



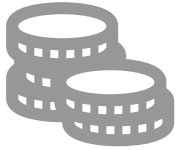
SOLAR INCOME FUND

INTERIM RESULTS FOR THE PERIOD ENDED DECEMBER 2019

CONFIDENTIAL

BLUEFIELD SOLAR INCOME

Three areas of focus



Earnings: Record earnings at the half year point¹



Valuation: Climbs to highest level¹



Analysis: Power forecasts and discount rates

BSIF – 2019/20 INTERIM RESULTS HIGHLIGHTS

Record Earnings

Earnings and dividends (pps)¹

	H1 FY 2019/20	H1 FY 2018/19	FY 2018/19	FY 2017/18
Total underlying earnings	5.59	4.86	11.01	9.67
Debt amortisation	-2.17	-2.09	-2.40	-2.24
Reserves brought forward	0.60	0.30	0.30	0.30
Total funds available for distribution	4.02	3.07	8.91	7.73
Dividend distribution ²	-1.95	-1.90	-8.31	-7.43
Reserves carried forward	2.07	1.17	0.60	0.30

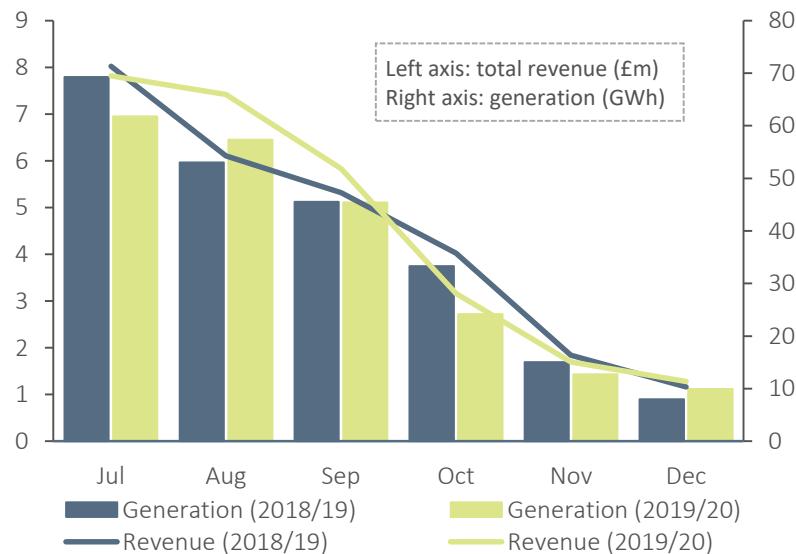
OPERATIONAL PERFORMANCE

H1 FY19/20 delivers solid revenue increase vs forecast

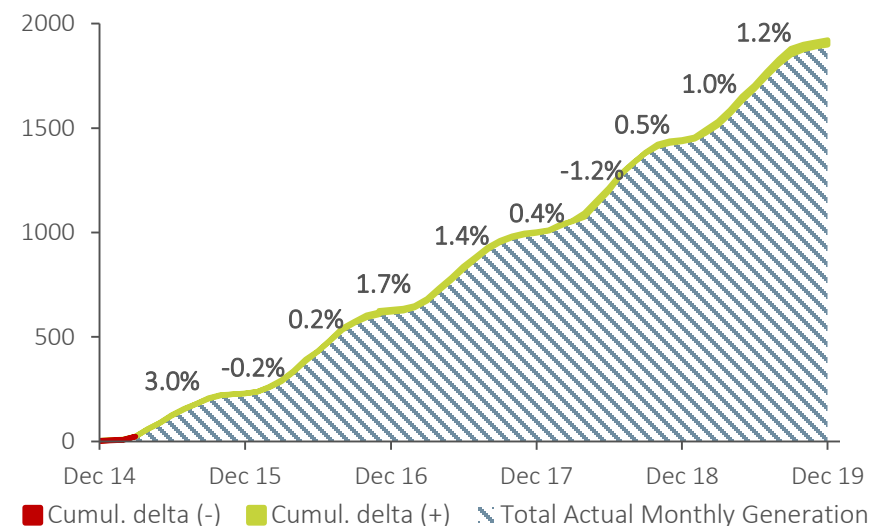
Operational performance (%)¹

	H1 FY 2019/20	H1 FY 2018/19	FY 2018/19	FY 2017/18
Irradiation	+4.6	+10.2	+6.6	- 0.9
Operational	-0.4	+0.9	+0.9	+ 0.7
Generation	+4.2	+11.1	+7.5	- 0.1
Revenue	+3.8	+17.2	+13.6	+3.6

Generation & revenue FY19/20 vs FY 18/19¹



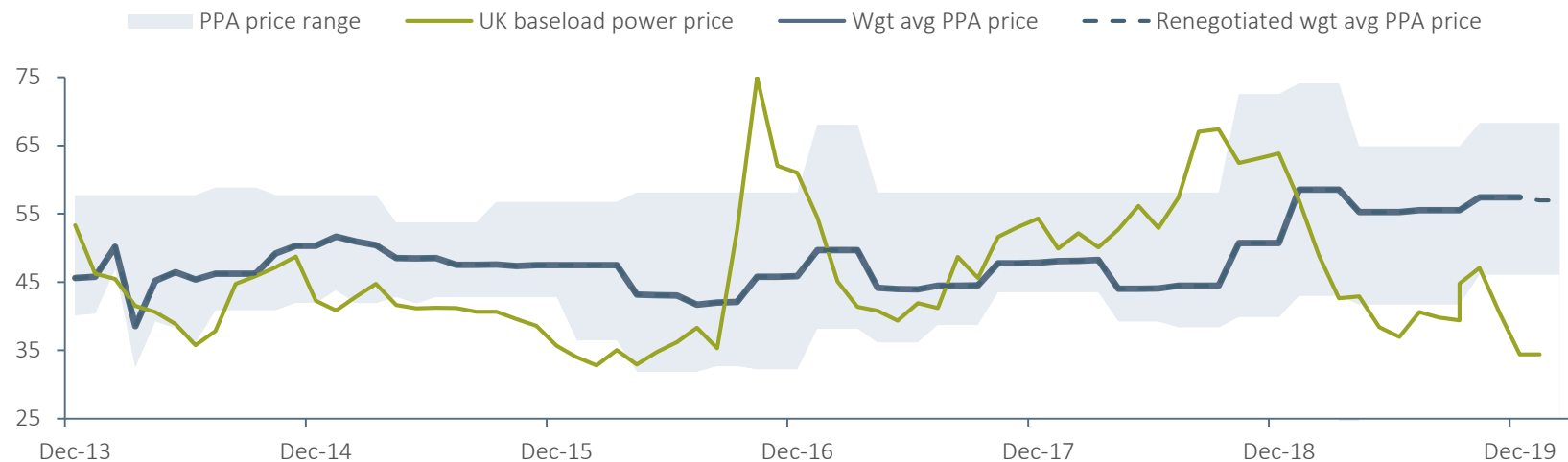
Historic cumulative generation vs budget (GWh)²



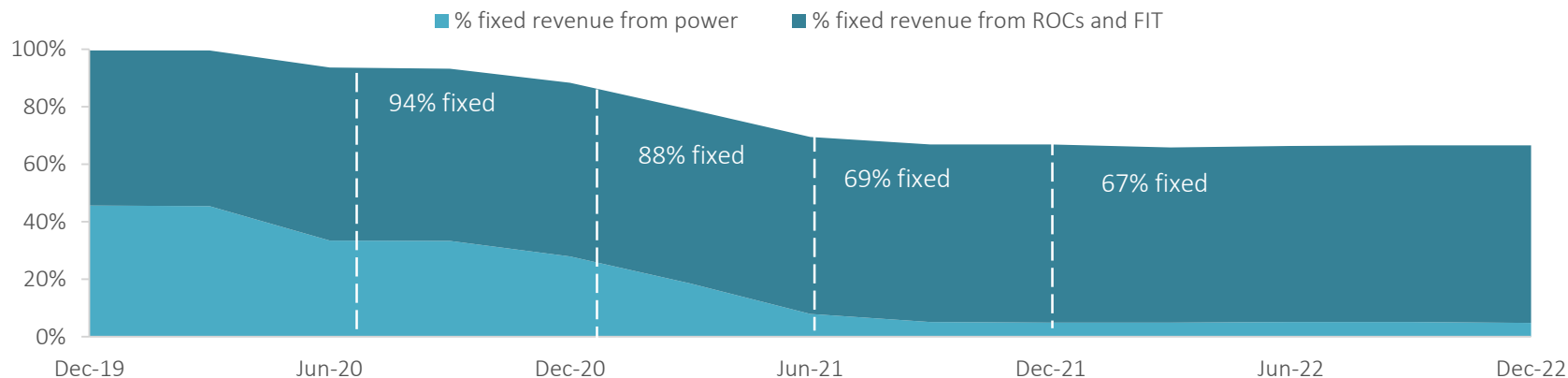
HIGHER POWER PRICES TO BOOST TOP LINE REVENUE

BSIF's PPA strategy captures recent increases in power prices

BSIF's average PPA price and UK power price (£/MWh)^{1,2}



BSIF's revenue profile and proportion of fixed revenues²



SOLAR PV: REVENUE GENERATION

Converting irradiance to portfolio income

Power Generation Process

Solar irradiation

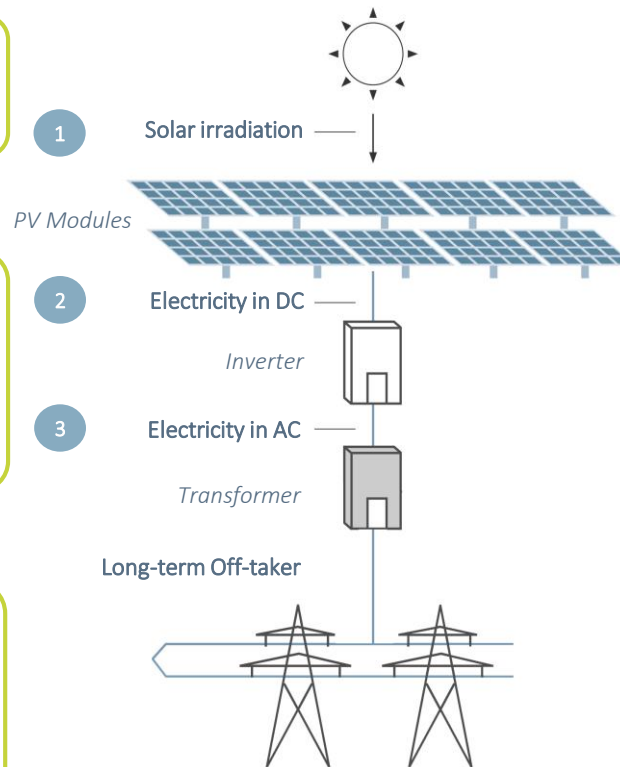
- Expected variability +/- 7% based on 90% confidence interval

Plant performance

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

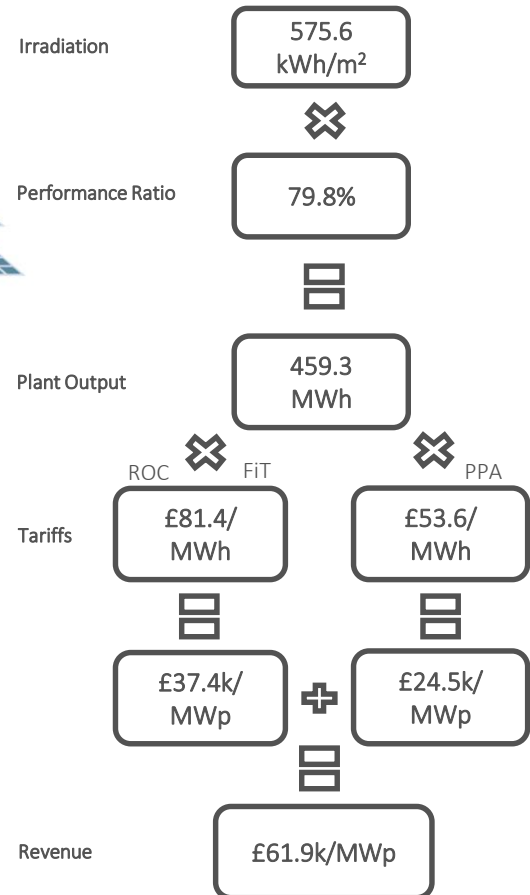
Output

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



Revenue Generation Process

H1 FY 2019/20 per MWp¹



CONSOLIDATED PORTFOLIO EARNINGS

Higher revenue and stable costs boost portfolio's bottom line

	Half year to 31 Dec 2019 (£m) ¹	Half year to 31 Dec 2018 (£m) ¹	December 2019 commentary
Portfolio Income	32.9	29.0	PPA revenue of £11.9m, regulated revenue of £18.1m & other revenue of £2.9m
Portfolio and project finance interest costs	(7.2)	(6.4)	Variance to FY18/19 is c£600k of preventative maintenance expenditure
Total Portfolio Income Earned	25.7	22.6	
Group Operating Costs	(2.7)	(2.3)	Variance to FY 18/19 is tax payments of c£400k
Group Third Party Interest Costs	(2.3)	(2.3)	Interest on Aviva long-term & RCF financing
Underlying Earnings	20.7	18.0	

Earnings & dividend flows: H1 FY 2019/20 vs H1 FY 2018/19 (pps)¹

Underlying earnings of £20.7m

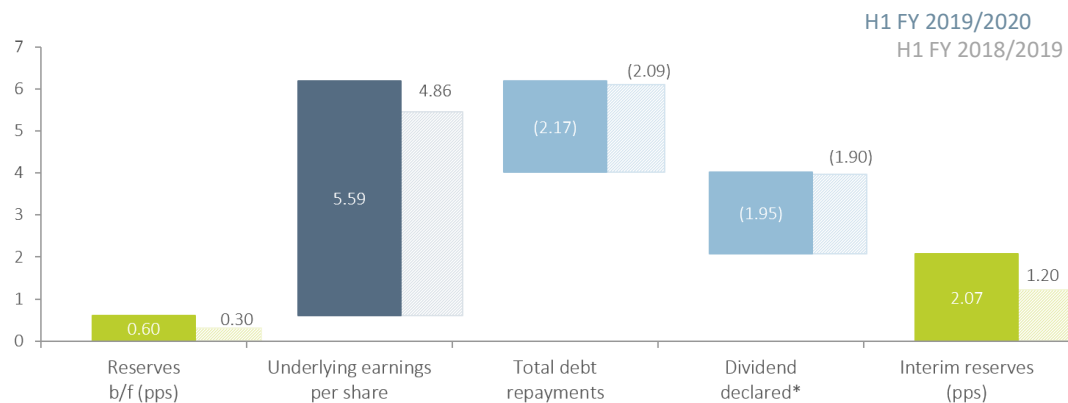
=
5.59 pps

+

FY18/19 Reserves of 0.60 pps

=

6.19 pps



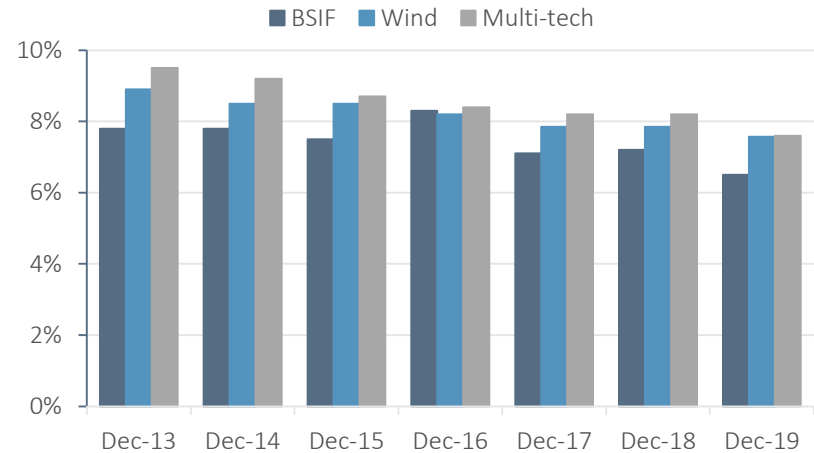
BSIF VALUATION PARAMETERS

At £1.31m/MWp BSIF remains in-line with secondary market transactions

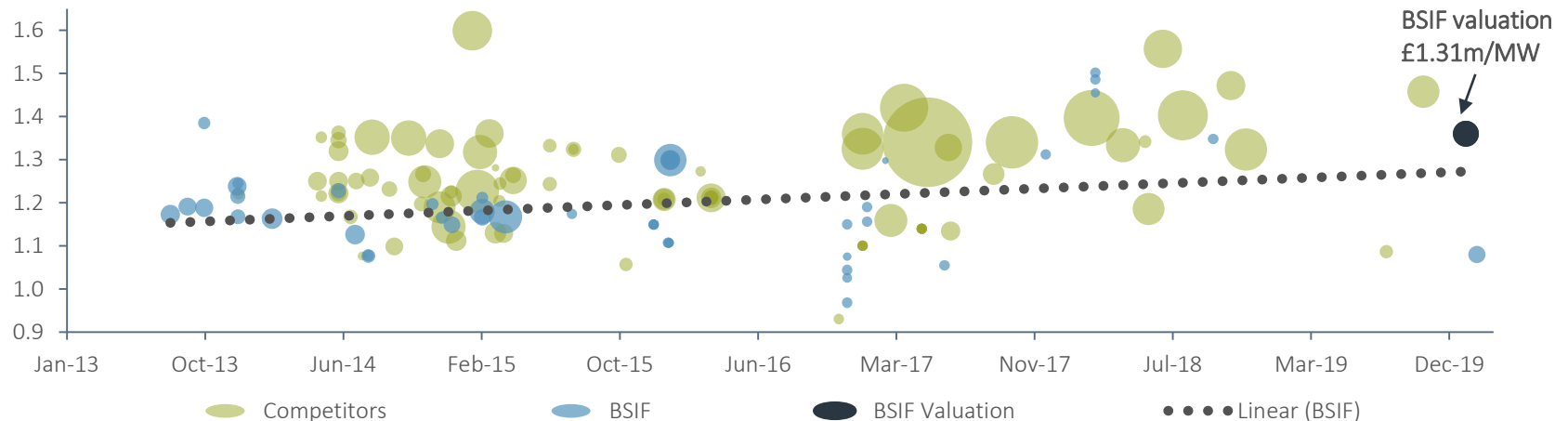
Commentary^{1,2}

- Valuation underpinned by:
 - ✓ Low risk portfolio – low leverage (c.32%), high regulated revenues (c.57%), simple technology and no currency risk
 - ✓ Weighted average life of portfolio 26.8 years (June 2019: 24.2 years)
 - ✓ Discount rate of **6.50%** (7.18% June 2019)
 - ✓ The typical pricing of secondary purchases between £1.30m/MWp and £1.40m/MWp

Renewable funds – equity discount rate trends²



UK solar market pricing (£m/MW)²



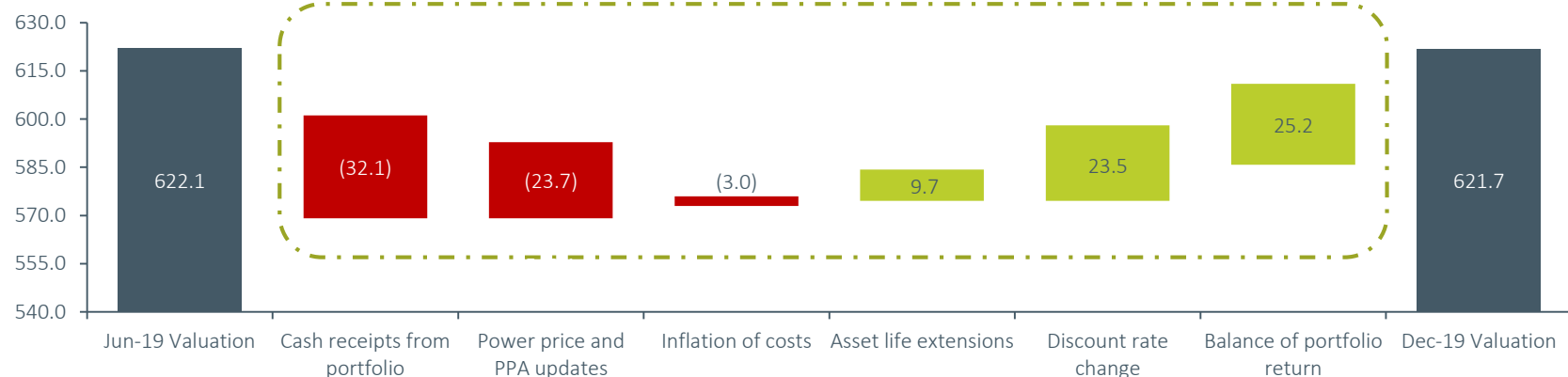
NAV CONSISTENT WITH MARKET PRICE OF £1.31m/MW

Asset life extension brings additional value compared with June 2019

NAV Movement in Period (£m)¹



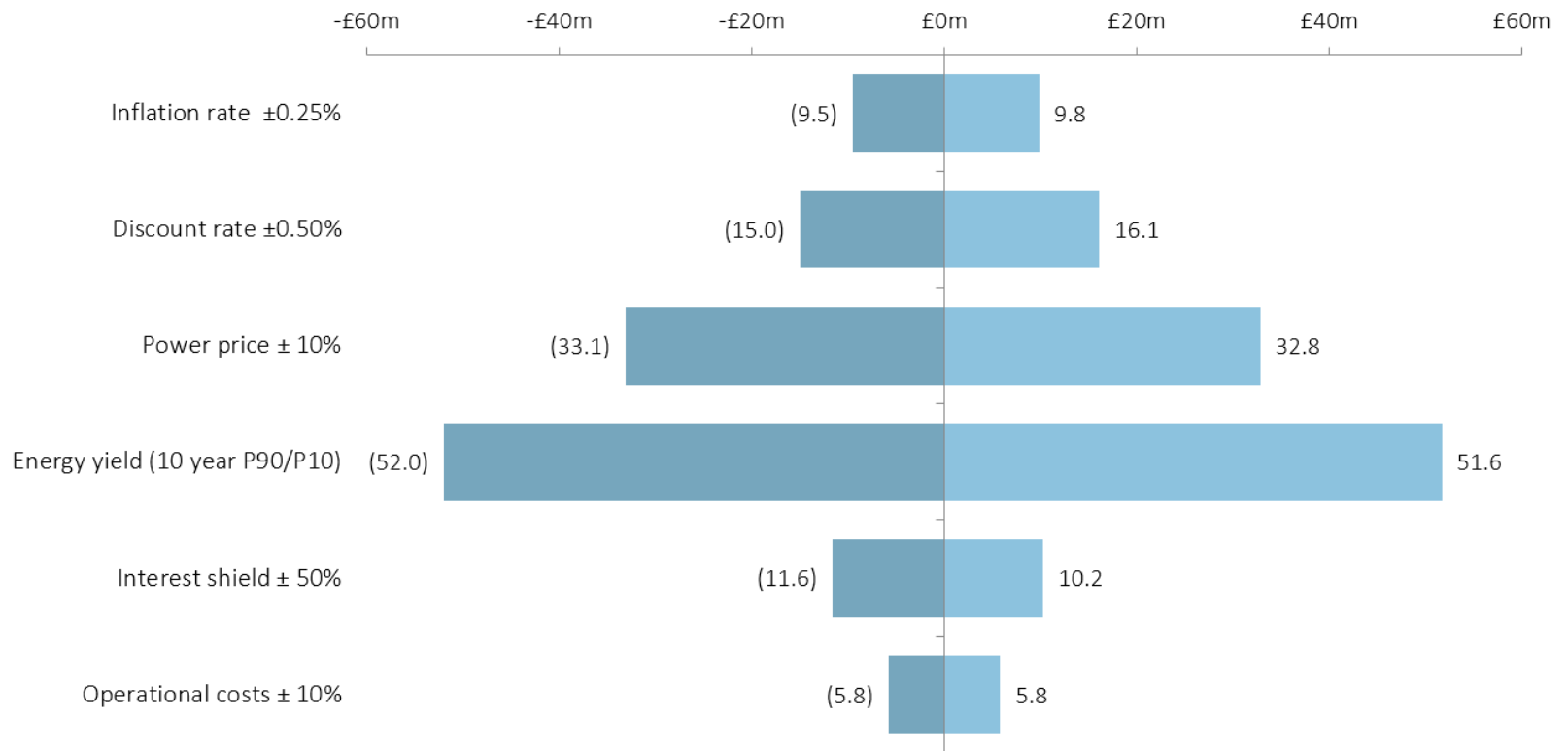
Portfolio Valuation Movement in Period (£m)¹



SENSITIVITY ANALYSIS

BSIF valuation remains robust against fluctuations of key parameters

Directors' Valuation¹: **£621.7m**



ENVIRONMENTALLY AND SOCIALLY CONSCIOUS COMPANY

ESG activities are central to BSIF and further initiatives are expected

Environmental impact¹:

BSIF delivers carbon savings of

117,991 tonnes CO₂e

per 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



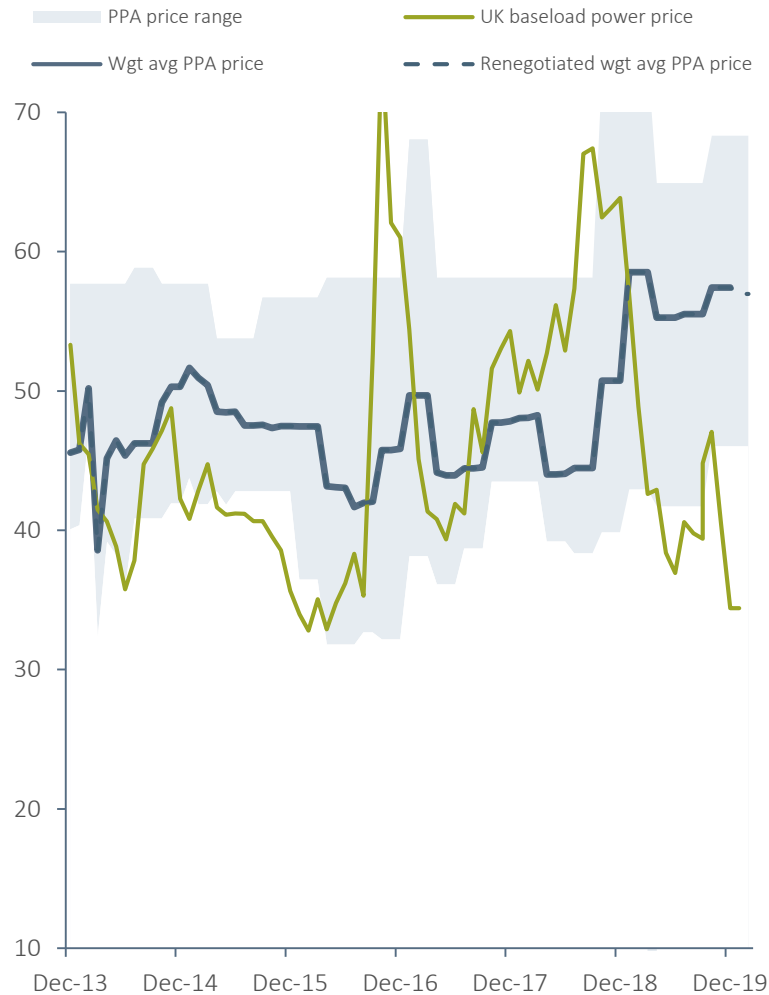
Bug hotel at Pashley



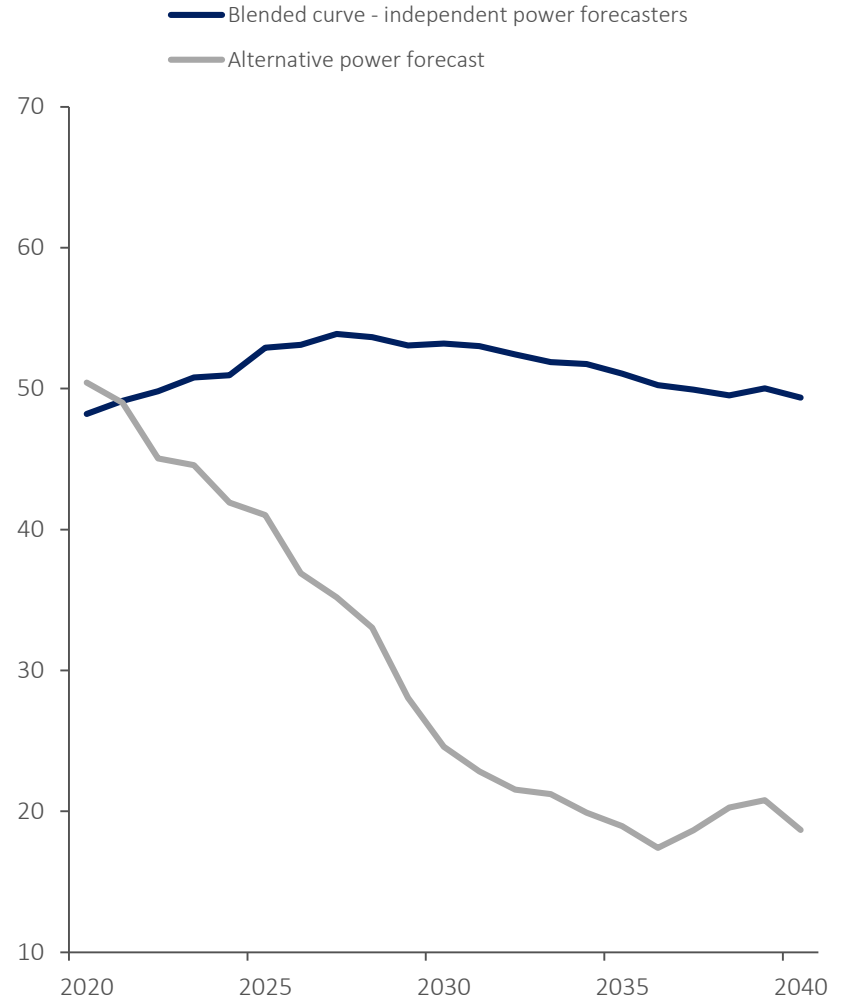
LONG TERM POWER FORECASTS

BSIF's PPA strategy captures recent increases in power prices

BSIF's average PPA price and UK power price (£/MWh)^{1,2}



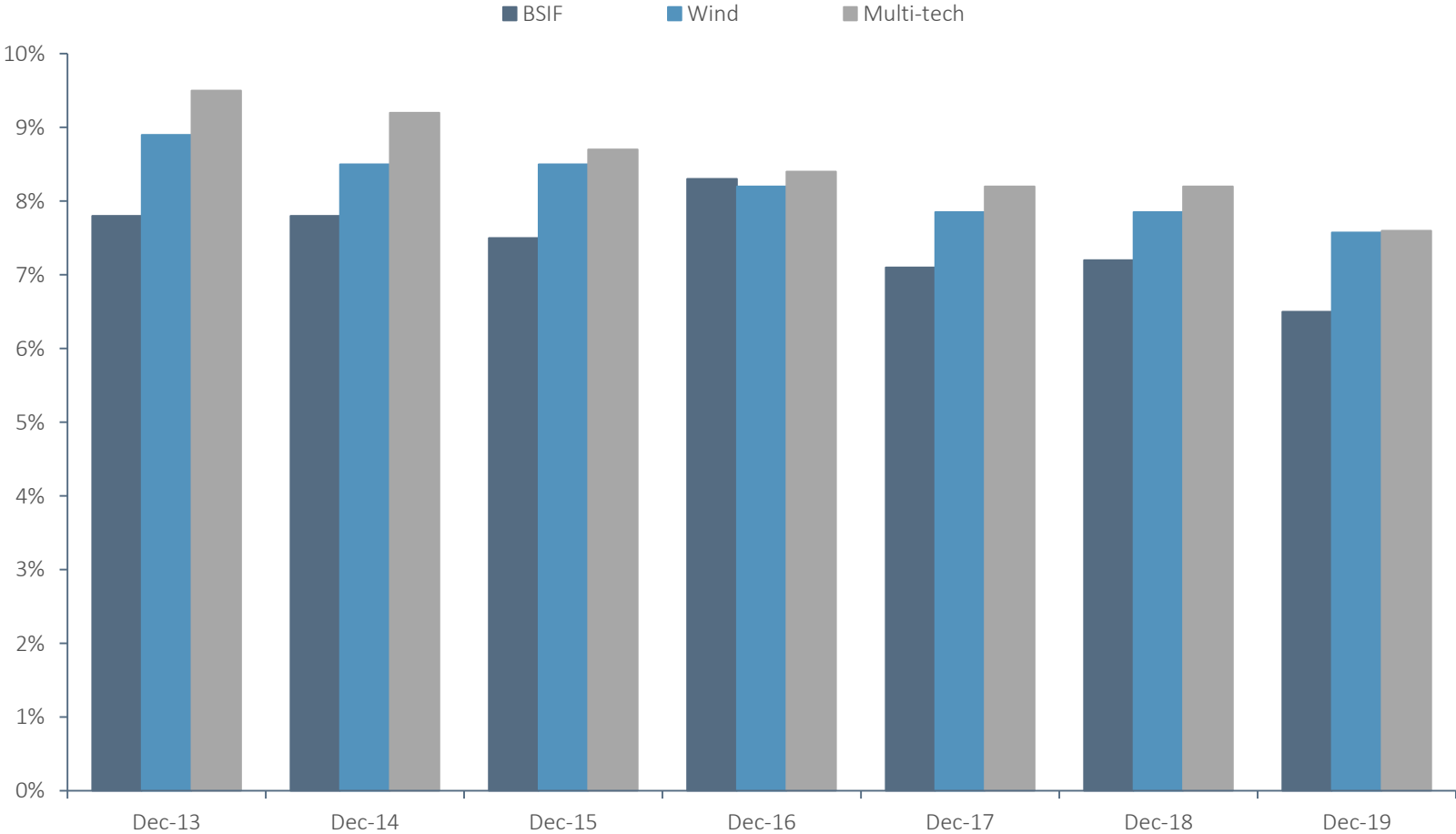
GB power price forecasts (£/MWh, real, 2019)³



DISCOUNT RATES

Different renewable technologies carry different risks

Renewable funds – equity discount rate trends ^{1,2}



BLUEFIELD SOLAR INCOME

Conclusion



Objective: sterling income fund with dividends growing annually

BSIF'S FINANCIAL PERFORMANCE ^{1,2,3}



	<u>6-month to Dec-19</u>	<u>Cumulative since IPO^{4,5,6}</u>
■ Shareholder Total Return:	6.97%	82.99%
■ NAV Total Return:	6.17%	62.24%
■ Total Dividends Paid:	4.51pps	41.49pps
■ Dividend Yield ⁶	5.6%	

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