPITAL

	Ordinary Shares Number 000	Treasury Shares Number '000	Share Capital USD '000	Share Premium USD '000	Capital Reduction Reserve USD '000	Total Share Capital Reserves USD '000
As at 31 December 2023	332,192	–	3,322	128,036	175,008	306,366
Return of capital	(24,359)	24,359	–	–	(18,610)	(18,610)
Share transaction costs	–	–	–	–	(331)	(331)
As at 30 June 2024	307,833	24,359	3,322	128,036	156,067	287,425

The Company has an authorised share capital of 500,000,000 Ordinary Shares.

On incorporation the Company issued one Ordinary Share of \$0.01 which was fully paid up.

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to cancel its share premium account. This was effected on 21 June 2019 by a transfer of the balance of \$194 million from the share premium account to the capital reduction reserve. The capital reduction reserve is classed as a distributable reserve and dividends to be paid by the Company are to be offset against this reserve.

On 3 May 2024 the Company announced the commencement Tender Offer to return up to \$19 million to shareholders. On 11 June 2024 the Company announced that following the results of the Tender Offer, 24,358,974 shares would be repurchased under the Tender offer, at a price of \$0.764 per share. These shares are held in Treasury.

In line with its target dividend, the Company declared a dividend of 0.56 cents per share, totalling \$1.7 million for the period ending 30 June 2024.

12. NET ASSET VALUE PER SHARE

Basic NAV per share is calculated by dividing the Company's net assets as shown in the statement of financial position that are attributable to the ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic, and diluted NAV per share are identical.

	30 June 2024 USD '000	31 December 2023 USD '000
Net assets per Statement of Financial Position	230,402	258,230
Ordinary Shares in issue as at period end	307,833	332,192
NAV per share – Basic and diluted	0.75	0.78

13. RESERVES

The nature and purpose of each of the reserves included within equity at 30 June 2024 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount. As at 30 June 2024 the share premium account has a balance of \$128.0 million (31 December 2023: \$128.0 million)
- Capital reduction reserve: represents a distributable reserve (which may be utilised in respect of dividend payouts) created following a court approved reduction in capital. As at 30 June 2024 the capital reduction reserve has a balance of \$156.1 million (31 December 2023: \$175.0 million)
- Capital reserve: represents cumulative net gains and losses, of a capital nature, recognised in the Statement of Profit and Loss and Other Comprehensive Income and associated tax allocations arising from the MSA fee income and interest distributions. As at 30 June 2024 the capital reserve reflects a profit of \$61.3 million (31 December 2023: \$54.5 million)
- Retained earnings represent cumulative net gains and losses, of an income nature, recognised in the Statement of Profit and Loss and Other Comprehensive Income and associated tax allocations arising from the MSA fee income and interest distributions. As at 30 June 2024, retained earnings reflects a profit of \$4.3 million (31 December 2023: \$6.3 million)
- During the year, the Company declared dividends totalling \$6.8 million (30 June 2023: \$9.3 million) of which \$5.1 million (30 June 2023: \$5.0 million) has been paid as at 30 June 2024. The Company declared a dividend of 1.54 cents per share in April 2024 and 0.56 cents per share in June 2024, totalling \$6.8 million during the period ending 30 June 2024

The only movements in these reserves during the year are disclosed in the statement of changes in equity.

14. TRANSACTIONS WITH RELATED PARTIES

The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

Details of related parties are set out below:

NON-EXECUTIVE DIRECTORS

Directors are paid fees of £44,100 per annum. In total, Gill Nott receives £68,040 per annum in respect of serving as Chair of the Board and Jamie Richards receives £55,125 per annum in respect of serving as Chair of the Audit Committee.

Total Directors’ fees of \$0.1 million were incurred in respect of the period (30 June 2023: \$0.1 million) with none being outstanding and payable at the period end.

SUBSIDIARY

The Company previously issued loans totalling \$43 million to its subsidiary USF Holding Corp. The principal portions of the loans are repayable in 7 years from issuance. The loans bear interest at rates of 5% and 4.1% respectively, payable semi-annually in arrears.

INVESTMENT MANAGER

The Investment Manager is entitled to management fees under the terms of the Investment Management Agreement. The Company shall pay to the Investment Manager an annual fee (exclusive of value added tax, which shall be added where applicable) payable quarterly in arrears calculated at the rate of:

Assets under management	Fee based on NAV
< \$500 million	1.0% per annum
\$500 million to \$1 billion	0.9% per annum
> \$1 billion	0.8% per annum

Based on the Net Asset Value on the last Business Day of the relevant quarter.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2024 to 30 June 2024

14. TRANSACTIONS WITH RELATED PARTIES CONTINUED

The Management Fee due in respect of each quarter shall be invoiced by the Manager to the Company as at the final Business Day of the relevant quarter, and shall be due and payable in the following manner:

- a) no later than 10 Business Days after the Payment Date, 90 percent of the Management Fee shall be paid to the Manager in cash to such bank account as the Manager may nominate for this purpose; and
- b) 10 percent of the Management Fee shall be paid to the Manager or an Associate (as directed by the Manager) in the form of Ordinary Shares in accordance with the provisions stated in the Investment Management Agreement.

For the avoidance of doubt, where there are C Shares in issue, the advisory fee will be charged on the Net Asset Value attributable to the Ordinary Shares and C Shares respectively.

A management fee of \$1.2 million was incurred during the period (30 June 2023: \$1.5 million), of which \$0.6 million remained payable at 30 June 2024 (30 June 2023: \$0.7 million).

In addition to the management fee, the Manager shall also be entitled to payment of the following:

- a) a fee for any successful arrangement of debt payable at a rate of 0.5% of the debt face value; and
- b) a fee for any oversight of asset construction services payable at market rates, negotiated on an arms' length basis and subject to the approval of the Board.

No debt arrangement fees and no asset construction services fees were paid during the period. As asset management fee of \$0.6 million was incurred during the period (30 June 2023: \$0.6 million) of which \$0.3 million remained payable at 30 June 2024 (30 June 2023: \$0.3 million)

15. CAPITAL COMMITMENTS

The Company had no contingencies and no other significant capital commitments at the reporting date.

16. POST BALANCE SHEET EVENTS

Other than those disclosed in this report, there were no events after the reporting date which require disclosure.

GLOSSARY

Including Alternative Performance Measures

AGM	The Company's Annual General Meeting
AIC	Association of Investment Companies
AIIA	The Company's Investment Manager, Amber Infrastructure Investment Advisor, LLC, a member of the Amber Infrastructure Group
Amber	Amber Infrastructure Group
Amber Infrastructure Group	Amber Infrastructure Group Holdings Limited and its subsidiaries
APMs	In accordance with ESMA Guidelines on Alternative Performance Measures (APMs) the Board has considered what APMs are included in the Interim Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Interim Report and financial statements are identified as non-GAAP measures and are defined within this glossary
Average NAV	Average of published NAVs for the relevant periods
Board	Board of Directors of the Company
Boyd Watterson	A real estate and fixed income investment manager headquartered in Cleveland. Strategic transaction announced with Amber Infrastructure in May 2024
Cash Dividend Cover	Non-GAAP measure. Cash dividend payments to investors covered by the net cash generation from the portfolio. This measure shows the sustainability of the cash dividend payments made by the Company. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
COD	Commercial Operations Date
Company	US Solar Fund plc (USF) or "the Group" when referring to the Company and its investment portfolio subsidiaries
Dividend paid	Non-GAAP measure. Represents dividends paid, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
Dividend per share	Non-GAAP measure. Represents dividends paid per Ordinary Share issued, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid and number of issued shares can be found disclosed in the financial statements and notes to the financial statements
ESG	Environmental, Social and Governance
EU Taxonomy	EU Taxonomy for Sustainable Activities
FCA	Financial Conduct Authority
GAV	Gross asset value. Calculated as NAV plus outstanding debt
Gearing	Non-GAAP measure. The face value of drawn debt as a percentage of the Gross Asset Value (GAV – calculated as NAV plus outstanding debt). This measure shows the portfolio's debt ratio. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements
IFRS	International Financial Reporting Standards
Investment Manager	Amber Infrastructure Investment Advisor, LLC, a member of the Amber Infrastructure Group appointed as the Company's Investment Manager on 1 December 2023. Prior to 1 December 2023, the Company was managed by New Energy Solar Manager, Pty Ltd
IOU	Investor-owned utility (a private company acting as a public utility)
IPO	The Company's initial public offering completed on 11 April 2019 made pursuant to a prospectus dated 26 February 2019
Hunt	Amber's long-term investor, US-based, Hunt Companies, Inc
LSE	London Stock Exchange

GLOSSARY CONTINUED

Including Alternative Performance Measures

MS2	Mount Signal 2 Project: a 200MW solar farm located in southern California. The Company sold its 50% interest in MS2 in June 2023
MSA	On 28 June 2019, the Company entered into a Management Services Agreement (MSA) with its subsidiary USF Holding Corp
NAV	Net Asset Value. Non-GAAP measure. Represents the equity attributable to equity holders of the parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Interim Report. Components of NAV are further discussed throughout the Interim Report, including from page 28
NAV per Share	Non-GAAP measure. This is a measure of Net Asset Value (or NAV) per Ordinary Share in the Company and is calculated as the NAV divided by the total number of shares in issue at the balance sheet date. Represents the equity attributable per share to equity holders of the parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Interim Report
NAV total return	Non-GAAP measure. This is a measure of Net Asset Value (or NAV) total return. NAV total return is based on dividends paid throughout the period and NAV movement since inception. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's NAV. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Operating Review, Investor Relations, Total Shareholder Return and NAV total return paragraph
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-operation and Development
Offtaker	Purchaser of electricity and/or RECs under a PPA and/or a REC Agreement (as defined in Part XI (Glossary of Terms) of the Prospectus)
Operational dividend cover	Non-GAAP measure. Operational dividend cover excludes certain components to reflect the coverage from operational revenue generation in the period. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
Ordinary Share	Ordinary Shares with a nominal value of \$0.01 each in the capital of the Company issued and designated as 'Ordinary Shares' of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles
Portfolio cash flows	Non-GAAP measure. Calculated as total project revenue after deducting project operating expenses, payments to tax equity and portfolio debt expenses as set out in the Operating Review: Financial Management section. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
PPA	Power purchase agreement (as defined in Part XI (Glossary of Terms) of the Prospectus)
Project revenue	Non-GAAP measure. Defined as revenue derived from the Company's portfolio, excluding proceeds from the sale of Mount Signal 2. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
Premium/(discount) to NAV	Non-GAAP measure. The percentage by which the closing share price on comparable dates exceeds/(falls short of) the NAV per share. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price
Prospectus	US Solar Fund Prospectus dated April 2021
QF	Qualifying facility, as defined under PURPA. QFs are a special class of generating facility defined by law and categorised as either a cogeneration facility or small power production facility
REC	Renewable energy certificate (as defined in Part XI (Glossary of Terms) of the Prospectus)
REC Agreement	An agreement to purchase RECs (as defined in Part XI (Glossary of Terms) of the Prospectus)
RNS	Regulatory news service
RPS	Portfolio standards — regulatory mandates to increase energy production from renewable sources other than fossil fuels and nuclear energy

SDGs	Sustainable Development Goals
SDR	The proposed UK Sustainability Disclosure Requirements
SEC	US Securities and Exchange Commission (SEC)
SFDR	The EU Sustainable Finance Disclosure Regulation
Solar Power Assets	Utility-scale solar power plants and associated infrastructure, which may include transmission and co-located or remotely located energy storage systems such as batteries (as defined in Part XI (Glossary of Terms) of the Prospectus)
Total dividend cover	Non-GAAP measure. Total dividend cover is calculated as net portfolio cash generation divided by dividends paid in the year, with an adjustment for items such as cash flow reserves carried forward from operating cash flows generated in prior periods. As this measure is presented on a portfolio basis, there is no near comparable in the financial statements. Dividends paid can be found disclosed in the financial statements and notes to the financial statements
TSR	Total Shareholder Return. Non-GAAP measure. Share price appreciation plus dividends assumed to be reinvested since IPO. The total return based on the NAV appreciation plus dividends paid since the IPO. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Operating Review, Investor Relations, Total Shareholder Return and NAV total return paragraph
Utility Scale Solar Power Plants	Large-scale grid connected solar power plants, being solar photovoltaic generation power plants with capacity of at least 1MW but typically in a range of 20MW to 200MW (as defined in Part XI (Glossary of Terms) of the Prospectus)

KEY CONTACTS

DIRECTORS

Gill Nott
Jamie Richards
Thomas Plagemann

INVESTMENT MANAGER

Amber Infrastructure Investment Advisor LLC
1330 Avenue of the Americas, New York, NY 10019

REGISTERED OFFICE

The Scalpel, 18th Floor
52 Lime Street, London, EC3M 7AF

**ADMINISTRATOR AND
COMPANY SECRETARY**

JTC (UK) Limited
The Scalpel, 18th Floor
52 Lime Street, London, EC3M 7AF

INDEPENDENT AUDITOR

Deloitte LLP
2 New Street Square, London, EC4A 3BZ

INDEPENDENT VALUER

KPMG LLP
Suite 1000,
620 South Tryon Street, Charlotte, North Carolina, 28202-1842

LEGAL ADVISER

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

CORPORATE BROKER

Cavendish Capital Markets Limited
One Bartholomew Close, London, EC1A 7BL

PUBLIC RELATIONS

Kaso Legg Communications
40 Queen Street London, EC4R 1DD

US Solar Fund PLC

The Scalpel,
18th Floor
52 Lime Street,
London
EC3M 7AF

www.ussolarfund.co.uk