

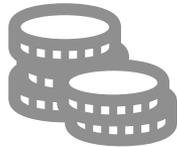
bluefield

SOLAR INCOME FUND
RESULTS FOR THE YEAR ENDED 30 JUNE 2019

CONFIDENTIAL

BLUEFIELD SOLAR INCOME

Record performance laying the foundations for future growth



Record Earnings and highest ever dividend



Valuation climbs to highest level



Development in the subsidy free market

BLUEFIELD SOLAR INCOME – FINANCIAL HIGHLIGHTS

Exceptional Annual Earnings and NAV building on six years of value creation¹

EARNINGS

Underlying EPS
(pre amortisation of debt)

11.01p

(FY 17/18: 9.67p)

Covered dividend

8.31pps

(On target of 7.68p, includes additional dividend of 0.63pps)

VALUE

Net Asset Value (NAV)

£436.4m

(FY 17/18: £419.0m)

NAV per share

117.98p

(FY 17/18: 113.28p)

RETURNS

Total return

19.12%

(FY 17/18: 11.68%)

Total shareholder returns since IPO^{2,3}

73.48%

(FTSE 100 total return: 43.2%)

BSIF – 2018/19 ANNUAL RESULTS HIGHLIGHTS

Excellent performance in the financial year¹

	FY 2018/19	FY 2017/18	FY 2016/17
Total underlying earnings	11.01	9.67	8.32
Debt amortisation	(2.40)	(2.24)	(1.06)
Reserves brought forward	0.30	0.30	0.30
Total funds available for distribution	8.91	7.73	7.55
Dividend distribution ²	(8.31)	(7.43)	(7.25)
Reserves carried forward	0.60	0.30	0.30
Net asset value	118.0	113.3	110.5

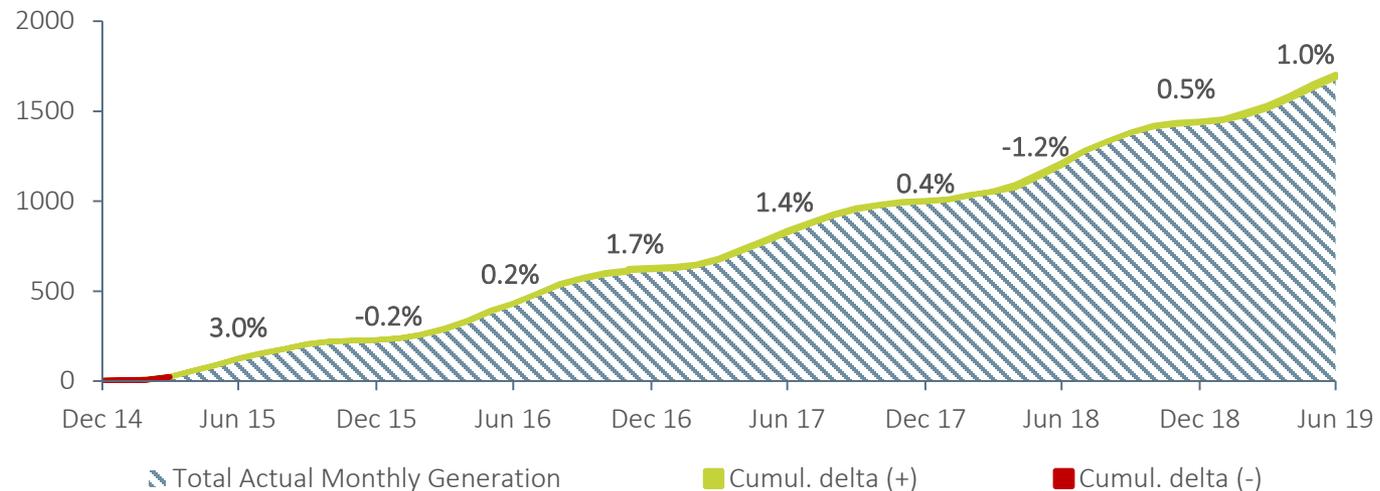
OPERATIONAL PERFORMANCE

Generation outperformance captures good irradiation

Operational performance (%) compared to forecast in each year¹

	FY 2018/19	FY 2017/18	FY 2016/17
Irradiation	+6.6	- 0.9	- 0.3
Operational	+0.9	+ 0.7	+ 2.6
Generation	+7.5	- 0.1	+ 2.3
Revenue	+13.6	+3.6	+ 3.5

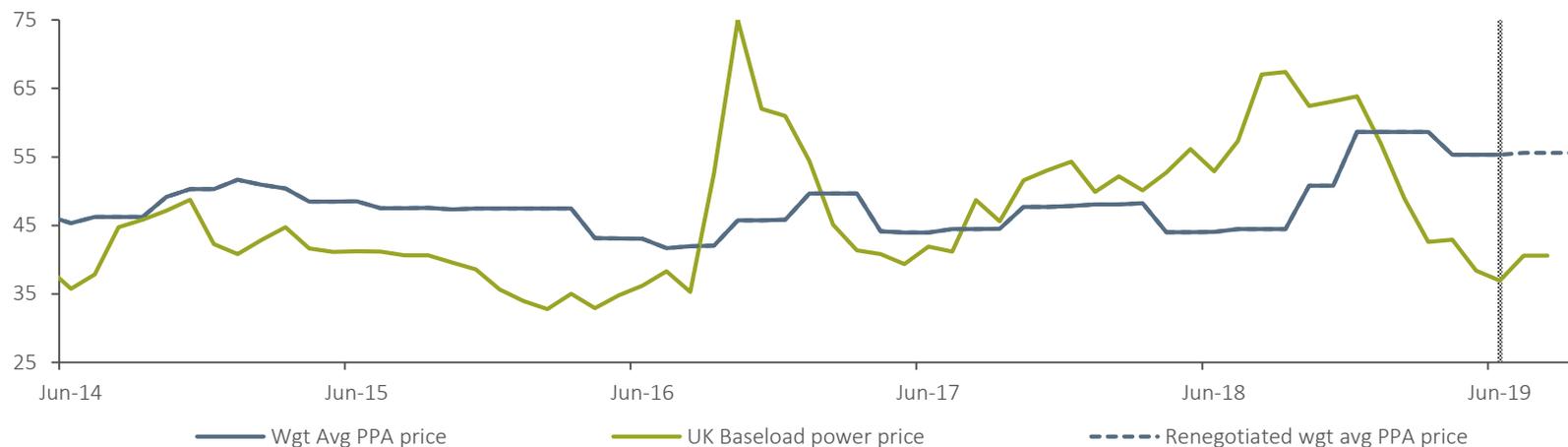
Historic cumulative generation vs budget (GWh)²



HIGHER POWER PRICES TO BOOST TOP LINE REVENUE

25% increase in weighted average power contract price

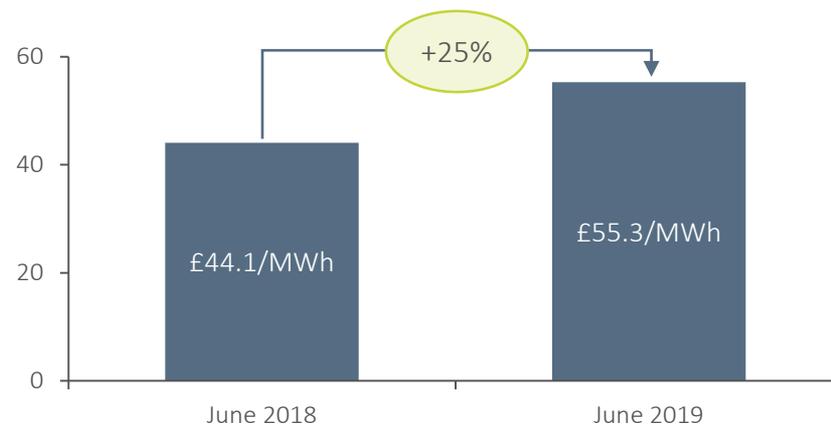
BSIF's average PPA price and UK power price (£/MWh)¹



BSIF portfolio power price

Weighted average fixed power price

- **+£11.2/MWh** since June 2018



SOLAR PV: REVENUE GENERATION

Converting irradiance to portfolio income

Power Generation Process

Solar irradiation

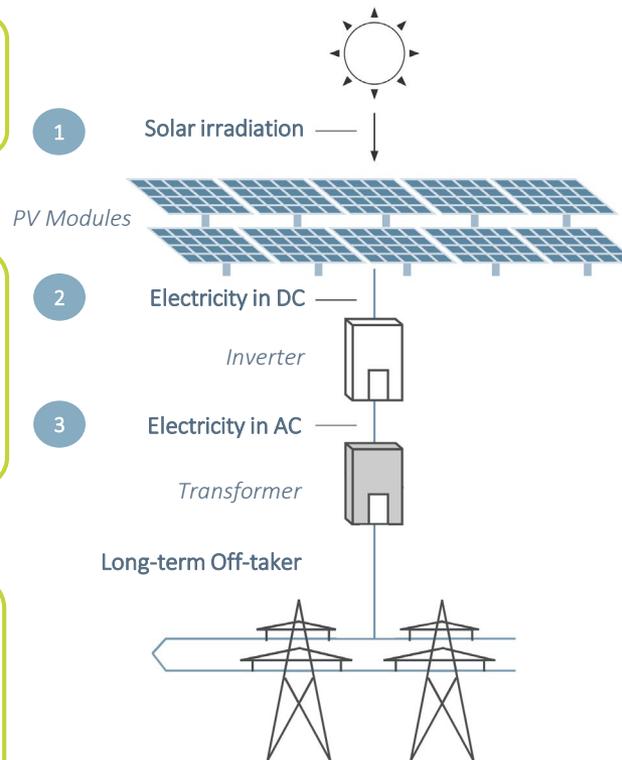
- Expected variability +/- 7% based on 90% confidence interval

Plant performance

- Warranted by contractor
- Expectations set by lenders technical advisor based on analysis of plant design and expected losses

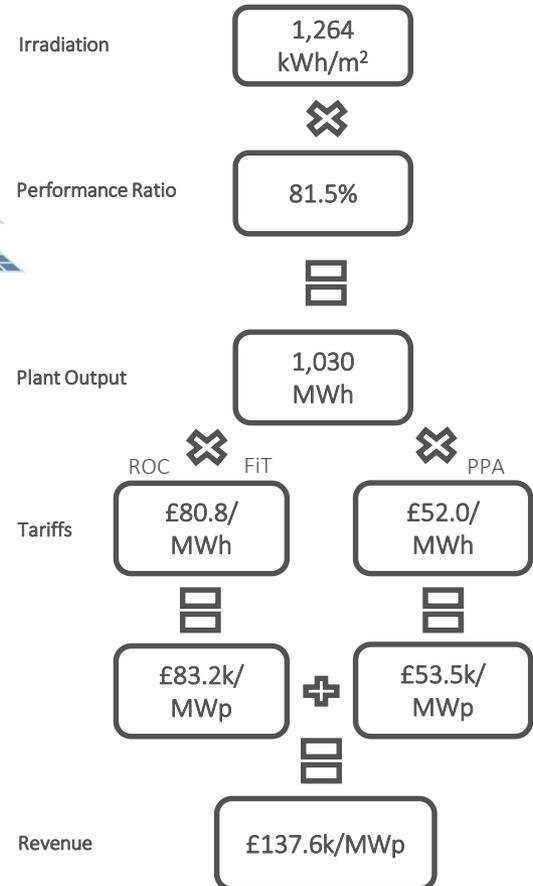
Output

- Power revenues based on PPAs fixed contracts
- ROC/FiT tariffs fixed on commissioning for 20-25 years



Revenue Generation Process

FY 2018/19 per MWp¹



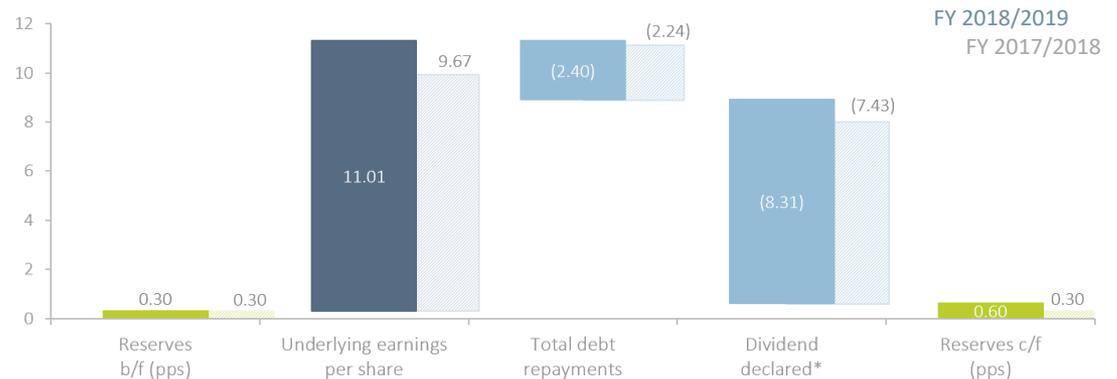
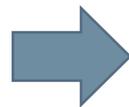
CONSOLIDATED PORTFOLIO EARNINGS

Higher revenue and stable costs boost portfolio's bottom line

	Year to 30 June 2019 (£m) ¹	Year to 30 June 2018 (£m) ¹	June 2019 commentary
Portfolio Income	64.4	57.9	PPA revenue of £24.9m, regulated revenue of £38.7m & other revenue of £0.8m
Portfolio and project finance interest costs	(13.7)	(13.6)	Including £0.6m interest payments for Project Durrants
Total Portfolio Income Earned	50.7	44.3	
Group Operating Costs	(5.4)	(4.3)	Ongoing charges: FY19 1.07% (FY18: 1.04%)
Group Third Party Interest Costs	(4.6)	(4.2)	Interest on Aviva long-term & RCF financing
Underlying Earnings	40.7	35.8	

Earnings & dividend flows: FY 2018/19 vs FY 2017/18 (pps)¹

Underlying earnings of £40.7m
 =
 11.01 pps
 +
 FY17/18 Reserves of 0.30 pps
 =
11.31 pps



BSIF VALUATION PARAMETERS

At £1.30m/MWp BSIF remains in-line with secondary market transactions

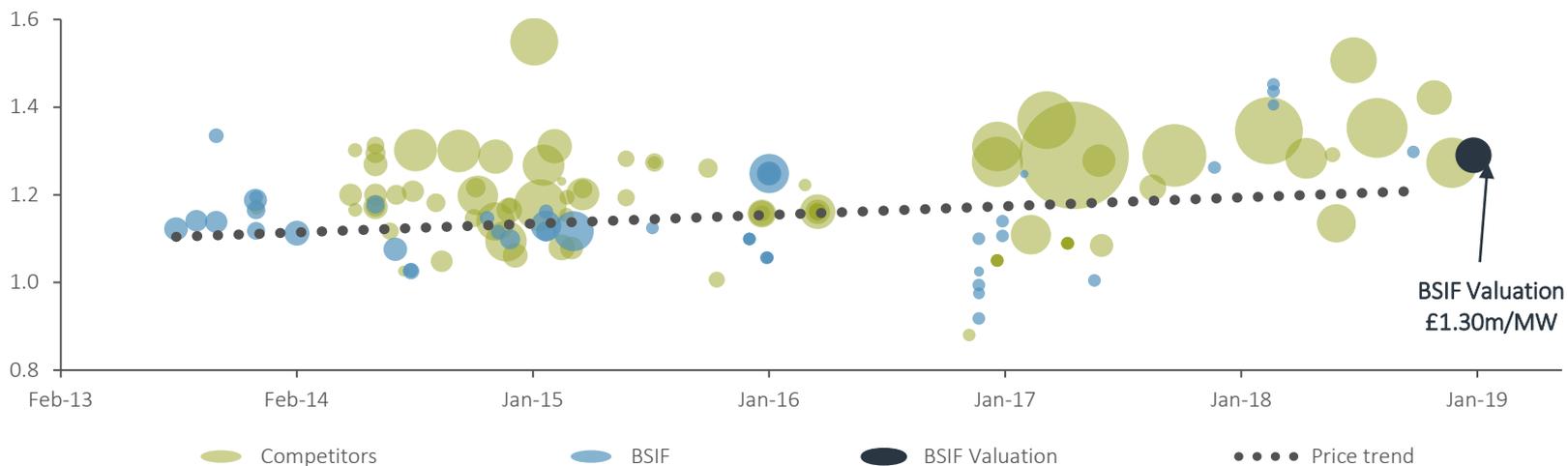
Commentary^{1,2}

- Valuation underpinned by:
 - ✓ The typical pricing of secondary purchases remaining between £1.27m/MWp and £1.35m/MWp
 - ✓ Inflation of 3.0% to June 2024, 2.75% thereafter
 - ✓ Weighted average life of portfolio 24.2yrs (Jun 18; 21.7yrs)
 - ✓ Discount rate of **7.18%** (7.26% 30 June 2018)

Valuation and key parameters¹

Component	June 2019	June 2018
MWp	465.3	460.3
Portfolio EV (£)	605.2	592.5
£m/MWp	1.30	1.29
Leverage (% GAV)	33	34
Discount rate (%)	7.18	7.26

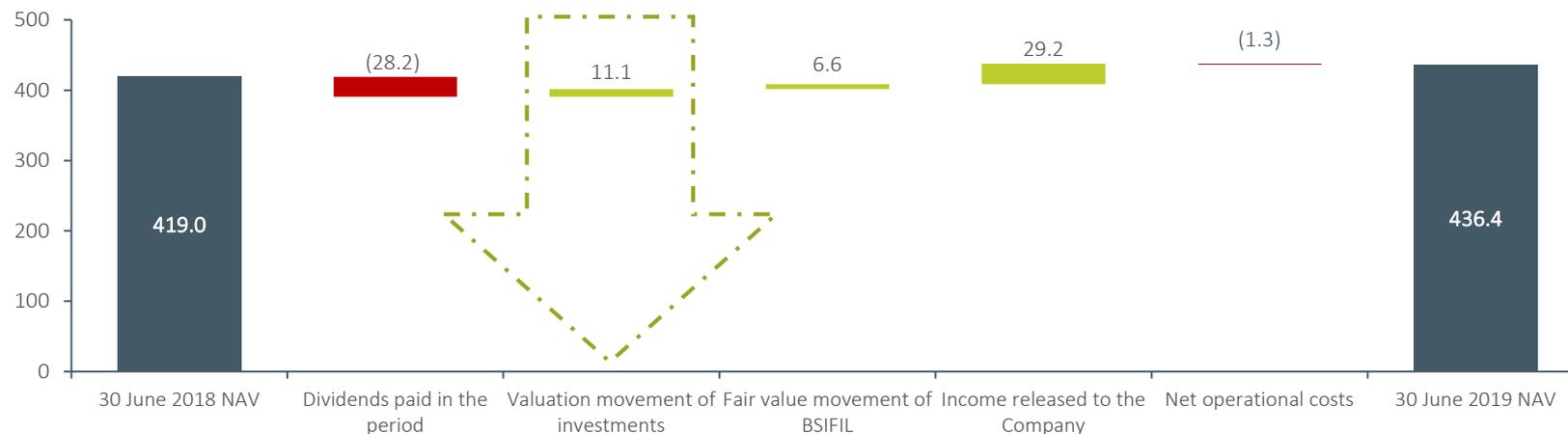
UK solar market pricing (£m/MW)²



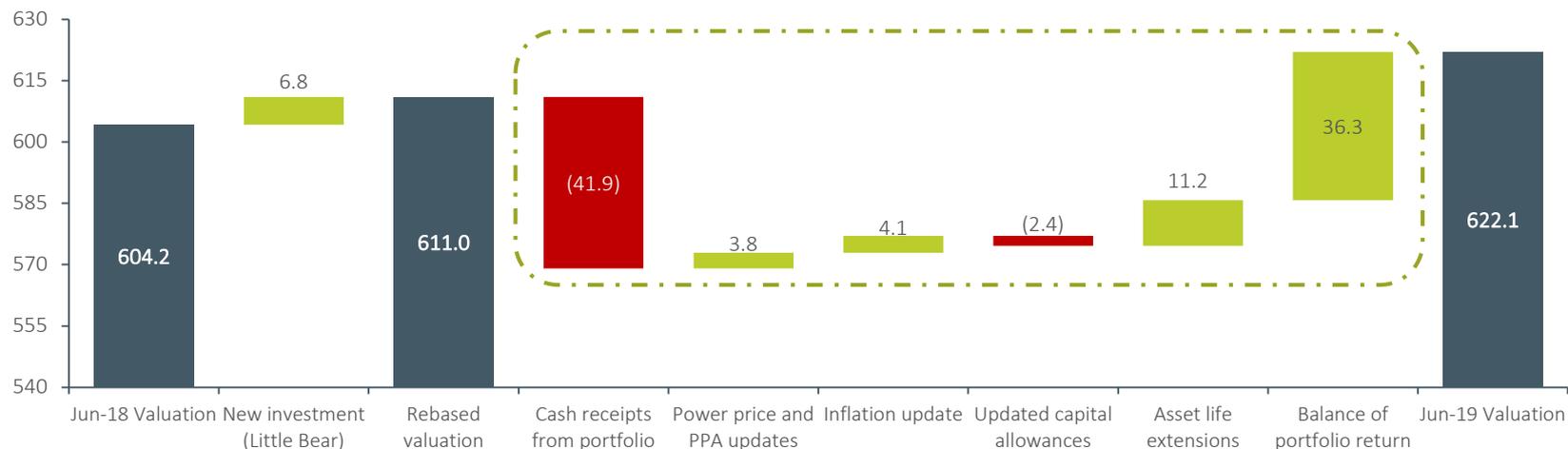
NAV CONSISTENT WITH MARKET PRICE OF £1.30m/MW

Asset life extension brings additional value compared with June 2018

NAV Movement in Period (£m)¹



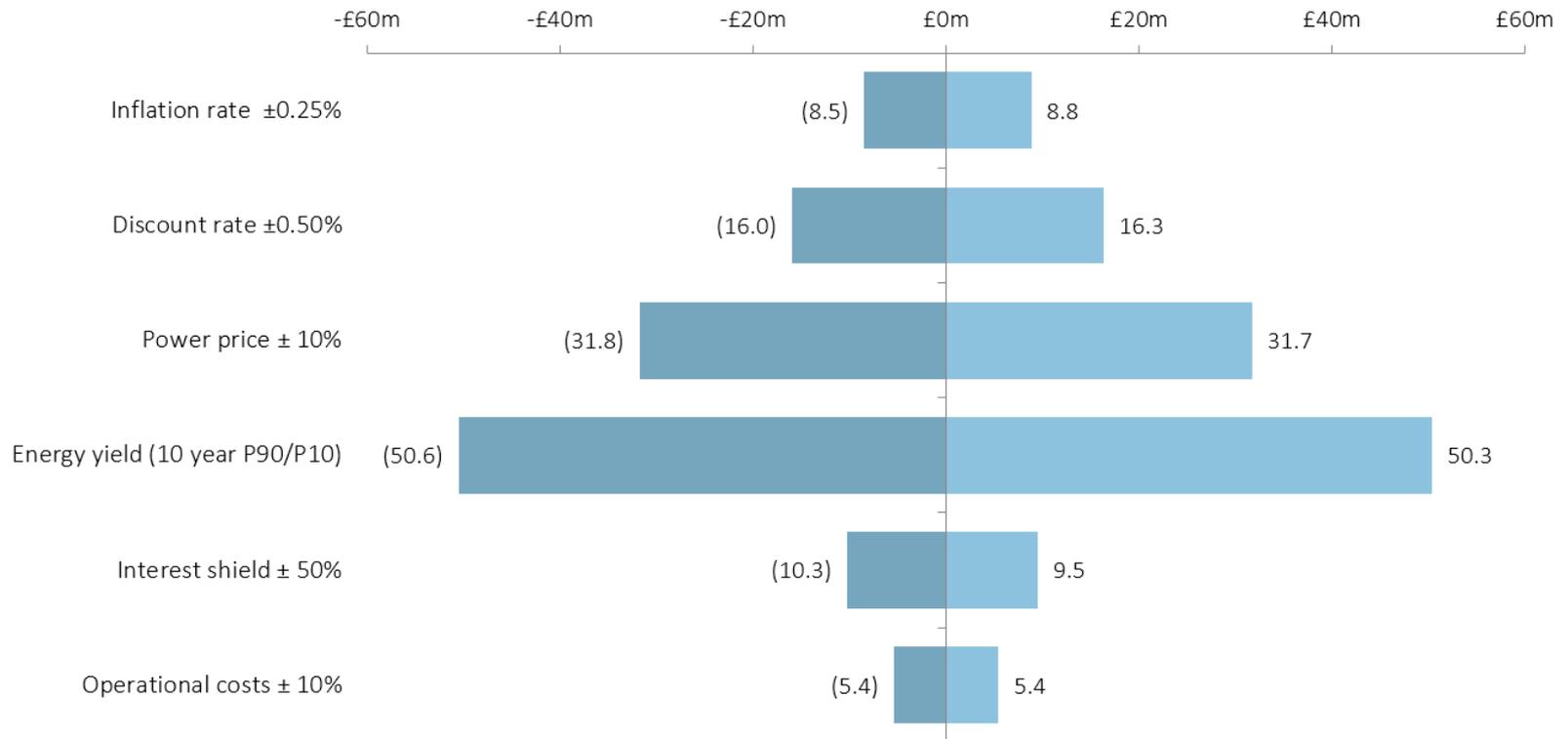
Portfolio Valuation Movement in Period (£m)¹



SENSITIVITY ANALYSIS

BSIF valuation remains robust against fluctuations of key parameters

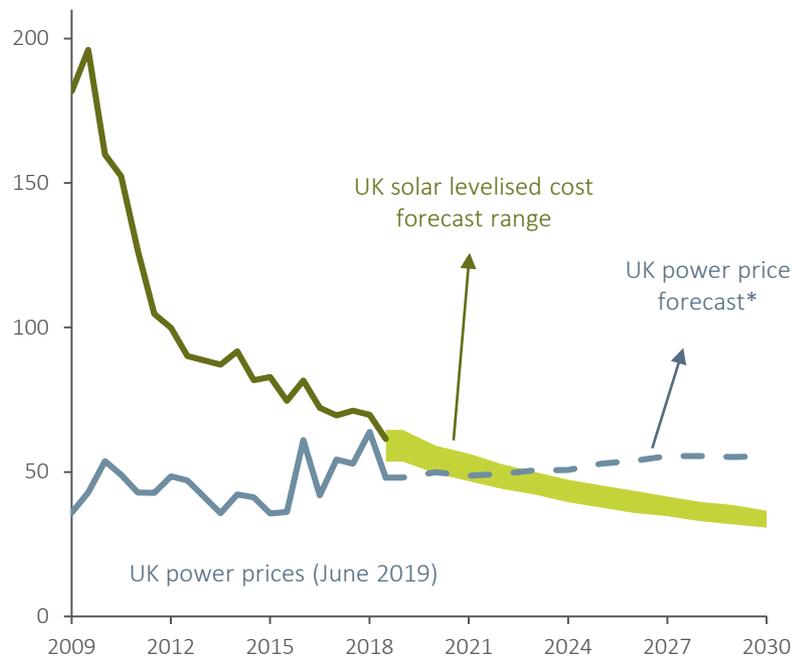
Directors' Valuation¹: **£622.1m**



UNSUBSIDISED RENEWABLE ENERGY IN THE UK

Lower costs of producing electricity expected to drive next wave of solar PV

UK solar LCOE vs power prices (£/MWh)^{1,2,4}



Early stage development pipeline in the UK (GW)³



ENVIRONMENTALLY AND SOCIALLY CONSCIOUS COMPANY

ESG activities are central to BSIF and further initiatives are expected

Environmental impact¹:

BSIF delivered carbon savings of

162,320 tonnes CO₂e

this year



Equivalent to powering

150,097 homes

with renewable energy



Current and forthcoming ESG initiatives

- **Enhancing biodiversity:** seeded wildflowers, created ‘bug hotels’, introduced beehives and installed bat, owl and bird boxes at our solar farms
- **Sheep grazing:** several of our projects provide an environment for sheep grazing
- **Guernsey Green Fund** status – the first Guernsey domiciled London listed investment fund to achieve this status²
- **Future initiatives planned** including committing to the UN Principles of Responsible Investing³



Beehive at Bunns Hill

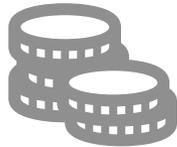


Bug hotel at Pashley



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