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13 April 2021

US SOLAR FUND PLC (“USF”, the “Company”)

Initial Placing, Offer for Subscription, Intermediaries Offer and Placing Programme

The Board of US Solar Fund plc today announces a Placing Programme to be conducted over the next 12 months which includes an Initial Placing, Offer for Subscription and Intermediaries Offer of new Ordinary Shares (**Initial Issue**) which has launched today. A Prospectus relating to the Initial Issue and the Placing Programme will be published shortly.

Key Highlights of the Initial Issue

- The proceeds of the Initial Issue (**Initial Proceeds**) are expected to principally be used to fund two transactions which should benefit the Company by reducing gearing, enhancing dividend coverage, being NAV accretive and increasing the size and diversification of the portfolio and the Company:

    1. Approximately $82.5 million for the refinancing of the 177MW_{DC} Heelstone Portfolio for the Company, reducing the cost and quantum of gearing; and

    2. Approximately $22 million for the acquisition of a further 25% interest in Mount Signal 2, a 200MW_{DC} operating solar plant located in the Imperial Valley of Southern California (**MS2**), bringing the Company’s total ownership of the asset to 50%.

- The issue price per new Ordinary Share will be $1.00 (**Initial Issue Price**) which represents a discount of 4.3 per cent to the closing mid market share price of $1.045 as at 12 April 2021 and a premium of 3.1 per cent to the 31 December 2020 Net Asset Value of $0.97.

- New Ordinary Shares issued pursuant to the Initial Issue will be entitled to receive the interim dividend for the three months ended 31 March 2021 (**First 2021 Interim Dividend**). The Company expects to declare the First 2021 Interim Dividend in June 2021 for payment in July 2021.

- Cenkos Securities PLC (**Cenkos**) and Jefferies International Limited (**Jefferies**) are acting as Joint Global Co-Ordinators and Joint Bookrunners (**Joint Bookrunners**) for the Initial Issue and the Placing Programme. Cenkos is acting as Sole Sponsor.

Operational Highlights

- The Company confirms its 2021 annual cash-covered dividend target of 5.5 cents per Ordinary Share, within the timing set out at IPO.

- The Company has closed six transactions since its IPO, comprising a diverse portfolio of 42 assets with a total capacity of 493MW_{DC}.

- These solar projects are spread across four states in the US. All 42 assets have power purchase agreements (**PPAs**) for 100% of generation with nine investment-grade offtakers, and a weighted average PPA term remaining of 15.4 years, generating reliable long-term cashflows.

- 31 December 2020 NAV per share of $0.97. The Company will announce its Q1 2021 NAV in May 2021. The 31 March 2021 re-valuation is expected to mostly reflect movements in working capital from electricity sales and operating expenses, and the Investment Manager does not expect a significant change in the Company's NAV as a result.

- USF's portfolio performed 4% above weather-adjusted expectations during 2020. Based on preliminary operational data, the portfolio performed in line with weather-adjusted expectations during Q1 2021; with the Utah and Oregon plants performing particularly well, and continued improvement in North Carolina.

- The outlook for the US solar market has strengthened further and the Biden administration's commitment to clean energy provides a supportive policy outlook for renewable energy and an accelerating energy transition in the US. President Biden has released an outline of the "Build Back Better" plan that includes a $2 trillion investment towards deploying decarbonisation technologies within the economy, targeting a carbon-free power sector by 2035.

- Strong ESG credentials: USF's portfolio will displace the equivalent of over 679,000 tonnes of CO_2 emissions from fossil-fuel generation, equivalent to powering approximately 92,000 US homes, or removing 147,000 US cars from the road, every year. The Company promotes environmental and social characteristics and will make available to any investors the disclosure required pursuant to Article 8(1) of the EU Sustainable Finance Disclosure Regulation (**SFDR**). The Company has also qualified for the LSE Green Economy Mark.

Unless otherwise defined, the terms used in this announcement shall have the same meaning as set out in the Prospectus.

Gill Nott, Chair of US Solar Fund said:

"US Solar Fund has now delivered on our IPO objectives. As we step up to our target 5.5% dividend we are today asking investors for funds to reduce borrowing costs by refinancing existing debt, and build on our existing stake in California's Mount Signal 2 solar plant.

With a President deeply committed to fiscal policy backing climate change pledges, the United States is now on a clear path to a fully carbon-free transition within 14 years. Delivering on bold and welcome plans in this short time means an urgent need to develop further utility scale solar.

The US remains one of the world's most attractive investment markets for solar power production, with well-established policy frameworks and long-term power purchase agreements. These provide power price certainty for our investment grade corporate offtakers, and reliable cashflows for our investors."

The Initial Issue

The Initial Placing and Offer for Subscription is being conducted in accordance with the terms and conditions to be set out in the Prospectus due to be published shortly. The Initial Issue Price will be $1.00. Participants in the Initial Issue may also elect to subscribe for Ordinary Shares in Sterling at a price per Ordinary Share equal to the Initial Issue Price at the Relevant Sterling Exchange Rate. The Relevant Sterling Exchange Rate and the Sterling equivalent issue price are not known as at the date of this announcement and will be notified by the Company through an RIS announcement prior to Initial Admission.

The Offer for Subscription is being made in the UK only. The public generally (unless they are located or resident outside the UK) may apply for new Ordinary Shares through the Offer for Subscription. The Intermediaries Offer will open on 13 April 2021. Retail investors in the United Kingdom may be eligible to apply for Ordinary Shares through the Intermediaries Offer by following the application procedures of the relevant Intermediary. The Intermediaries Offer is being made to retail investors in the UK only.

In the event that an amount greater than $105 million is raised, the Company and the Investment Manager may elect to allocate more capital to the Heelstone Portfolio refinancing or may elect to invest in one or more additional Solar Power Assets in accordance with the Investment Policy.

In the event that either: a) an amount less than $105 million is raised; or b) either the full refinancing, or the completion of Tranche Two of MS2, is not possible for any reason, the Company and the Investment Manager may determine to undertake a smaller refinancing and/or to use the balance of the Net Initial Proceeds, if any, for acquisitions of Solar Power Assets in accordance with Investment Policy.

The Initial Issue is not underwritten.

Benefits of the Initial Issue

The Board believes that proceeding with the Initial Issue will have the following benefits:

- Provides the Company with the funds to refinance the Heelstone Portfolio; reducing overall gearing for the Company, reducing sensitivity to changes in key assumptions including long-term power prices, and enhancing dividend coverage;
- Allows the Company to invest further capital in the Company's identified pipeline opportunities (including Tranche Two of MS2); further diversifying the Company’s portfolio; and
- Increases the size of the Company; enhancing the efficiency of fixed running costs and reducing the total expense ratio, making the Company more attractive to a wider base of investors and improving market liquidity in the Ordinary Shares.

The Heelstone Refinancing

In January 2020, the Company announced the successful acquisition of a 177MW_{DC} operating portfolio from a subsidiary of Heelstone Renewable Energy, LLC (**Heelstone Portfolio**). The existing capital structure includes approximately $148 million of project level debt, an amount larger than is typical for this portfolio with a portion being supported by post-PPA merchant cashflows. The level of gearing, debt structure, and the interest rate environment at the time the debt facilities were established, mean that the cost of this debt is approximately 3.5% higher than the cost of debt the Company expects it could achieve by refinancing with a smaller facility. The Company has engaged with project finance partners and has received proposals to refinance the existing project level debt to reduce the level of gearing (thereby reducing risk to equity cashflows), significantly reduce interest costs, and improve levered cash yields; while maintaining overall returns from the portfolio.

Illustrative use of proceeds for the refinancing

USD in millions	Refinance Portfolio (Status Quo)	Illustrative Refinancing	Pro Forma Capitalisation
The Company’s Equity	40.9	82.5	123.4
Existing Debt	147.6	(147.6)	-
New Debt	-	65.1	65.1
Total	188.5	-	188.5

USD in millions	*Existing Debt*	*Pro-Forma*	*Delta*
Principal	147.6	65.1	**(82.5)**
Interest Rate **(Indicative)**	6.25%	c. 2.75%	**(3.5%)**

Tranche Two of the MS2 Transaction

On 29 March 2021 the Company acquired 25% of MS2 with an option to acquire a further 25%. Tranche Two comprises an option for the Company to acquire a further 25% interest for $22 million subject to a performance-based adjustment mechanism which can adjust the price upwards or downwards by up to $1 million. The Company may exercise the Tranche Two option for up to 12 months from Tranche One completion, with Tranche Two completion subject to the same customary third party consents as Tranche One.

MS2 is a 200MW_{DC} operating solar plant located in the Imperial Valley of Southern California. MS2 has a 20-year PPA with Southern California Edison, that commenced in June 2020. Under the PPA, 100% of the electricity generated by MS2 is sold to Southern California Edison (**SCE**) at a fixed price, escalating each year by an agreed percentage. SCE, a subsidiary of Edison International, serves a population of more than 15 million people and is the primary electricity provider for central, southern and coastal California.

Including Tranche Two of MS2, the Company's portfolio would grow to 543MW_{DC}, further increasing the overall size of the portfolio as well as the percentage of assets in California. California has been a small share of the total portfolio to date, and this improves diversification by geography.

Further pipeline

The Investment Manager continues to see strong demand within the US utility-scale solar market, largely driven by utilities announcing more solar procurement targets in their integrated resource plans, backing aggressive state renewable targets. Wood Mackenzie has forecasted 87GW_{DC} of utility-scale solar to come online between 2021 to 2025. With this dynamic, the Investment Manager intends to continue to participate in competitive processes and bilateral or relationship-based processes to build an attractive portfolio of assets. As of 31 March 2021, the Investment Manager's pipeline included 3.0GW_{DC} of high quality assets with an aggregate value of approximately $2.9 billion in cash equity and a weighted-average PPA term remaining of 15 years. Approximately two-thirds of the pipeline, representing $1.9 billion in cash equity, represent near-term investment opportunities with transaction timelines concluding during calendar year 2021.

The Placing Programme

Following completion of the Initial Issue, the Directors may, at their sole and absolute discretion, elect to carry out one or more Subsequent Placings under the Placing Programme, should the Board determine that market conditions are appropriate. In using their discretion under the Placing Programme, the Directors may take into account the investment opportunities available to the Company, the Company's capital structure and the Company's current share price rating relative to its NAV.

Application for admission

Application will be made to the Financial Conduct Authority and London Stock Exchange plc for the new Ordinary Shares to be issued pursuant to the Initial Issue to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective, and dealings commence in respect of the new Ordinary Shares, at 8.00 a.m. on 11 May 2021.

Expected Timetable

Event	Date
Initial Issue	
Commencement of the Initial Issue	13 April 2021
Latest time and date for applications under the Offer for Subscription and the Intermediaries Offer	1 pm on 5 May 2021
Latest time and date for placing commitments under the Initial Placing	3 pm on 6 May 2021
Publication of results of the Initial Issue	7 May 2021
Initial Admission and dealings in Ordinary Shares commence	8 am on 11 May 2021
CREST Accounts credited with uncertificated Ordinary Shares	as soon as practicable after 8 am on 11 May 2021

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Each of the times and dates set out above and mentioned elsewhere in this Announcement may be amended by the Company, in which event details of the new times and dates will be announced via a Regulatory Information Service. References to a time of day are to London time.

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About US Solar Fund plc
US Solar Fund plc listed on the premium segment of the London Stock Exchange in April 2019, following its successful $200m IPO. 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.

The Company acquires or constructs, owns and operates solar power assets that are expected to have an asset life of at least 30 years and generate stable and uncorrelated cashflows by selling electricity to creditworthy offtakers under long-term power purchase agreements (or PPAs).

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

About the Investment Manager
USF is managed by New Energy Solar Manager (**NESM**). NESM also manages New Energy Solar, an Australian Securities Exchange (**ASX**)-listed fund. NESM manages over US$1.4bn of invested capital across US and Australian solar plants.

NESM is owned by E&P Funds, the funds management division of E&P Financial Group, an ASX listed company (**ASX: EP1**) with over A$20 billion of funds under advice.

IMPORTANT NOTICES

This communication is only addressed to, and directed at, persons in the United Kingdom who are "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation (**Qualified Investors**). For the purposes of this provision, the expression "**UK Prospectus Regulation**" means the UK version of the EU Prospectus Regulation (2017/1129/EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. In the United Kingdom, this communication is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments who fall within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**Order**), or (ii) who are high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Any investment or investment activity to which this communication relates is available only to and will only be engaged in with such persons. This communication must not be acted on or relied on in the United Kingdom, by persons who are not Qualified Investors.

This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the prospectus to be published by the Company in due course in connection with the admission of the shares in the capital of the Company to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities (**Prospectus**). Copies of the Prospectus will, following publication, be available from the Company's website.

This announcement is not an offer to sell or a solicitation of any offer to buy the securities of the Company (such securities being the **Securities**) in the United States, Australia, Canada, Japan, South Africa or in any other jurisdiction where such offer or sale would be unlawful.

The Company has not been and will not be registered under the US Investment Company Act of 1940 (**Investment Company Act**) and, as such, holders of the Securities will not be entitled to the benefits of the Investment Company Act. No offer, sale, resale, pledge, delivery, distribution or transfer of the Securities may be made except under circumstances that will not result in the Company being required to register as an investment company under the Investment Company Act. The Securities have not been and will not be registered under the US Securities Act of 1933 (**Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, distributed or transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US persons as defined in Regulation S under the Securities Act (**US Persons**) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. No public offering of the Securities is being made in the United States.

Nothing in this announcement constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient.

The information and opinions contained in this announcement are provided as at the date of the document and are subject to change and no representation or warranty, express or implied, is or will be made in relation to the accuracy or completeness of the information contained herein and no responsibility, obligation or liability or duty (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by the Company, the Investment Manager, the Joint Bookrunners or any of their affiliates or by any of their respective officers, employees or agents in relation to it. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this announcement or on its completeness, accuracy or fairness. The document has not been approved by any competent regulatory or supervisory authority.

Potential investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment. Results can be positively or negatively affected by market conditions beyond the control of the Company or any other person. The returns set out in the Prospectus and in this announcement are targets only. There is no guarantee that any returns set out in the Prospectus and in this announcement can be achieved or can be continued if achieved, nor that the Company will make any distributions whatsoever. There may be other additional risks, uncertainties and factors that could cause the returns generated by the Company to be materially lower than the returns set out in this announcement. Past performance cannot be relied on as a guide to future performance.

The information in this announcement may include forward-looking statements, which are based on the current expectations and projections about future events and in certain cases can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "believe" (or the negatives thereon) or other variations thereon or comparable terminology. These forward-looking statements, as well as those included in any related materials, are subject to risks, uncertainties and assumptions about the Company, including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur.

Each of the Company, the Investment Manager and the Joint Bookrunners and their affiliates and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this announcement and any errors therein or omissions therefrom.

No representation or warranty is given to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any. Any views contained herein are based on financial, economic, market and other conditions prevailing as at the date of this announcement. The information contained in this announcement will not be updated.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: the FCA's PROD3 Rules on product governance within the FCA Handbook (**FCA PROD3 Rules**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the FCA PROD3 Rules) may otherwise have with respect thereto, the Ordinary Shares the subject of the Offer have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in FCA Glossary; and (ii) eligible for distribution through all distribution channels as are permitted by PROD3 (**Target Market Assessment**). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA PROD3 Rules; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.