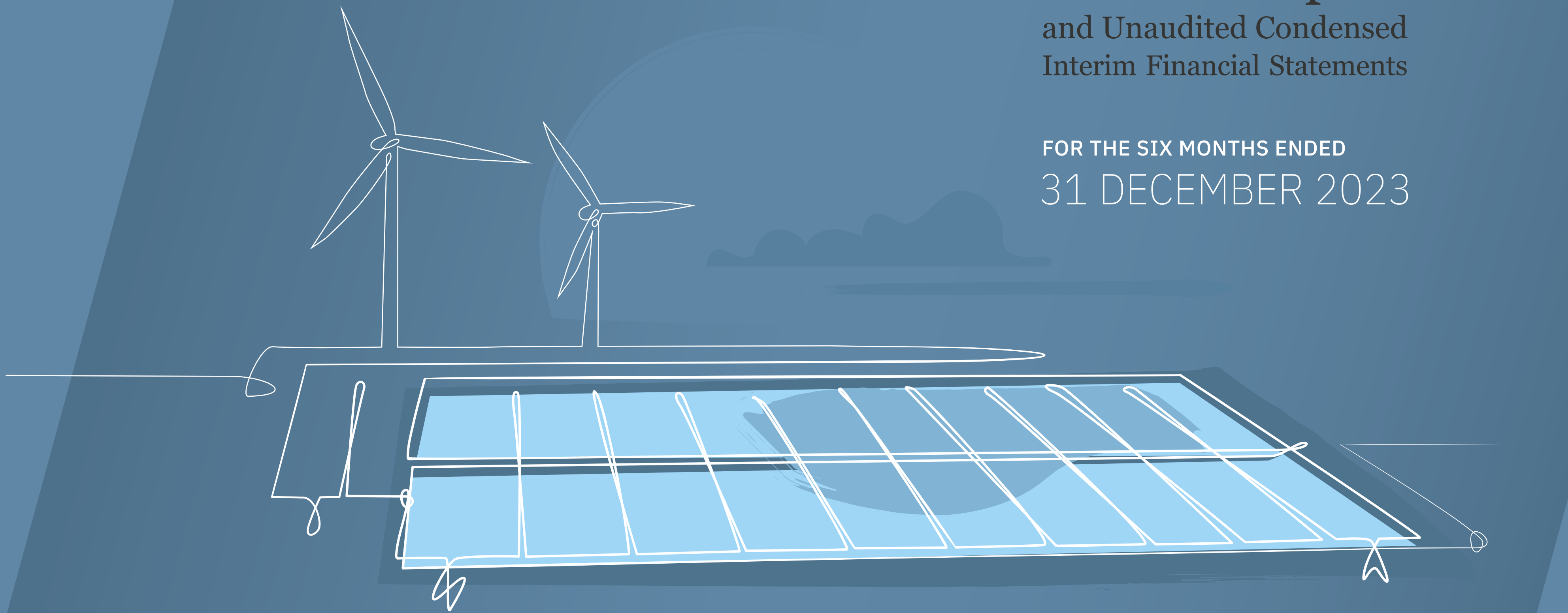
bluefield
Solar Income Fund

Interim Report

and Unaudited Condensed Interim Financial Statements

FOR THE SIX MONTHS ENDED

31 DECEMBER 2023



COMPANY REGISTRATION NO: 56708

GREEN ECONOMY LONDON STOCK EXCHANGE

TISE SUSTAINABLE

GUERNSEY GREEN FUND

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bluefield Solar Income Fund

General Information

Board of Directors (all non-executive)

JOHN SCOTT
Chair and Chair of Nomination Committee

ELIZABETH BURNE
Chair of Audit and Risk Committee and Management Engagement and Service Providers Committee

MICHAEL GIBBONS CBE
Senior Independent Director and Chair of Remuneration Committee

MERIEL LENFESTEY
Chair of Environmental, Social and Governance Committee

PAUL LE PAGE
retired 30 September 2023

CHRIS WALDRON
appointed 1 December 2023

Registered Office
PO Box 286,
Floor 2, Trafalgar Court,
Les Banques,
St Peter Port,
Guernsey, GY1 4LY

JAMES ARMSTRONG
Managing Partner

GIOVANNI TERRANOVA
Managing Partner

NEIL WOOD
Partner

Investment Adviser
Bluefield Partners LLP
6 New Street Square
London, EC4A 3BF

Administrator, Company Secretary & Designated Manager
Ocorian Administration (Guernsey) Limited
Floor 2, Trafalgar Court, Les Banques,
St Peter Port, Guernsey, GY1 4LY

Independent Auditor
KPMG Channel Islands Limited
Glategny Court, Glategny Esplanade
St Peter Port, Guernsey, GY1 1WR

Registrar
Computershare Investor Services (Guernsey) Limited
13 Castle Street, St Helier
Jersey, JE1 1ES

Principal Bankers
NatWest International plc
35 High Street, St Peter Port
Guernsey, GY1 4BE

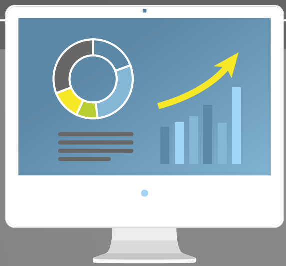
Sponsor, Broker & Financial Adviser
Deutsche Numis Securities Limited
45 Gresham Street
London, EC2V 7BF

Legal Advisers to the Company (as to English law)
Norton Rose Fulbright LLP
3 More London Riverside
London, SE1 2AQ

Legal Advisers to the Company (as to Guernsey law)
Carey Olsen
PO Box 98, Carey House, Les Banques,
St Peter Port , Guernsey, GY1 4BZ

Highlights

As at 31 December 2023 / *30 June 2023*



Net Asset Value (NAV)	NAV per Share	Dividend Target per Share
£831.3m	135.95p	FY23 8.80pps
£854.2m	*139.70p*	*8.60pps (actual)*

Six month period to 31 December 2023 / *31 December 2022*

Underlying Earnings[1] (pre amortisation of debt)	Underlying Earnings per share[1] (pre amortisation of debt)	Underlying Earnings per share available for distribution[1] (post amortisation of debt)
£43.9m *£51.4m*	7.19p *8.41p*	3.57p *6.26p*

Total Shareholder Return[2]	Total Return in year[3]	Total return to Shareholders since IPO
2.50% *6.98%*	0.47% *4.38%*	110.14% *101.59%*

1. Underlying earnings is an alternative performance measure employed by the Company to provide insight to the Shareholders by linking the underlying financial performance of the operational projects to the dividends declared and paid by the Company. Further detail is provided on page 19.
2. Total Shareholder Return is based on share price movement and dividends paid in the period. It is defined in the Alternative Performance Measure appendix.
3. Total Return is based on the NAV movement and dividends paid in the period. It is defined in the Alternative Performance Measure appendix.

Environmental, Social and Governance (ESG)

ESG KPI's

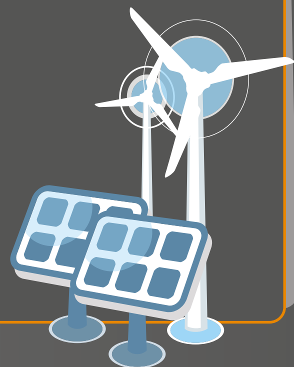
Forecast estimated annual CO_2e savings of 176,000 tonnes	Approximately 315,000 homes to be powered with renewable energy[4]	Payments of approximately £290,000 to community benefit schemes[5]
(June 2023: 173,000 tonnes)	(June 2023: 288,000)	(June 2023: £287,000)[6]

Construction and Development Pipeline

- 93 MW under construction
- 778 MW approved
- 305 MW in planning
- 355 MW potential capacity

1.53 GW

(968 MW Solar, 563 MW battery)



4. For a year, based on forecasted annual generation.
5. During the 2023/24 financial year.
6. Total community benefit payments relating to the FY 22-23 were approximately £287,000, updated from £253,000 (as presented in the 2023 Annual Report & Financial Statements).

bluefield Solar Income Fund

Results Summary

	Six months ended 31 December 2023	Six months ended 31 December 2022
Total operating income	£5,077,465	£38,845,159
Total comprehensive income before tax	£3,991,019	£37,642,084
Total underlying earnings[1]	£43,936,028	£51,438,238
Earnings per share (per page 47)	0.65p	6.16p
Underlying EPS available for distribution[2]	3.57p	6.26p
Underlying EPS brought forward[3]	9.53p	3.39p
Total underlying EPS available for distribution[4]	11.46p	9.65p
1st interim dividend	2.20p	2.10p
NAV per share	135.95p	142.40p
Share Price as at 31 December	118.6p	136.0p
Total Return[5]	0.47%	4.38%
Total Shareholder Return[6]	2.50%	6.98%
Total Shareholder Return since inception[7]	110.14%	101.59%
Dividends per share paid since inception	74.19p	65.59p

1. Underlying earnings is an alternative performance measure employed by the Company to provide insight to the Shareholders by linking the underlying financial performance of the operational projects to the dividends declared and paid by the Company. Further detail is provided on page 19.
2. Underlying EPS is calculated using underlying earnings available for distribution divided by the weighted average number of shares in issue through the period.
3. Underlying EPS brought forward is calculated using the number of shares in issue.
4. Total underlying EPS available for distribution includes £10m of RCF repaid in the period to 31 December 2023.
5. Total Return is based on NAV per share movement and dividends paid in the period.
6. Total Shareholder Return is based on share price movement and dividends paid in the period.
7. Total Shareholder Return since inception is based on share price movement and dividends paid since the IPO.

Corporate Summary

Investment objective

The investment objective of the Company is to provide Shareholders with an attractive return, principally in the form of quarterly income distributions, by being invested primarily in solar energy assets located in the UK. The Company also has the ability to invest a minority of its share capital into wind, hydro and energy storage assets.

Structure

The Company is a non-cellular company limited by shares incorporated in Guernsey under the Law on 29 May 2013. The Company's registration number is 56708, and it is regulated by the GFSC as a registered closed-ended collective investment scheme and it is accredited as a Green Fund after successful application to the GFSC under the Guernsey Green Fund Rules on 16 April 2019. The Company's Ordinary Shares were admitted to the Premium Segment of the Official List and to trading on the Main Market of the LSE following its IPO on 12 July 2013. The issued capital during the year comprises the Company's Ordinary Shares denominated in Sterling.

The Company makes its investments via its wholly owned subsidiary Bluefield Renewables 1 Limited (BR1) and has the ability to use long term and short term debt at the holding company level, as well as having long term, non-recourse debt at the SPV level.

Investment Adviser

The Investment Adviser to the Company during the period was Bluefield Partners LLP which is authorised and regulated by the UK FCA under the number 507508. In May 2015 Bluefield Services Limited (BSL), a company with the same ownership as the Investment Adviser, commenced providing asset management services to the investment SPVs held by the UK limited company parent, which changed from Bluefield SIF Investments Limited (BSIFIL) to Bluefield Renewables 1 Limited (BR1) in May 2022 to facilitate arrangement of the new Revolving Credit Facility ("RCF"). In August 2017 Bluefield Operations Limited (BOL), a company with the same ownership as the Investment Adviser, commenced providing operation and maintenance services to the Company and provides services to approximately 80% of the capacity of the investment portfolio held by the Company as at period end.

In December 2020 Bluefield Renewables Development Limited (BRD), a company with the same ownership as the Investment Adviser, commenced providing BSIF with new build development opportunities in addition to arrangements in place with the Company's other development partners.

In October 2023, Bluefield Construction Management Limited (BCM), a company with the same ownership as the investment adviser, commenced providing BSIF with construction management services on the new build portfolio.

Please refer to page 12 for the details of Company's corporate structure.

Chair's Statement

Introduction

The six months to 31 December 2023 ("H1 23/24", or the "Period") have seen a further half year of strong results for your Company. Although spot power prices have softened recently, BSIF was the beneficiary of our Investment Adviser's strategy of fixing prices up to 36 months in advance, with the result that, despite irradiation levels some 13% below those experienced in the second half of calendar 2022, our revenues for the Period grew as compared with the previous year. West Raynham (at 50MW our second largest generating asset) was unavailable for the first three months of the Period, resulting in an additional constraint on power production.

The Company continues to work on its extensive development programme; as at 31 December 2023 we had 660MW under active development and 778MW in pre-construction, comprising a mixture of solar PV and battery storage projects, as well as some wind projects. Our ability to convert this pipeline into electricity generating assets is significantly restricted by current conditions in the capital markets, which make it difficult for us – and most participants in the renewable energy sector – to raise additional equity. In response to this constraint, the Company has entered into a Strategic Partnership with GLIL Infrastructure ("GLIL"), covered in more detail below.

After the Period end, we saw a significant widening in the discount to Net Asset Value ("NAV") at which BSIF's shares trade and this prompted the Board to announce a share buyback programme, to which an initial £20 million has been allocated. This will commence once the Company is outside the current closed period, which ends with the publication of this Interim Report.

The main features of the Period under review are:

- The Company announced signing a Memorandum of Understanding ('MOU') with GLIL Infrastructure;
- Work on the Company's development pipeline continued apace, with planning consents being secured on 137MW of solar projects and 90MW of battery projects, while the wider pipeline grew to approximately 968MW of solar and 563MW of battery storage;
- The Group reduced the outstanding balance on its revolving credit facility (RCF) by £10 million, resulting in a loan balance of £167 million as at 31 December 2023;
- At the November AGM, BSIF's shareholders voted overwhelmingly in favour of the continuation of the Company for a further five years;
- The NAV per share decreased modestly, to 135.95pps as at 31 December 2023 (30 June 2023: 139.70pps);
- BSIF's closing share price on 31 December 2023 was 13% below the Directors' Valuation, resulting in a discount to NAV consistent with FY22/23. (30 June 2023: 14%);
- The dividend target for FY23/24 has been set at not less than 8.80pps, up from the 8.60pps dividends paid in respect of FY 22/23;
- Consistent with that target, a first interim dividend for FY23/24 of 2.20pps was declared on 26 January 2024;
- Following the end of the Period, the first phase of the GLIL Strategic Partnership was successfully completed, with an equity investment by BSIF of £20 million and £200 million from GLIL to fund the acquisition of a 247MW portfolio from Lightsource bp;
- Post Period end one solar project of 50MW received planning permission.

At the end of 2023, the Group's total outstanding debt stood at £577 million, and its leverage was 41% (31 December 2022: £531.1 million and leverage was 38%).

GLIL Infrastructure ("GLIL")

GLIL, a partnership of UK pension funds, invests into core UK infrastructure. It invests on behalf of Local Pensions Partnership Investments, Greater Manchester Pension Fund, Merseyside Pension Fund, West Yorkshire Pension Fund and Nest, and has a £3 billion portfolio of infrastructure assets.

In December 2023, BSIF and GLIL announced a Strategic Partnership, consisting of three phases. The first of these saw GLIL and BSIF acquire together a 247MW UK solar portfolio of Lightsource bp, with the transaction completing in January 2024. Phase 2 comprises a provisional agreement for GLIL to acquire a 50% stake in a portfolio of more than 100MW of BSIF's existing solar assets at a price which is in line with the Company's existing valuation. The proceeds of this partial sale will be used, in part, to fund BSIF's participation in the rollout of its development pipeline and, as appropriate, to reduce debt.

In phase 3, Bluefield Solar and GLIL intend via the Strategic Partnership to commit capital jointly to a selection of the Company's development pipeline, assuming market conditions are supportive. The identified development assets are expected to be grid connected over the next two to three years.

Underlying Earnings and Dividend Income

The Underlying Earnings for the Period, before amortisation of long-term finance, were £43.9m, or 7.19pps, and underlying earnings for distribution, post debt repayments of £22.1m (3.61pps), were £21.8m (3.57pps) (December 2022: £38.2m). Including carried forward earnings from June 2023 of 9.53pps, and the £10m of RCF repaid in the Period (-1.64pps), the total funds available for distribution as at 31 December 2023 were 11.46pps (December 2022: 9.65pps).

From an operational perspective, the Company's portfolio had a more difficult half year, with solar generation c.10% lower than in the second half of 2022, caused by a combination of significantly lower irradiation and shortages of key components, which reduced plant availability. The Company's strong financial performance reflected the favourable power sales contracts struck at a time of elevated UK wholesale power prices.

Valuation and Discount Rate

The political turmoil seen in the United Kingdom which came to a head in 2022 eased with the appointment of Rishi Sunak as Prime Minister at the end of the year and a more coherent series of measures relating to energy policy emerged. Inflation eased, but sterling interest rates remained at levels which seemed very high by comparison with the near zero environment of the previous decade; Base Rate stood at 5.25% at year end and the fifteen year Gilt rate was approximately 4%.

The Investment Adviser continues to see strong demand in the secondary market for operating solar portfolios. Recent prices seen in the market range between £1.20m and £1.45m/MW. The first weeks of 2024 have seen close to 1GW of UK solar capacity change hands at prices which imply valuation metrics comparable to or higher than those currently employed by BSIF.

Higher interest rates and the inclusion of onshore wind within BSIF's portfolio caused the Board to increase the portfolio discount rate from the 7.25% used in the December 2022 Directors' Valuation; this was raised to 8% for the valuations at the end of June, September and December 2023. As at 31 December 2023, the enterprise value of the Company's operational portfolio is £1,149m (c.£ 1.28m/MW for the solar assets vs. £1.35m/MW in June 2023).

Inflation

In late 2023, inflation in the UK started to ease, though staying stubbornly at levels well above the UK's inflation target of 2%, with December 2023's number standing at 5.3%. At the first Monetary Policy Committee meeting of 2024 the Bank of England opted to maintain Base Rate at 5.25%, suggesting that the fight to tame price rises is not yet over. Since a large part of our income grows with inflation, resulting from the indexation provisions in our regulated revenues, increases in RPI have the effect of boosting both our earnings and the valuation of our assets.

Reflecting the latest economic forecasts, as well as the transition from RPI to CPIH post 2030, inflation assumptions supporting the Directors' Valuation are 3.5% in 2024 (unchanged from June 2023) and thereafter 3.0% until 2029, before dropping to 2.25%.

Power Prices

Russia's war in Ukraine continues to affect energy markets, but as this conflict continues the world adapts, seeking fresh sources of energy, new methods and routes for its transportation, as well as alternative suppliers. Israel's war in Gaza, which commenced on 7 October 2023, initially had limited direct effect on energy markets, but of late that conflict has led to the effective closure of the Suez Canal as Houthi rebels in Yemen demonstrate their Palestinian solidarity by attacking maritime traffic in the Red Sea, necessitating many lengthy detours via the Cape of Good Hope. All of this results in extra costs, longer journeys, pressure on shipping capacity and renewed uncertainty concerning energy supplies.

The company's PPA sales strategy is largely unchanged: approximately 90% of power sales prices are fixed for between 12 and 36 months ahead, and BSIF went into 2024 with more than 78% of its merchant revenue sold forward to March 2025. The Board is confident that, post debt amortisation, it will achieve a high level of dividend cover for the present and the 2025 financial years, taking into account both current and carried forward earnings.

The Board and its Committees

The process of refreshing the BSIF Board continues. Following an exercise conducted by a Guernsey-based executive search firm, I am delighted to welcome Chris Waldron as a non-executive Director; he joined the BSIF Board on 1 December 2023. Chris is a Guernsey resident and has extensive experience of financial markets and closed ended investment vehicles in particular. With effect from 1 January 2024, Chris chairs the Management Engagement and Service Providers Committee.

Paul le Page retired on 30 September 2023 and Libby Burne assumed his former role of chairing the Audit and Risk Committee from 1 October 2023. During the Period, a Remuneration Committee was established, chaired by Michael Gibbons.

Share Buyback Programme

Post Period end, on 15 February 2024 the Company announced its intention to commence a share buyback programme in response to the recent weakness in the Company's share price and the excessive discount that the share price represents to the value of the Company's assets. The Company has made an initial allocation of £20 million for buybacks and purchases will be accretive to NAV for continuing shareholders. It is intended that shares repurchased will be held in treasury.

The capital allocation policy of the Company undergoes regular review, evaluating the relative merits of further investment (into both new and existing assets), the management of debt and returning value to shareholders.

RAINBOW OVER LOWER MARSH

Conclusion

The Board is encouraged by the continued progress made by your Company in the past six months. From an operational perspective, most aspects of our core business – namely the generation and sale of solar and wind power – performed well, but it seems that for the moment no matter how brightly the sun shines nor however hard the wind blows, our share price is becalmed at levels which are significantly below net asset value. While this has little if any effect on the dividends we can pay, it constrains our ability to raise the new equity capital needed to fund our further development. It also acts to the detriment of shareholders who wish to exit and who have been facing a discount of more than 25% to the underlying value of their investment. There is ample transactional evidence of asset values consistent with our latest Directors' Valuation of nearly 136pps, so to see the Company's shares trading at close to £1 per share suggests a serious disconnect between how BSIF is valued by public markets and the prices being paid by institutional investors for portfolios of solar PV and wind assets.

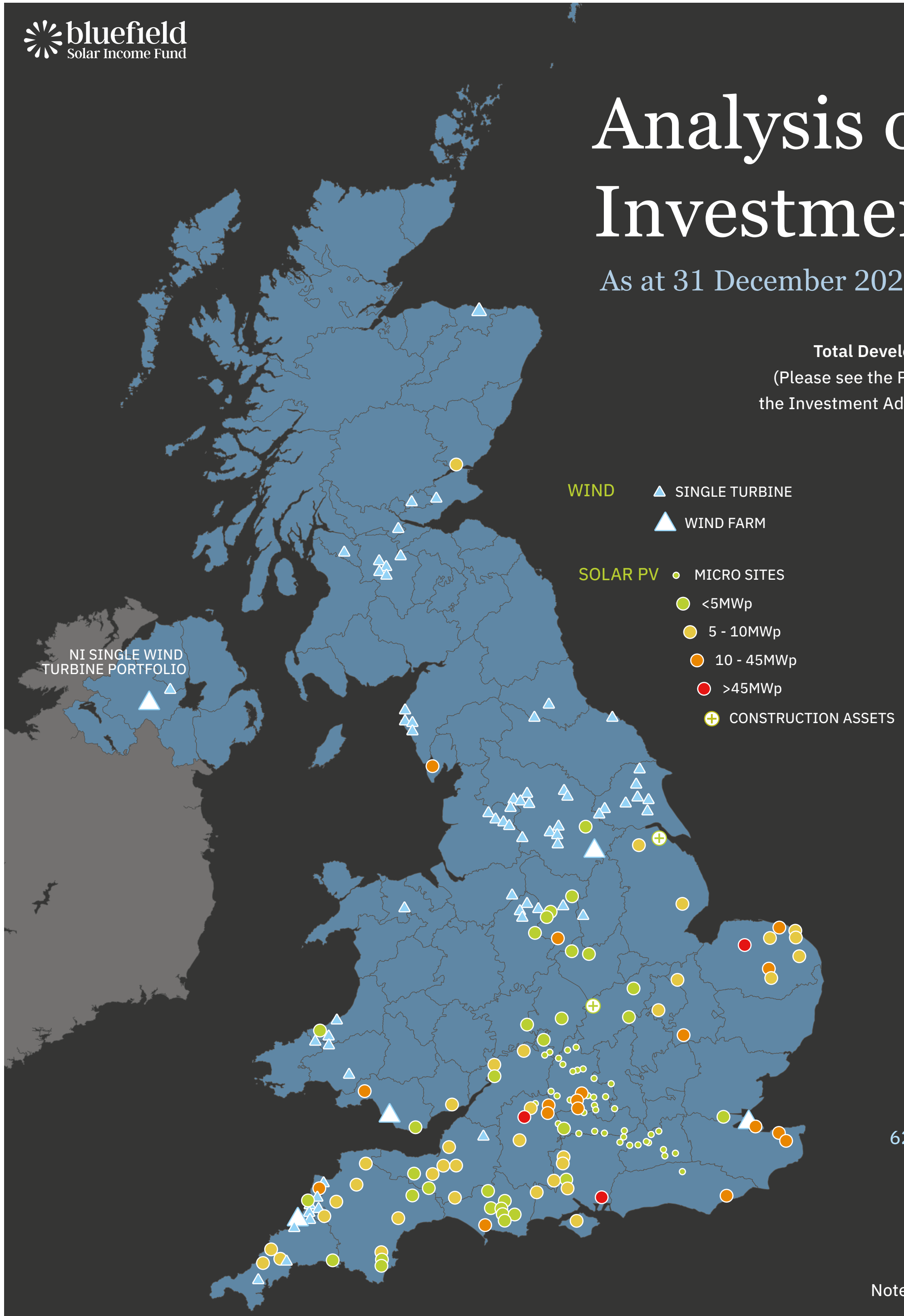
Your Board is delighted to have formed its Strategic Partnership with GLIL, for whom the arrangement provides access to an industry whose financial characteristics meet many of the criteria sought by pension providers, namely predictable long term cash flows with a high degree of indexation and government support. For BSIF, we see in GLIL a partner with whom we can co-invest for the long term, giving us the ability to spread our capital resources over a greater range of investments.

I remain confident that BSIF is as well placed as any market participant to play a significant role in the continuing development programme that is so clearly required to expand the UK's supplies of indigenously produced green electricity. For our shareholders, this offers the prospect of both capital growth and rising dividends. We have already declared our first quarterly dividend for the 2023/24 financial year, increasing this to 2.20pps (2022/23: 2.10pps) and reiterating our guidance of a full year dividend of not less than 8.80pps (2022/23: 8.60pps). At the share price on 26 February 2024, this equates to a yield of just under 9%.

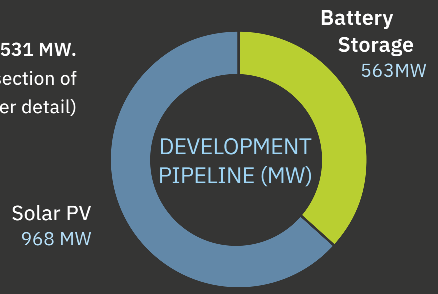
John Scott
Chair
27 February 2024

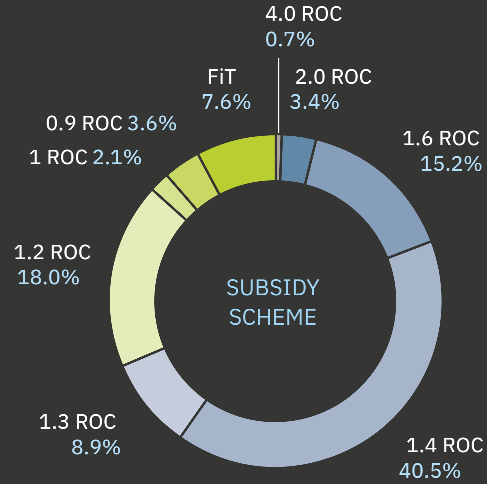
Analysis of the Company's Investment Portfolio

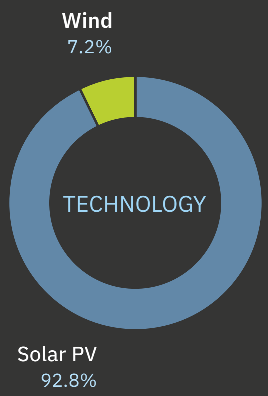
As at 31 December 2023

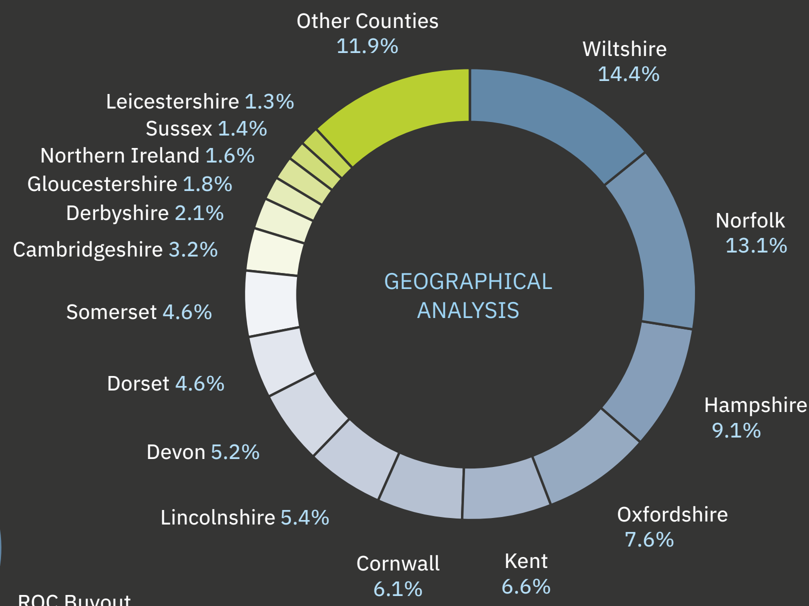


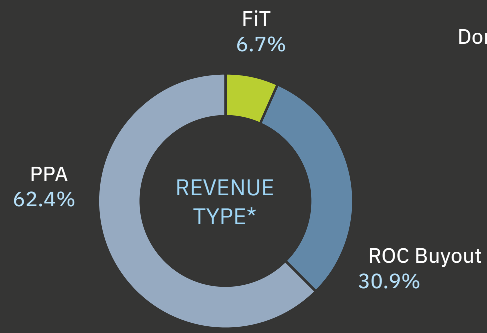
Total Development Pipline of 1,531 MW. (Please see the Proprietary Pipeline section of the Investment Adviser report for further detail)











Note: 1. All graphs, except for Development Pipeline, are based of the operational portfolio of 812.6 MW
2. Revenue Type is based on the Company's operational portfolio and does not include estimated ROC Recycle revenue

Report of the Investment Adviser

INTRODUCTION FROM THE MANAGING PARTNER OF THE INVESTMENT ADVISER

Bluefield Solar, and the listed renewables sector more generally, have experienced share prices remaining materially below NAV during this period under review and into 2024. The irony for the Company is that its numbers are as strong, on a range of measures, as they have been in its ten years' history. It has circa two times dividend cover, high levels of regulated indexed revenues complemented by very high fixed power sales contracts, a large development pipeline, a defensive capital structure and a robust NAV. However, whilst the high performance of the Company remains the same, the prolonged discount to NAV posed a number of issues that have needed to be addressed by the Company.

The discount in the share price poses a multi-layered challenge to the Company. We need to keep progressing the extensive pipeline of development opportunities, otherwise there is the risk of a loss of value; we need to create liquidity to reduce our RCF; and we need to address the discount to NAV. Each of these challenges required a different strategy and as such our response has been multi-layered. In December we announced a Strategic Partnership with GLIL, the large infrastructure investor, which addressed liquidity, the potential of debt repayment and of progressing the development pipeline. The agreement announced the following:

a. Phase 1 of the partnership enabled Bluefield Solar to acquire a minority stake in a highly attractive operational portfolio at an investment level that used only retained earnings and did not increase the debt in the Company. The agreement also has the option for Bluefield to increase its stake, assuming there are available funds.

b. Phase 2 of the partnership is a provisional agreement for GLIL to acquire a 50% stake in an operational portfolio currently owned by Bluefield Solar, the proceeds of which we expect to use for paying down part of the RCF and increasing our stake in the Phase 1 acquisition with GLIL.

c. Phase 3 of the partnership is a commitment for GLIL and Bluefield Solar to commit capital to a select group of development assets that are expected to be funded and built over the next two to three years.

In mid-February the Board announced a share buyback programme to commence on the release of the Interim Results in order to manage the discount to NAV. This announcement delivers the third targeted strategy designed to manage the short and long term challenges facing the Company. The long term is so important as the Company has spent a decade building a highly robust and durable financial model that has the ability to deliver outperformance over the next decade as we have delivered over the first ten years of the Company's life. The Company's five core strengths are summarised below:

1. **CAPITAL STRUCTURE:** since its 2013 IPO the Company has focused on a simple and deliberate strategy of ensuring, outside of the Company's Revolving Credit Facility, all debt within the structure is secured at portfolio level with fixed interest rates on fully amortising terms. With a current average cost of debt of c.3.5% on £410m of long-term borrowings, the Company continues to be well insulated from today's higher interest rate environment.

2. **POWER SALES STRATEGY:** Bluefield Solar focuses on fixing Power Price Agreements contracts at the short end of the power curve (6-30 months), through competitive tender processes, enabling it to maximise value for shareholders from the most liquid part of the power market. The result delivered record full year earnings to 30 June 2023 and continues to support expectations of a c.2x covered dividend (net of debt amortisation and the EGL) for the year to 30 June 2024.

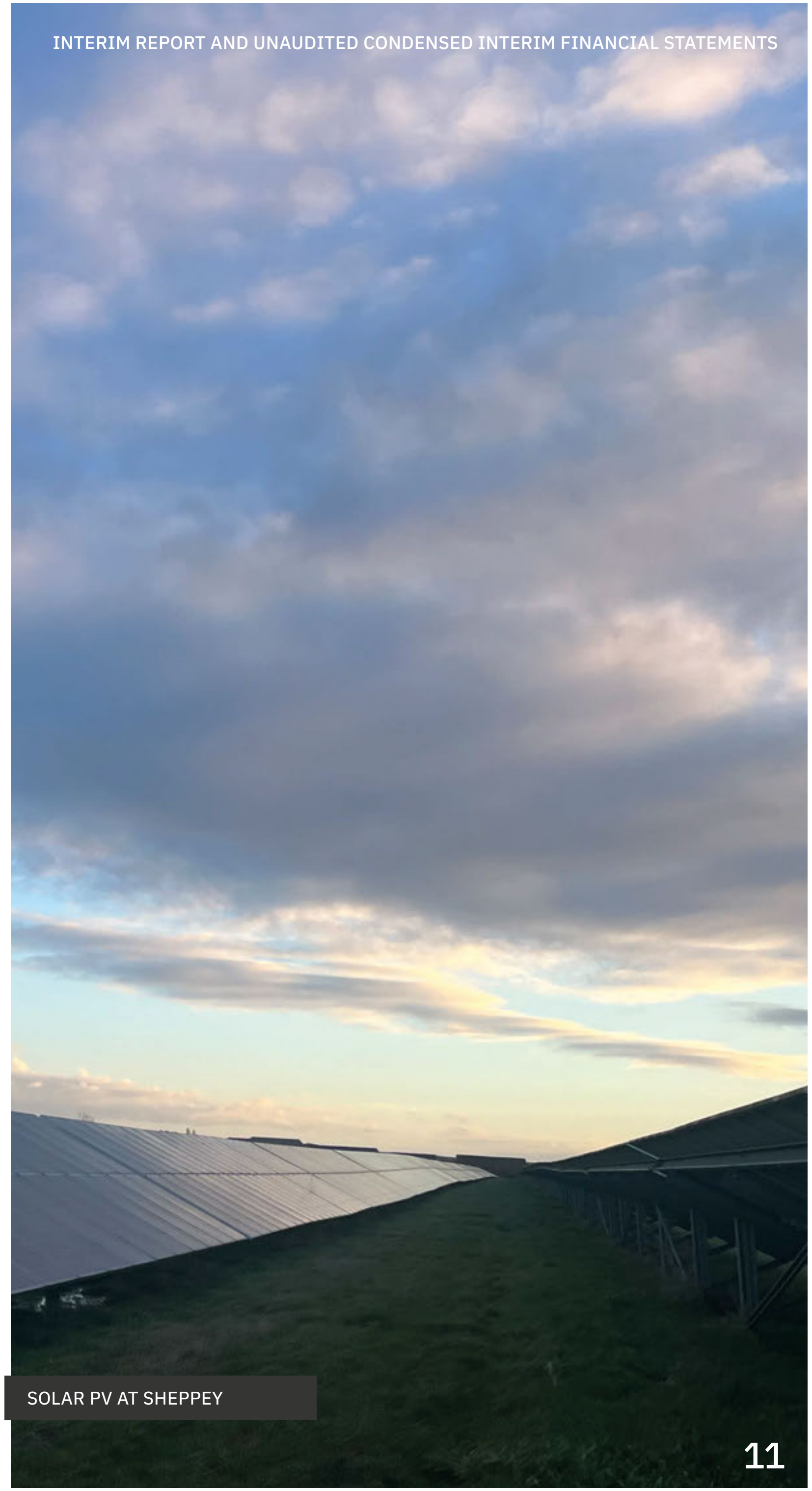
3. **ACTIVE MANAGEMENT:** In the context of Bluefield Solar's portfolio this means a dedicated workforce of 130 within Bluefield Partners and Bluefield Services, split across specialist teams covering investment, ESG, development, engineering, construction management, technical asset management, operation and maintenance and commercial with over 82 different core responsibilities. These specialist units have been established across a decade of operation to deliver an aligned, dedicated and diversely skilled workforce to an increasingly complex business.

4. **PROPRIETARY PIPELINE:** Since listing in 2013, Bluefield has been able to establish the DNA of the business around accessing primary opportunities and no better highlight of this is the 1.5GW solar and storage proprietary pipeline the Investment Adviser has built up exclusively for BSIF. This presents a highly attractive level of optionality for the Company, as it can either build out these projects (funding permitting) or crystallise value through strategic sales.

5. **CAPITAL DISCIPLINE:** Since listing in 2013, a judicious approach to deployment of capital has been paramount as periods of significant investment activity have been combined with periods of restraint. This approach was at the forefront of the structuring of the Strategic Partnership with GLIL which demonstrates the strength of Bluefield's reputation in the sector and provides an alternative source of capital to allow BSIF to continue delivering on its investment objectives.

A lot has been achieved in a challenging market and we believe that the actions taken can address the issues at hand whilst allowing the Company's long term ambitions to remain undimmed.

James Armstrong,
Managing Partner of Bluefield Partners LLP



SOLAR PV AT SHEPPEY

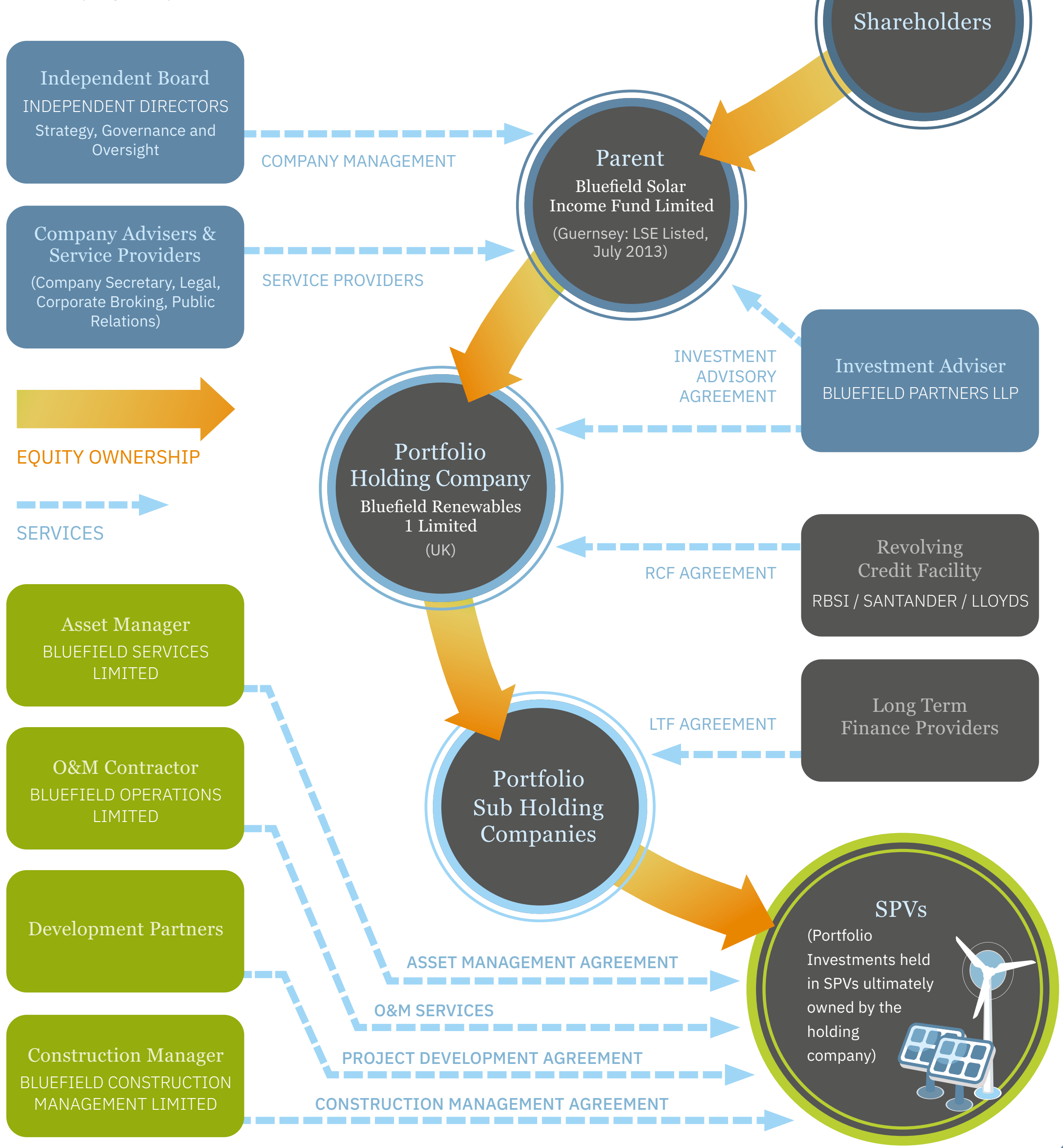
1. ABOUT BLUEFIELD PARTNERS LLP

Bluefield was established in 2009 and is an investment adviser to companies and funds investing in renewable energy infrastructure. Our team has a proven record in the selection, acquisition and supervision of large scale energy and infrastructure assets in both the UK and Europe. The Bluefield team has been involved in over £6.7 billion of renewable funds and/or transactions in both the UK and Europe, including over £1.3 billion for BSIF in the UK since December 2011.

Bluefield was appointed Investment Adviser to the Company in June 2013. Based in its London office, Bluefield's partners are supported by a dedicated and highly experienced team of investment, legal and portfolio executives. As Investment Adviser, Bluefield is responsible for the origination and selection of investment opportunities, which are then proposed to the Board of BSIF. Bluefield has executed over 200 individual SPV acquisitions on behalf of BSIF and other European vehicles through geographically dedicated teams.

2. STRUCTURE

The Company's corporate structure is summarised below:



3. PORTFOLIO: ACQUISITIONS, PERFORMANCE AND VALUE ENHANCEMENT

Portfolio Overview

As at 31 December 2023, the Company held an operational solar portfolio of 129 PV plants (consisting of 87 large scale sites, 39 micro sites and 3 roof top sites), 6 wind farms and 109 small scale UK onshore wind turbines with a total capacity of 812.6MW.

During the period to 31 December 2023, the combined solar and wind portfolio generated an aggregated total of 376.05GWh (31 December 2022: 391.8GWh), representing a Generation Yield of 462.8 MWh/MW (31 December 2022: 511.4MWh/MW).

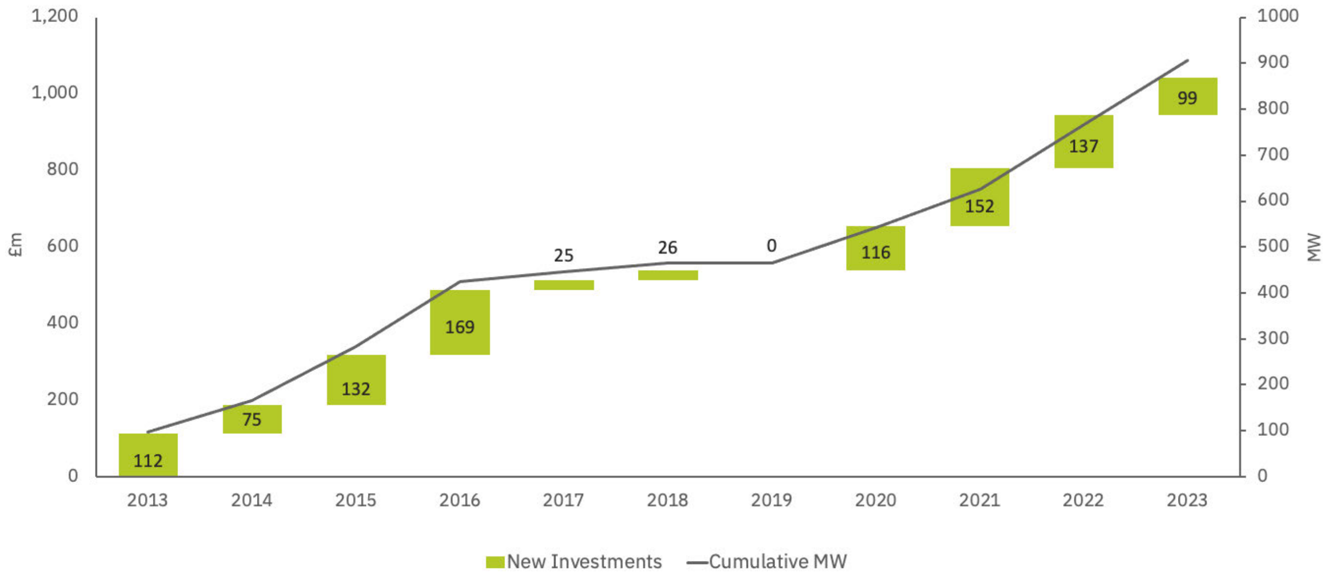
Investment Approach and Acquisitions in the period

The Company has taken a disciplined approach to the deployment of capital since listing, investing only when there are projects of suitable quality at attractive returns to complement the existing portfolio. Rigorous adherence to restrained capital deployment inevitably means there can be periods where acquisition activity falls, even when sector activity appears in contrast, but this controlled approach is beneficial in driving long term, sustainable growth for Shareholders, as evidenced by Bluefield Solar's record of sector leading returns since listing over a decade ago.

In December 2023, the Company announced a three phase strategic partnership with GLIL Infrastructure, which envisages both parties investing together into UK focused solar assets, from development through to operational plants. The partnership will also facilitate de-leveraging of the Company. Post period end, the Company announced the successful completion of the first phase of the partnership, with BSIF investing £20 million alongside £200 million from GLIL to acquire a 247MW portfolio of UK solar assets from Lightsource bp. BSIF's ownership stake in the portfolio is 9%.

The Company continues to progress phase 2 of the Strategic Partnership, where GLIL has provisionally agreed to acquire a 50% stake in a portfolio of more than 100MW of operational UK solar assets currently owned by the Company. The provisional acquisition price is in line with the Company's current valuation and completion of the sale is expected in the coming months.

£665m Equity Deployed	£831m Net Asset Value	£1,407m Gross Asset Value	813MW Operational Capacity	£288m Total Dividends Paid



Note: the chart shows the position as at period end, prior to investment into the Lightsource bp portfolio with GLIL

Portfolio Performance and Optimisation

SOLAR PV PERFORMANCE

In the six months to 31 December 2023, irradiation levels were 3.9% lower than the Company's forecasts and 13% lower than those recorded in the previous year. The lower levels of irradiation contributed to generation for the 6-month period being proportionately lower than expected, at 294.05GWh, equivalent to 390MWh for each MW of installed capacity.

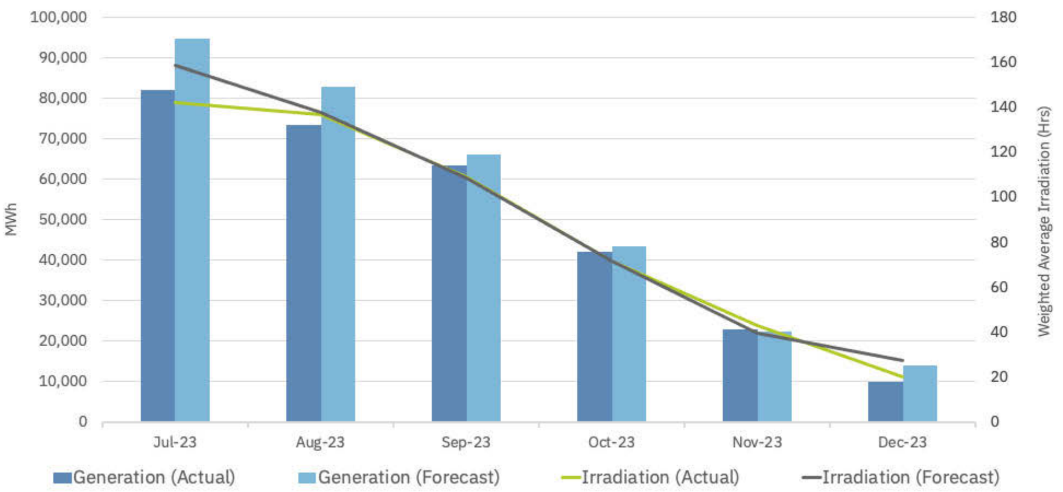
The solar portfolio achieved a Net PR of 74.17% (FY 2022/23: 76.96%) against a forecast of 78.92%. This was caused by short-term availability issues, primarily ongoing supply chain challenges as seen across the industry. The Investment Adviser is undertaking a comprehensive programme to reduce reliance on certain supply chains through key inverter repowering projects and the purchase of strategic HV spares, more information on which can be found later in this report.

Table 1: Summary of Solar Portfolio Performance for H1 2023/24:

	H1 2023/24 Actual	H1 2023/24 Forecast	Delta to Forecast (% change)	H1 2022/23 Actual	Delta H1 23/24 to H1 22/23 Actual (% change)
Solar Portfolio Total Installed Capacity (MW)[1]	754.2	-	-	707.76	+6.56%
Weighted Average Irradiation (Hrs)[1,2]	522.79	543.97	-3.89%	601.03	-13.02%
Total Generation (MWh)	294,048	323,769	-9.18%	327,377	-10.18%
Generation Yield (MWh/MW)	389.90	429.31	-9.18%	462.56	-15.71%
Average Revenue (£/MWh)[3]	261.47	259.70	+0.68%	180.96	+44.49%

Notes to Table 1.

1. Periods of irradiation where irradiance exceeds the minimum level required for generation to occur (50W/m^2)
2. Excluding grid outages and significant periods of constraint or curtailment that were outside the Company's control (for example, DNO-led outages and curtailments)
3. Average Revenue includes all income associated with the sale of power, all subsidy payments, liquidated damages and insurance claims amounts. ROC recycle revenue is included assuming a 10% recycle rate for both Actual and Forecast Revenue



Total Revenue for the Period was £76.92m, representing a 29.8% increase compared to the same period in FY 22/23 (£59.24m), largely due to the acquisition of a 46.4MW operational solar portfolio from Fengate Asset Management in December 2022, and PPAs with higher prices being secured in the intervening period. The Average Revenue received per MWh generated was £261.47, marginally above expectations, and 44.5% higher than that recorded for FY 2022/23.

Operational costs for the Period (incorporating all fixed, contracted costs such as lease payments, and O&M fees) totalled c.£14.3m, 2.9% lower than forecasted. Costs have increased from the same period in FY 2022/23 due to increased capital deployment for repowering and enhancement projects.

Solar PV Optimisation and Enhancement Activity

A core focus of the Investment Adviser's activities is protecting, optimising, and enhancing the value of the Company's operational portfolio.

Principally this is done through in-depth performance monitoring and carefully tailored preventative maintenance programmes, ensuring that improvement or repowering works requiring full or partial outages are completed during the months of low irradiation (being October to March).

A rolling capital investment programme is essential for optimising the long-term operational performance of the portfolio. The Investment Adviser, working in conjunction with the Asset Manager, has identified that one of the key causes of lower-than-expected availability is a long lead time for spare parts for major components, notably central inverters, due to industry demand from construction projects and other operators' repowering works. To rectify this impact on availability, the Investment Adviser has instigated multiple inverter repowering projects and accelerated the purchase of strategic spares for the entire portfolio.

Two significant string-inverter repowering projects and the replacement of three transformers at Hall Farm were completed during the period to improve both the current and future performance of the assets. Further inverter repowering and optimisation projects are planned for FY 23/24.

As at 31 December 2023, 494.6MW (being 65.6% of the solar PV portfolio), have leases that allow for remaining terms beyond 30 years, with 338.2MW benefitting from planning terms in excess of 30 years, with the Investment Adviser continuing to pursue lease extensions on the remaining assets in the portfolio.

ONSHORE WIND PERFORMANCE

As at 31st December 2023, the Company held an operational onshore wind portfolio of 135 installations, comprising 109 small scale turbines (55-250kW) and 26 wind farm turbines (850kW-2.3MW), with an aggregated capacity 58.4MW.

The onshore wind portfolio generated 82.0GWh during the reporting period, in line with the forecast. The fleet recorded a generation yield of 1,405MWh per MW of installed capacity, equivalent to a 27.4% increase from FY 2022/23. This was due to the Company's continued programme of improvement and re-powering works supporting greater availability, alongside slightly higher-than-expected wind resource.

Table 2: Aggregated Wind Portfolio Performance, H1 2023/24

	H1 2023/24 Actual	H1 2023/24 Forecast	Delta to Forecast (% change)	H1 2022/23 Actual	Delta 23/24 to 22/23, Actual (% change)
Portfolio Total Installed Capacity (MW)	58.36	-	-	58.36	0.00%
Total Generation (MWh)	82,008	82,629	-0.75%	64,392	27.36%
Generation Yield (MWh/MW)	1,405.21	1,415.85	-0.75%	1,103.36	27.36%
Average Revenue (£/MWh)	£184.40	£186.28	-1.01%	£203.59	-9.43%

Notes to Table 2.

Average Revenue includes all income associated with the sale of power, all subsidy payments, liquidated damages and insurance claims amounts. ROC recycle revenue is included assuming a 10% recycle rate for both Actual and Forecast Revenue

During the Period fleet achieved a total revenue of £15.1m, -1.75% below forecast, largely due to those plants with PPAs which track the day-ahead market prices achieving slightly lower-than-expected floating power prices.

Onshore Wind Optimisation & Enhancement Activity

In Northern Ireland, 17 of the 29 small-scale turbines have been identified for repowering with replacement EWT 250kW turbines. These assets are being repowered to increase efficiency and output, whilst maintaining their respective NIRO accreditation status.

As at 31 December 2023, 11 turbines have been repowered and returned to operation, with a further three projects undergoing construction, with commissioning expected during H2, FY 2023/24. Planning applications for the remaining projects have been submitted to the relevant Local Planning Authorities.

A technical adviser has now completed a feasibility study for similar repowering opportunities across the GB portion of the fleet, which the Investment Adviser is currently assessing.

GENERAL PORTFOLIO

Ofgem Audits

As part of the industry-wide audits of FiT and RO-accredited generating assets, the Investment Adviser and Asset Manager have been working closely with the regulator on those assets (randomly) selected for audit. All of the Company's assets that have completed Ofgem audits to date have been classified as 'satisfactory' and so are deemed by Ofgem as being compliant.

Health and Safety Activities

The Investment Adviser continues to ensure that Health and Safety awareness, policies, processes and procedures remain at the forefront of every activity around the portfolio. Health and safety policies and logs are reviewed at least annually. All main contractors (including asset management and O&M providers) are audited annually by a qualified third-party specialist consultant, with new retained contractors (associated with operational projects acquired by BSIF, for example) audited immediately following acquisition.

Cyber Security

The Investment Adviser arranged penetration testing as part of a periodic cyber security review by a specialist external consultant. The testing covered approximately 50% of the solar portfolio, with all results satisfactory. Whilst cyber security across the portfolio is appropriate, the Investment Adviser has arranged for all the recommendations to further enhance cyber security to be undertaken, including both hardware and software upgrades, with works to commence shortly. The remainder of the PV portfolio and all wind farms are now undergoing penetration testing, expected to be complete by the end of the FY 23/24.


NORTHERN IRELAND WIND TURBINE

4. POWER PURCHASE AGREEMENTS

The Investment Adviser continues to employ its strategy of fixing short-term power price agreements for periods of between 12 and 36 months. As at 31 December 2023, the average term of the fixed-price PPAs across the portfolio is 27.8 months (FY 22/23: 28.4 months).

The Investment Adviser actively monitors power market conditions, ensuring contract renewals are spread evenly throughout any 12-month period, with competitive tender processes involving several offtakers running for each PPA renewal in the 3-month period prior to the commencement of a new fixing period. This method acts as a natural hedging strategy against wholesale market fluctuations. The predominantly fixed price approach allows for high levels of confidence in the Company's revenue forecasting and limits exposure to market volatility, but the short-term nature of the contracts also allows for some flexibility to 'pull forward' batches to fix, should market dynamics present a compelling case.

In addition, up to 10% of PPAs (of the aggregated portfolio capacity) are executed on a 'floating' mechanism, whereby prices move in line with the day-ahead (N2EX) market. This allows a portion of the portfolio to capture short-term volatile price spikes in the wholesale market. PPA counterparties are selected on a competitive basis, but with a clear focus on achieving value and diversification of counterparty risk. Flexibility within the Company's capital structure enables PPA counterparties to be selected on a competitive basis and not be influenced by lenders requiring long term contracts with one offtaker. Evidence of this is reflected in the BSIF's fixed average seasonal weighted power price, which for the 12 months ended 31 December 2023 increased by 97.2% compared to the same period in FY 22/23, rising to £169.2/MWh from £85.8/MWh in the previous calendar year.

As at 31 December 2023, the Company has a price confidence level of 90%, reducing to 78% to June 2024 (including subsidy revenues), representing the percentage of the portfolio that already has a fixed price in place for the sale of power, and thus no exposure to power market uncertainty. Looking ahead, the strategy has secured power price fixes at levels that are materially in excess of the latest industry forecaster expectations as highlighted in the chart below:

Chart 1. PPA Fixed Power Prices (Average for Fixes completed during period)

Price as at:	Jan 24	Jul 24	Jan 25	Jul 25
BSIF Portfolio Weighted Averaged Fixed Contract Price (£/MWh)	170.98 (707.03MW)	147.13 (496.83MW)	158.41 (466.03MW)	136.81 (308.51MW)
BSIF Blended Curve (nominal terms) as at Dec 23	104.97	104.97	98.06	98.06

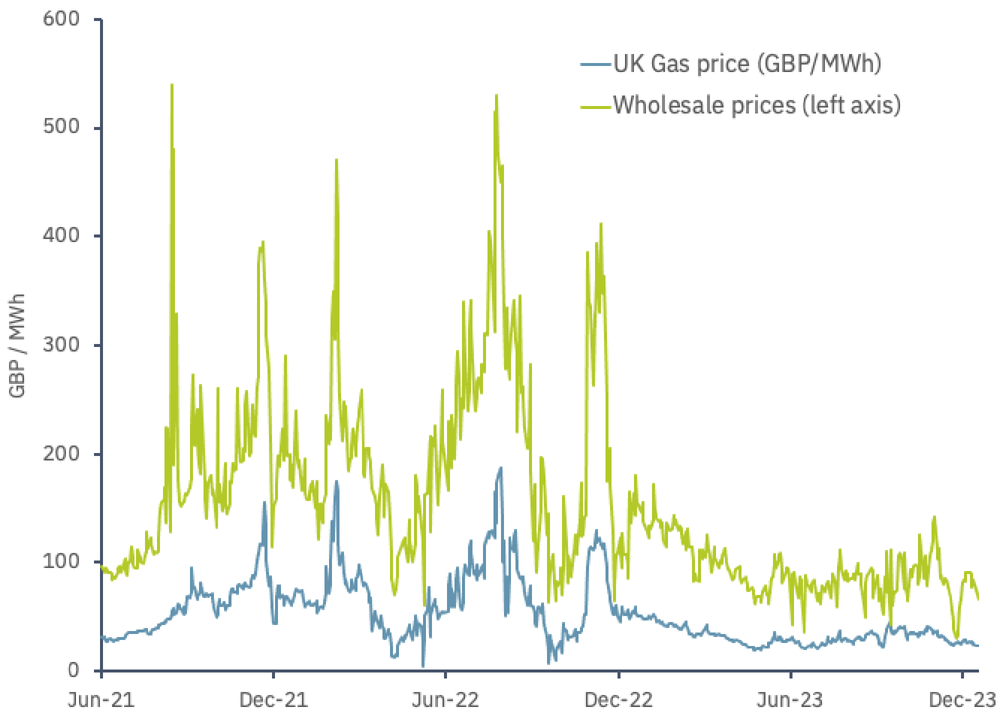
Footnote: MW stated in the BSIF Portfolio Weighted Average Contract price refers to the total amount of the portfolio fixed for that period.

Power Market Summary

Despite the Company's average weighted fixed price remaining strong, wholesale power prices continued to fall from the levels of H1 2023 and the spikes seen during 2022 (as demonstrated in Chart 2 below).

However, despite the general decline, October and November 2023 saw the day-ahead (N2EX) prices increase to £86.2/MWh and £91.3MWh respectively from September's average of £82.4/MWh due to low renewable generation during these months. The average power price in December was £66.6/MWh, a 27% decrease from November and a 72.6% decrease compared to December 2022. The fall in the average N2EX price during December was largely due to lower gas and carbon prices, as well as significantly higher-than-expected onshore and offshore wind generation.

Chart 2. UK Natural Gas & Wholesale Day-ahead (N2EX) Power Prices (1 June 2021 – December 2023)



Source data: Bloomberg

5. PROPRIETARY PIPELINE

Over the Company's ten year history, building a proprietary development pipeline and then funding the construction of new projects has been at the heart of its success. Entering earlier in the value chain brings some additional risk but, if managed appropriately, we believe it also allows us to control the quality of projects far better, which ultimately brings enhanced risk-adjusted returns to Shareholders.

Over the past four years, the Company has continued to implement its new build strategy across the solar value chain to ensure that BSIF continues to build its market share amongst UK solar power producers. We have also expanded our strategy to battery storage, which in time will provide some diversification of BSIF's revenues by enabling it to benefit from the expected increase in power price volatility as the capacity of renewables increases.

This focus on development activities has enabled the Company to accumulate a significant pipeline of assets which can be built over the next five years. As our projects progress, we are working with selected construction contractors to ensure that projects are designed and built to a high specification for long term performance.

We are pleased to report that the new build strategy has delivered well on its objectives thus far: the development pipeline now stands at over 1.5 GW and the first development to be funded, Yelvertoft, is progressing well through construction. This 49MW project is set to be connected to the grid in the first quarter of 2024 and it has entered into a Contract for Difference ("CfD") for its output.

The following sections provide a more detailed update on both our construction and development programmes.

Construction Programme

As at the end of the Period, BSIF had 93 MW of solar assets under construction. These are Yelvertoft Solar Farm, a 49MW solar PV park in Northamptonshire, and Mauxhall Farm Energy Park, a 44MW solar PV project in North East Lincolnshire. Yelvertoft signed a fixed price EPC contract with Bouygues in September 2022 and is targeting connection to the grid in Q1 2024, while Mauxhall Farm signed a fixed price EPC contract with EQUANS in March 2023 and is expected to be operational in Q2 2024. Mauxhall Farm is planned to be a co-located project and construction of a 25MW battery energy storage scheme is expected to commence shortly after the solar plant has been commissioned.

As the EPC agreements require contractors to provide full procurement activity and to supply all materials, the Investment Adviser completes a full assessment of each contractor's procurement and supply chain management processes to ensure compliance with the Company's ESG policies and standards.

In addition to projects in construction, BSIF had solar assets with a capacity of 545MW and battery storage assets with 233MW capacity that are fully consented and are in the pre-construction phase. The projects have expected connection dates between 2024 and 2030.

Projects with CfDs

In July 2022, the Investment Adviser successfully secured CfDs on 65MW of ready to build PV plants (Yelvertoft 49MW, Romsey 8MW and Oulton 8MW). By securing a CfD contract, the plants will benefit from CPI-linked revenues for 15 years at the AR4 solar PV strike price of £45.99/MWh (in 2012 equivalent prices), equating to £61.51 /MWh in today's prices. The contracts commence from 31 March 2025 and the strike prices will be adjusted appropriately for CPI.

In September 2023, BSIF achieved allocations of CfDs on all four of its projects submitted to AR5. The combined capacity of these sites is expected to be c.212MW. The projects received a strike price of £47.00/MWh (in 2012 prices), or £62.86/MWh in today's equivalent prices.

Development Programme – Outline of developments and valuation approach

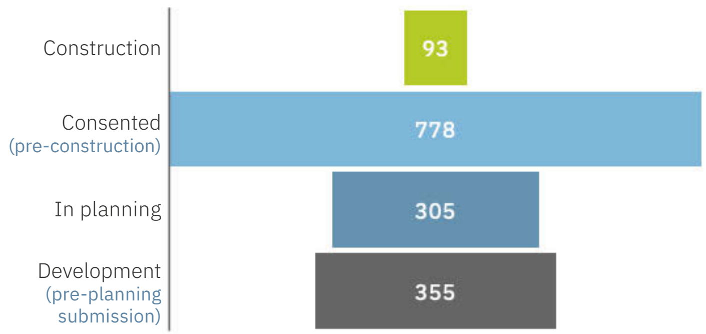
The Investment Adviser has been pursuing its development strategy since 2019 to enable BSIF to continue to be a key player in the UK renewable energy market. Since that time, a portfolio of approximately 960MW of solar and over 560MW of batteries has been built up across 28 projects (in the Period, consent was received for three projects, totalling 147MW solar and 90MW battery, while post Period end one project of 50MW solar received consent). BSIF has a 5% investment limit in pre-construction development stage activities, of which less than 1% is currently committed.

Currently, no value is attributed to projects without planning consent. Once developments receive planning consent and move from the development stage to pre-construction, the Investment Adviser believes it is appropriate to reflect this change in the Company valuation. At this point in their lifecycle the projects will have received all the necessary planning consents, land rights and valid grid connection offers and so have discernible value beyond the direct costs of development.

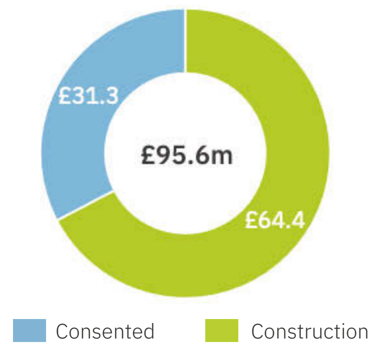
The current pipeline status and valuation is summarised in the graphic below.

Current pipeline status and valuation

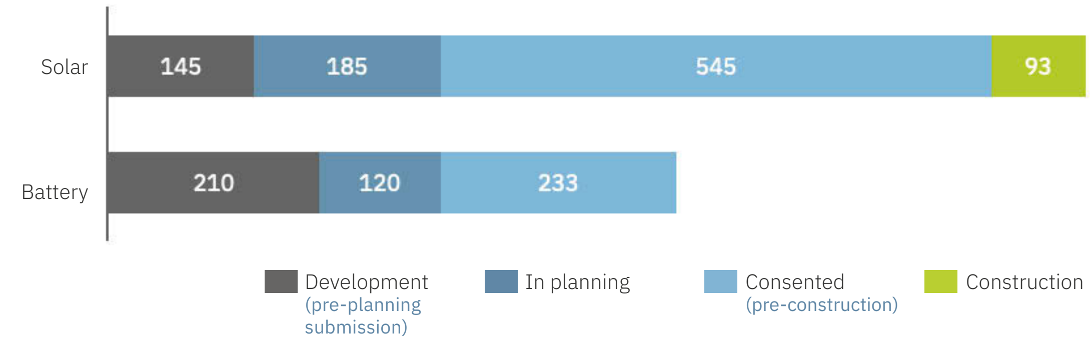
Development pipeline (MW). Total = 1,531MW



Development pipeline Value (£m)



Project progress by technology



6. ANALYSIS OF UNDERLYING EARNINGS

The total generation and revenue earned in the period by the Company's portfolio, split by subsidy regime, is outlined below:

Subsidy Regime	Generation (MWh)	PPA Revenue (£m)	Regulated Revenue (£m)
FiT	28,743	2.4	5.9
4.0 ROC	8,134	0.6	2.0
2.0 ROC	8,696	0.7	1.1
1.6 ROC	48,766	6.4	5.0
1.4 ROC	126,553	24.5	11.2
1.3 ROC	30,185	3.9	2.5
1.2 ROC	59,005	11.1	4.9
1.0 ROC	23,388	2.0	1.4
0.9 ROC	42,584	3.7	2.3
Total	**376,054**	**55.3**	**36.3**

The Company includes ROC Recycle assumptions within its long term forecasts and applies a market based approach on recognition within any current financial period, including prudent estimates within its accounts where there is clear evidence that participants are attaching value to ROC Recycle for the current accounting period.

In November 2023, Ofgem announced the value for ROC Recycle for the period April 2022 to March 2023 (CP21) was £6.81/ROC (equivalent to 12.9% of CP21 ROC buyout prices). This was slightly ahead of the 12.5% ROC Recycle estimate the Company had recognised in its 30 June 2023 Financial Statements.

The key drivers behind the changes in underlying earnings between H1 2022/23 and H1 2023/24 are the combined effects of the Dec 2022 acquisition, PPA fixes and increased REGO pricing from a revenue perspective, and the addition of the Electricity Generator Levy (EGL) increasing group operating costs.

Underlying Portfolio Earnings

	Half year period to 31 Dec 23 (£m)	Half year period to 31 Dec 22 (£m)	Full year to 30 June 23 (£m)	Full year to 30 June 22 (£m)
Portfolio Revenue	91.6	78.6	184.4	111.4
Liquidated damages and Other Revenue*	3.7	0.8	5.4	1.6
Portfolio Income	**95.3**	**79.4**	**189.8**	**113.0**
Portfolio Costs	-21.2	-16.1	-36.3	-27.8
Project Finance Interest Costs	-6.4	-5.5	-13.6	-4.7
Total Portfolio Income Earned	**67.7**	**57.8**	**139.9**	**80.5**
Group Operating Costs#**	-17.7	-4.6	-25.4	-8.3
Group Debt Costs	-6.1	-1.8	-6.1	-5.4
Underlying Earnings	**43.9**	**51.4**	**108.4**	**66.8**
Group Debt Repayments	-22.1	-13.2	-18.3	-13.8
Underlying Earnings available for distribution	**21.8**	**38.2**	**90.1**	**53.0**
Bought forward reserves***	48.4	20.9	20.9	13.4
Total funds available for distribution	**70.2**	**59.1**	**111.0**	**66.4**
Target distribution******	**N/A**	**N/A**	**51.4**	**45.2**
Actual Distribution	**13.5**	**12.8**	**52.6**	**45.5**
Underlying Earnings carried forward	**N/A**	**N/A**	**58.4**	**20.9**

* Other Revenue includes insurance proceeds, ROC Recycle late payment and Mutualisation, REGOs, O&M settlement agreements and rebates received.

\# Includes the Company, BR1 and any tax charges, including EGL.

** Excludes one-off transaction costs and the release of up-front fees related to the Company's debt facilities

*** FY23 carried forward reserves of £58.4 less RCF Repayment of £10m in the Period

**** Target distribution is based on funds required for total target dividend for each financial period.

The table below presents the underlying earnings on a per share basis.

	Half year period to 31 Dec 23 (£m)	Half year period to 31 Dec 22 (£m)	Full year to 30 June 23 (£m)	Full year to 30 June 22 (£m)
Target Distribution - £m	N/A	N/A	52.6	45.2
Total funds available for distribution (inc. reserves) - £m	**70.2**	**59.1**	**111.0**	**66.4**
Average number of shares in the period*	611,452,217	611,452,217	611,452,217	554,042,715
Target Dividend (pps)	N/A	N/A	8.40	8.16
Total funds available for distribution (pps)	**11.46**	**9.65**	**18.13**	**12.22**
Total Dividend Declared for the period (pps)**	2.20	2.10	8.60	8.20
Reserves carried forward (pps) ***	N/A	N/A	9.53	3.39

* Average number of shares is calculated based on shares in issue at the time each dividend was declared.

** First interim dividend for FY 23/24 of 2.20pps declared 26 January 2024, with a payment date on or around 9 March 2024.

***Reserves carried forward are based on the shares in issue at the point of Annual Accounts publication (being c.611m shares for both 30 June 2023 and 30 June 2022).

7. NAV AND VALUATION OF THE PORTFOLIO

The Investment Adviser is responsible for advising the Board in determining the Directors' Valuation and, when required, carrying out the fair market valuation of the Company's investments.

Valuations are carried out on a quarterly basis at 30 September, 31 December, 31 March and 30 June each year, with the Company committed to conducting independent reviews as and when the Board believes it benefits Shareholders.

As the portfolio comprises only non-market traded investments, the Investment Adviser has adopted valuation guidelines based upon the IPEV Valuation Guidelines published by the BVCA (the British Venture Capital Association). The application of these guidelines is considered consistent with the requirements of compliance with IFRS 9 and IFRS 13.

Following consultation with the Investment Adviser, the Directors' Valuation adopted for the portfolio as at 31 December 2023 was £1,001.1m (30 June 2023, £1,018.4m).

The table below shows a breakdown of the Directors' Valuations over the last four interim and annual reporting periods:

Valuation Component (£m)	Dec 2023	June 2023	Dec 2022	June 2022
Enterprise Portfolio DCF value (EV)	1,149.1	1,195.2	1,222.2	1,180.6
Construction and Consented Solar and Battery Storage Development rights*	103.7	67.5	30.4	13.8
Deduction of Project Co debt	-410.1	-430.8	-410.1	-390.3
Project Net Current Assets	158.4	186.5	145.1	135.8
Directors' Valuation	**1,001.1**	**1,018.4**	**987.6**	**939.9**
Portfolio Size (MW)	**812.6**	**812.6**	**812.6**	**766.2**

*Includes £64.4m in construction, £31.3m consented and £8.0m of Gladiator repowering awaiting accreditation

Discounting Methodology

The Directors' Valuation is based on the discounting of post-tax, projected cash flows of each investment, based on the Company's current capital structure, with the result then benchmarked against comparable market multiples, if relevant. The discount rate applied on the project cash flows is the weighted average discount rate. In addition, the Board continues to adopt the approach under the 'willing buyer/willing seller' methodology, that the valuation of the Company's portfolio be appropriately benchmarked to pricing against comparable portfolio transactions.

Key factors behind the Directors' Valuation

There have been a number of key factors that have been considered in the Investment Adviser's recommendation to the Directors' Valuation (and which are quantified in the Directors' Valuation and NAV movement chart on page 22):

(i) RPI inflation assumptions for 2024 onwards have remained in line with those used in June 2023 (3.5% in 2024, 3.0% to 2029, 2.25% post 2030) reflecting expectations that UK inflation has peaked and is on the path to more normalised long term levels;

(ii) The portfolio discount rate remains unchanged at 8.00% (8.00% in June 2023 and 7.25% in December 2022) as base rate increases slowed (rising from 5.0% in June 23 to 5.25% as at 31 December 2023) and 15 year gilt yields contracted from highs of c.5.0% in June 2023 to c.4.0% as at 31 December 2023;

(iii) The value attributed to BSIF's development and construction portfolio has risen during the period, reflecting sites receiving planning permission and further progress and investment into construction projects;

(iv) Review of fixed costs and first time inclusion of revenue for REGOs (Renewable Energy Guarantees of Origin) for the period 2026 to 2030. This adoption follows evidence that value is now being attributed to REGOs beyond the period of PPA fixes currently in place.

By reflecting the core factors above within the Directors' Valuation for 31 December 2023, the EV of the portfolio is £1,149m (June 2023: £1,195.2m) with the effective price for the solar component being c.£1.28m/MW (June 2023: £1.35m/MW).

These metrics sit within the pricing range of precedent market transactions and the 'willing buyer-willing seller' methodology upon which the Directors' Valuation is based.

Valuation Assumptions – Further detail

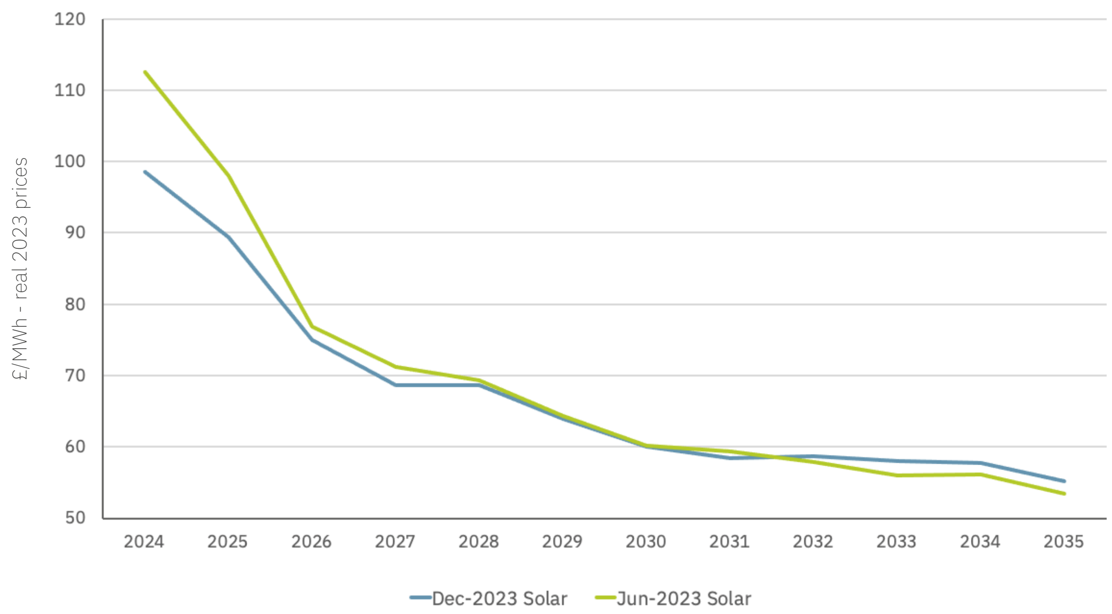
Power Price

The blended forecast of three leading consultants used within the latest Directors' Valuation, as shown in the graph below, is based on forecasts released in the quarter to December 2023. For illustration purposes, the graph below also includes the blended curve used in the Company's June 2023 Annual accounts.

The curves used in the 31 December 2023 Directors' Valuation reflect the following key updates:

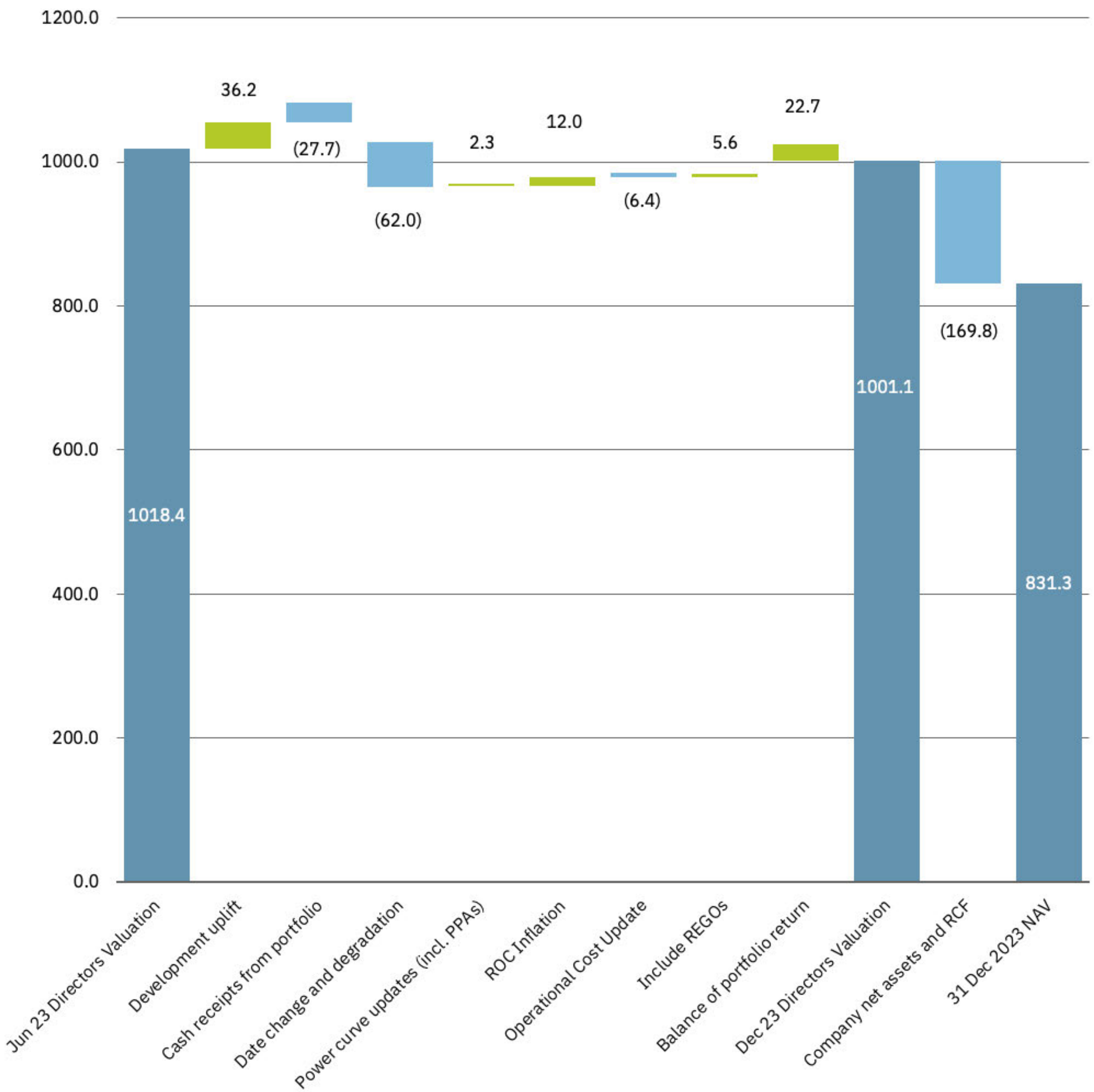
1. Short-term European gas prices have fallen, driven in part by high gas storage levels, with a similar trend reflected in the wholesale power price curve;
2. Higher renewable generation capacity deployment levels in the medium term (with ambitions for up to 50GW offshore wind by 2030) as the UK strives to meet its net zero targets and fully decarbonise its power system by 2035; and
3. Annual demand for power in Great Britain, driven principally by electrification of heat and transport, is expected to rise from 296TWh in 2024 to 439TWh by 2035.

Change in blended power price forecasts



Please note, the blended forecast varies depending on whether the asset is a solar or a wind project, reflecting different forecasts for technology specific capture rates. The solar forecast is shown in the chart on this page. BSIF consistently outperforms these figures so the Company considers them conservative.

Directors' Valuation and NAV Movement (£m)



Directors' Valuation movement

		(£million)	As % of valuation
30 June 2023 Valuation		**1,018.4**	
New investments acquired		0	
Rebased Valuation		**1,018.4**	
Development uplift	36.2		3.6%
Cash receipts from portfolio	(27.7)		(2.7)%
Date change and degradation	(62.0)		(6.1)%
Power curve updates (incl. PPAs)	2.3		0.2%
ROC inflation	12.0		1.2%
Operational cost update	(6.4)		(0.6)%
Include REGOs	5.6		0.5%
Balance of portfolio return	22.7		2.2%
31 December 2023 Valuation		**1,001.1**	**(1.7)%**

There have been no material changes to assumptions regarding the future performance or cost optimisation of the portfolio when compared to the Directors' Valuation of 30 June 2023.

The assumptions set out in this section remain subject to continuous review by the Investment Adviser and the Board.

Reconciliation of Directors' Valuation to Balance sheet

	BALANCE AT PERIOD END			
Category	31 December 2023 (£m)	30 June 2023 (£m)	31 December 2022 (£m)	30 June 2022 (£m)
Directors' Valuation	1,001.1	1,018.4	987.6	939.9
Portfolio Holding Company Working Capital	(3.3)	(12.5)	2.9	(13.6)
Portfolio Holding Company Debt	(167.0)	(153.0)	(121.0)	(70.0)
Financial Assets at Fair Value per Balance sheet	**830.3**	**852.9**	**869.5**	**856.3**
Gross Asset Value	**1,407.3**	**1,438.0**	**1,400.6**	**1,316.7**
Gearing (% GAV*)	**41%**	**41%**	**38%**	**35%**

* GAV is the Financial Assets, as at 31 December 2023, at Fair Value of £830.3m plus RCF of £167m and third party portfolio debt of £410m (giving total debt of £577m).

Directors' Valuation sensitivities

Valuation sensitivities are set out in tabular form in note 7 of the financial statements. The following diagram reviews the sensitivity of the EV of the portfolio to the key underlying assumptions within the discounted cash flow valuation.


SOLAR PV AT ROVES

8. FINANCING

Debt Strategy

Since its IPO the Company has focused on a simple and defensive approach to debt. This means having debt agreements that have, primarily, fixed interest rates and are amortising. Debt split into (1) long-term asset-level debt, and (2) revolving credit facility at fund-level for short-term funding. Debt in the portfolio is generally not subject to stringent lender requirements on PPAs, allowing BSIF to take advantage of more competitive PPA pricing.

The Company's weighted average cost of long-term debt is 3.5% and is largely locked-in via fixed interest rates. Whilst BSIF has a modest amount of index-linked debt, it also has significant levels of RPI linked revenues, leaving the Company a net beneficiary of inflation.

The fund's revolving credit facility (RCF) is the only non amortising debt instrument in the portfolio and represents 29% of the total debt balance. 70% of asset-level debt has a fixed interest rate. 30% of principal for long-term debt is inflation-linked.

Revolving Credit Facility

On 22 June 2023, the Group agreed a £110 million increase to its existing committed £100 million revolving credit facility ('RCF'), bringing the total committed amount to £210 million. The facility also has an uncommitted accordion feature allowing it to be increased by up to a further £30 million. As part of the increase, the Group has sought to broaden the lender group through the introduction of Lloyds Bank Plc, alongside the existing lenders RBS International and Santander UK. The term of the facility has been extended to May 2025 and the facility's margin remains unchanged at 1.9%.

As at 31 December 2023, the Company's subsidiary BR1 had drawn £167m from its RCF.

External Debt

Excluding the Group's RCF, total outstanding loans to third party lenders as at 31 December is £410m, with each loan secured against a portfolio of assets and fully amortising within the life of the respective assets' subsidies.

The average interest cost, excluding the Group's RCF, across the external debt facilities in the table below is 3.55%.

Debt	Principal Outstanding (£m)	Maturity	% of Interest Fixed[1]	All-in Interest Rate
Syndicate - Fund RCF	167	May-25	0%	6.34%
Bayern LB - Project Finance	7	Sep-29	100%	5.50%
Syndicate - Project Finance	68	Dec-33	100%	3.50%
Aviva (fixed) - Project Finance	83	Sep-34	100%	2.88%
Aviva (index-linked) - Project Finance	64	Sep-34	100%	3.70%
Macquarie (fixed) - Project Finance	7	Mar-35	100%	4.60%
Macquarie (indexed-linked) - Project Finance	20	Mar-35	100%	4.70%
Gravis (index-linked) - Project Finance	37	Jun-35	100%	6.48%
NatWest – Project Finance	123	Dec-39	85%	2.70%
TOTAL/WTD AVG	577		68%	4.36%
TOTAL/WTD AVG EXCL. RCF	410		96%	3.55%

Note: Index-linked debt treated as fixed for the purposes of this table as proportion fixed represents interest rate risk only

NatWest 3year term loan maturity and refinancing

On 2 May 2023, the Group announced the re-financing of its £110 million three-year term loan with NatWest.

The original loan, with minimum 75% hedged with a swap at circa 0.35% over a notional 18-year period, had a maturity of September 2023 and has been increased to £130 million and extended in maturity to December 2039.

Hedging has been put in place for the tenor of the loan on £110 million, at an effective all-in cost of c.2.7% (being margin and swap rate).

The financing is secured against the UK-based portfolio of 31 operational PV plants with a total installed capacity of 139MW and benefitting from attractive subsidies; 29 of the assets are accredited under the ROC regime with tariffs ranging from 1.2 - 2.0 ROCs, while two are accredited under the FiT scheme.

The additional debt of £20 million is being used to provide financing for the construction of Yelvertoft, the Company's 49MW CfD-backed solar PV project in Northamptonshire. Once construction is complete, expected in Q2 2024, the Company will review whether to enter hedging arrangements on this tranche.

GAV Leverage

The Group's total outstanding debt, as at 31 December 2023, was c.£577 million and its leverage stands at c.41% of GAV (41% as at 30 June 2023) within the 35% - 45% range the Directors have previously outlined as desirable for the Group.

9. MARKET DEVELOPMENTS

UK renewable generation capacity and deployment

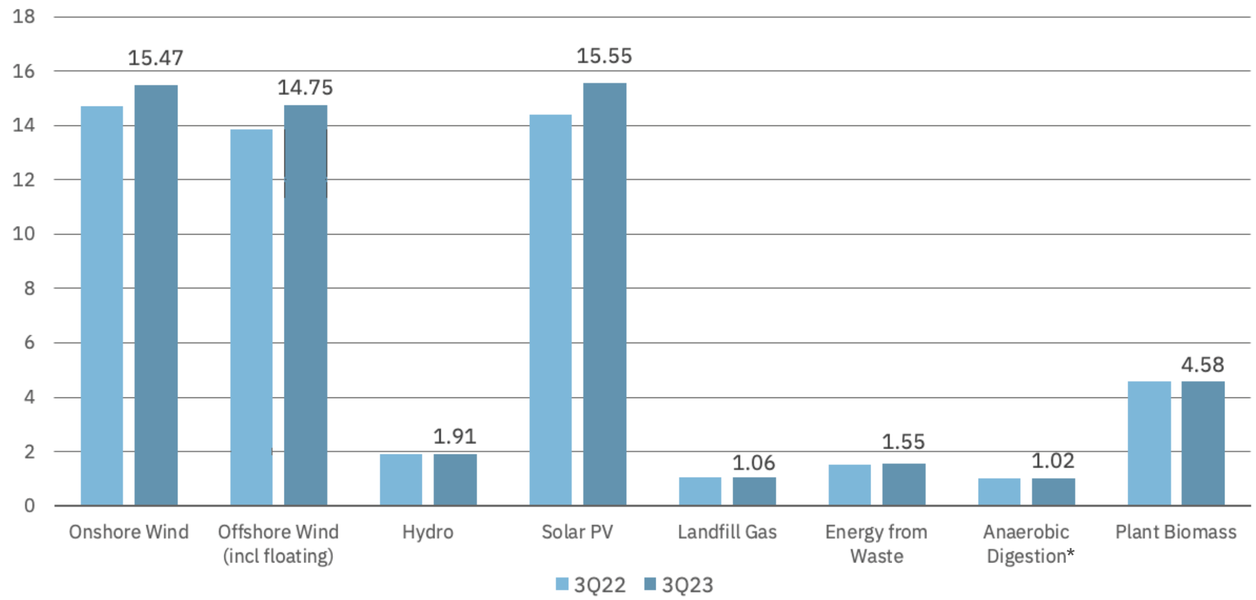
Latest Government data shows that UK solar photovoltaic (PV) capacity stands at over 15.5GW, across c.1.4 million installations. Of this amount, around 7.3GW (c.48% of the total solar capacity in the UK) and 5.1GW (33%) is accredited under the RO and FiT schemes respectively, and c.3GW (19%) is unaccredited. Onshore and offshore wind installed capacity stands at around 15.5GW and 14.8GW, respectively. The UK has 3.5GW of operational battery storage capacity, according to data from energy association, Renewable UK.

The UK's total renewable generation capacity is projected to continue to grow over the coming years as the Government strives to meet its net zero targets and meet power demand from the electrification of the domestic heat, transport and industrial sectors. Deployment is expected to be supported by policies such as the CfD scheme, which is described in more detail in the next section of this report.

The UK Government aims to increase solar capacity to 70GW by 2035 and has signalled its support for ground and rooftop solar technologies on brownfield, industrial and low/medium grade agricultural land. The Government also aims to develop up to 50GW of offshore wind by 2030.

The chart below illustrates the distribution of total installed capacity across different renewable generation technologies at the end of the third quarter of 2023 (the latest data available at the time of this report), compared with a year earlier.

Total installed capacity (GW)



Source: UK government Department for Business, Energy & Industrial Strategy *Anaerobic Digestion includes sewage sludge digestion, animal biomass

Secondary market transactions, development and construction activity

Transactional activity in the UK renewables market has eased to some extent, as inflation and higher interest rates have kept investor uncertainty elevated.

Acquisitions of new build and operational renewable energy projects across established technologies have totalled c.190MW in solar, c.660MW in offshore wind (across several shares of sites) and c.45MW onshore wind in the period[1].

Activity in the UK development market has continued to be driven by factors such as ambitious decarbonisation targets, increasing preferences by customers for clean energy, demand for ESG investments and the inclusion of solar PV in upcoming CfD auction rounds. Development activity has been particularly noticeable in the battery storage area as developers seek to provide solutions to help manage the grid as larger quantities of intermittent renewables are added to the system. Solar development activity has, however, slowed recently, primarily due to grid constraints.

Moderate construction activity has also been observed in the UK solar and battery storage area, although this is against a backdrop of challenges with equipment lead times and relatively high interest rates. Converting the UK's significant development pipeline into operational solar projects over the next five years will require developers to adopt an innovative approach to overcome current macroeconomic challenges, as well as challenges surrounding higher construction costs and grid connection lead times.

1. According to Bloomberg New Energy Finance and Bluefield internal data

SOLAR PV AT PASHLEY

10. REGULATORY ENVIRONMENT

The regulatory environment remains under the spotlight as the Government seeks to support renewable energy deployment under particularly tough macroeconomic conditions. Key themes are outlined below.

Update on Contracts for Differences (CfD)

In September 2023, the UK Government announced support for c.3.7GW of new build renewable generation capacity through its CfD scheme, allocation round 5 (AR5) with expected deliveries in 2025-28 and with strike prices at or close to the administrative strike price (ASP) caps set by the Government. Around 1.9GW was awarded for solar projects, c.1.5MW for onshore wind and c. 289MW across the less established remote island wind, tidal stream and geothermal projects. The overall budget for AR5 – across pot 1 and 2 technologies – was £227 million per year (£68m lower than AR4's budget).

In November 2023, the UK Government published the draft Allocation Framework for AR6. The ASPs for all technologies were raised from AR5 levels following extensive lobbying from industry participants for more competitive strike prices given the current high inflationary and cost of capital environment. AR6 application window is due to open on 27 March 2024 and the accompanying Budget notice is scheduled to be released on 13 March, according to the latest Government timeline. The upcoming auction will have a three-technology pot structure, with offshore wind returning to its own pot, having been included in pot 1, alongside solar PV and onshore wind in AR5.

The Government is exploring new ways to ensure the CfD scheme remains fit for purpose, especially as the electricity system evolves overtime. A consultation on scheme changes applicable to AR7 (scheduled to open in 2025) as well as longer-term schemes considerations, such as changes to the inflation indexation methodology, is underway and scheduled to close on 7 March 2024.

Autumn Statement

In November's Autumn Statement 2023, the Chancellor of the Exchequer Jeremy Hunt announced several energy focused measures to incentivise public and private sector investment. These included a commitment to improving grid connection queue times, reforming the UK's planning system process, developing supply chains and manufacturing in low-carbon industries, indefinitely extending the 100% full expensing of capital investment in plant and machinery, as well the introduction of a new investment exemption for the Electricity Generator Levy (EGL). The EGL is scheduled to end on 31 March 2028.

Review of Electricity Market Arrangements

The Government's second planned consultation on the UK's Review of Electricity Market Arrangements (REMA) is expected to open shortly. REMA aims to identify necessary reforms needed to transition to a cost effective, lower carbon and secure electricity system. Several wholesale energy market reforms are still under consideration, including zonal and nodal market pricing.

Bluefield Partners LLP
27 February 2024

Environmental, Social and Governance Report

1. INTRODUCTION FROM THE CHAIR

Decarbonisation remains at the forefront of the political and economic agenda. Climate finance was a key focus at COP28; commitments were made totalling $57 billion, including private and blended climate-related funds, climate finance pledges, and climate adaptation packages[2]. COP28 also saw the UAE Consensus advocate for a tripling of global renewable energy capacity by 2030[3]; an ambition that the Company is well positioned to support.

In addition to climate finance, the ESG regulatory and reporting landscape has also continued to evolve, with the FCA publishing its Sustainability Disclosure Requirements (SDR) and investment labels policy statement[4], launch of the UK's Transition Plan Taskforce (TPT) disclosure framework[5], and the recent consultation from the European Supervisory Authorities (ESAs) on the Sustainable Finance Disclosure Regulation[6]. The Company will continue to review the applicability of emerging ESG regulation and reporting frameworks to maintain compliance and ensure its ESG achievements and challenges are reported transparently to stakeholders.

The Company plays a key role in providing low carbon energy to a decarbonising UK economy. Through the continued integration of sustainability considerations into its investment approach, the Company aims to achieve its purpose of delivering renewable energy, responsibly.

John Scott
Chair

2. COP28: Climate finance (mckinsey.com)
3. Global Renewables and Energy Efficiency Pledge (europa.eu)
4. PS23/16: Sustainability Disclosure Requirements (SDR) and investment labels (fca.org.uk)
5. Transition Plan Taskforce's Final Disclosure Framework | Deloitte UK
6. JC 2023 55 - Final Report SFDR Delegated Regulation amending RTS (europa.eu)

2. ESG HIGHLIGHTS

Estimated annual figures based on actual and forecasted generation data for the period 1 July 2023 – 30 June 2024[7]:

Over 850 GWh of renewable energy generation

Estimated annual CO_2e savings of 176,000 tonnes[8]

Approximately 315,000 houses to be powered with renewable energy[9]

Payments of approximately £290,000 to community benefit schemes

In recognition of its positive environmental contribution, the Company has been awarded the following accreditations:[10,11,12]

7. Based on actual generation for the period 1 July 2023 – 31 December 2023, and forecasted generation for the period 1 January 2024 – 30 June 2024.
8. Based on generation data aligned with the appropriate Government CO2e conversion factor
9. Based on Ofgem's Typical Domestic Consumption Values
10. https://www.gfsc.gg/industry-sectors/investment/guernsey-green-fund
11. https://tisegroup.com/sustainable
12. https://www.londonstockexchange.com/raise-finance/equity/green-economy-mark

3. ESG REGULATION & FRAMEWORK ALIGNMENT

SFDR & EU Taxonomy

The Company is an Article 8 classified fund under the Sustainable Finance Disclosure Regulation (SFDR) and as at 30 June 2023, had a proportion of 97.39% sustainable investments. Please refer to the Company's Periodic Annex IV, appended to its 2023 Annual Report and Financial Statements, and the Company's website for further information regarding its ongoing compliance with the SFDR and EU Taxonomy.

The Company is currently preparing its annual Principal Adverse Impact (PAI) statement relating to the 2023 calendar year, which will be available on its website before 30 June 2024.

UK Sustainability Disclosure Requirements & UK Green Taxonomy

The FCA's Sustainability Disclosure Requirements (SDR) aim to promote transparency and accountability within financial markets regarding a product's sustainability-related characteristics, ensuring that products are marketed correctly and have an evidence-base to their sustainability claims[13].

As a non-UK AIF, the Company is not currently in scope of this regime. However, the applicability of the framework to overseas funds is currently pending, and it is likely that it will be expanded to cover overseas funds in some capacity in due course. As such, the Company is currently reviewing its alignment with the SDR framework.

As a UK authorised firm, the Company's Investment Adviser is within scope of the SDR's anti-greenwashing rule and is currently reviewing the implications of this new rule to ensure the firm's compliance. The Investment Adviser is continuing to follow progress of the UK Green Taxonomy.

Sustainability Disclosure Standards

In June 2023 the ISSB published two IFRS sustainability disclosure standards, IFRS S1 and S2, which will form the basis of the UK's Sustainability Disclosure Standards (SDS), expected to be finalised later this year[14]. During the interim period, the Company has undertaken a review of its alignment with the requirements of the IFRS sustainability disclosure standards, which will help to inform the Company's sustainability reporting approach moving forward.

Task Force on Climate-related Financial Disclosures

The Company has aligned on a voluntary basis with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and its second TCFD report was presented within the Company's 2023 Annual Report and Financial Statements.

Task Force on Nature-related Financial Disclosures

The Company is currently developing a Nature Strategy, aligned with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) to build a framework through which the Company can manage its material nature-related risks and opportunities.

4. THE COMPANY'S ESG STRATEGY

The Company's ESG strategy reflects stakeholder expectations and has been developed to deliver positive value across the Company's portfolio of investments. Material ESG topics are defined within each of the Company's key pillars:

13. PS23/16: Sustainability Disclosure Requirements (SDR) and investment labels (fca.org.uk)
14. UK Sustainability Disclosure Standards - GOV.UK (www.gov.uk)

OUR PURPOSE:

RENEWABLE ENERGY, DELIVERED RESPONSIBLY

Driving shareholder returns whilst promoting positive environmental and social value through our work as a pioneering and responsible renewables fund. As well as supporting the UK's Net Zero carbon ambition, we aim to enhance nature across our sites, to support the UK in mitigating both the climate and ecological crisis.

OUR ESG VISION:

The Company is helping to mitigate climate change through decarbonisation of the energy sector, whilst delivering long term dividends to our shareholders. We aim for a best-in-class approach to environmental, social and governance aspects. We recognise that being a renewables fund does not mean that we can remove ourselves from wider environmental, social, and governance topics, and are conscious of the potentially harmful impacts that come with being part of the renewables industry. We have committed to further developing our robust due diligence processes and requirements of our suppliers and contractors and we believe that the assets within our fund have a part to play at the local level as much as at the national level. We aim to enhance nature at our sites and integrate this in our efforts in the communities in which we operate, recognising the interconnection between ecological and climate impact.

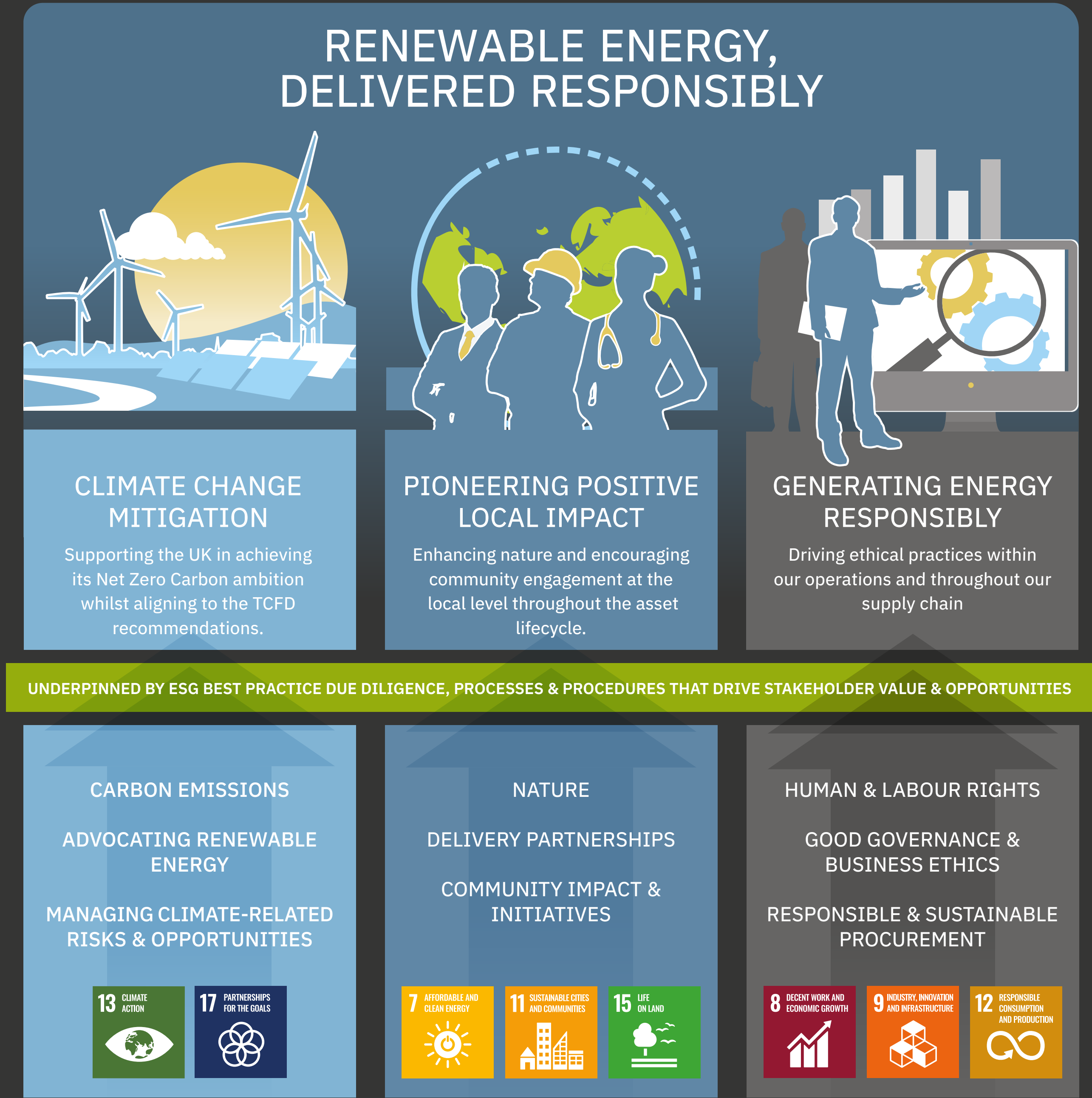
ESG STRATEGY:

The Company's ambitions will be achieved through delivery of its ESG strategy, which is centred around three key pillars. ESG topics are arranged under the three pillars and reflect:

- **Priority focus areas, as identified by stakeholders**
- **Regulatory requirements, e.g., EU SFDR, EU Taxonomy and TCFD**
- **ESG reporting frameworks, e.g., SASB**

These underpin what will become the Company's biggest value and impact drivers.

Figure 1 – the Company's ESG strategy, including key pillars and priority ESG topics



Disclaimer: The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States

ESG Risk Management

The Board of the Company has ultimate responsibility and oversight of ESG risks and opportunities, and ESG is considered by the Directors as part of every Board meeting, as well as investment decisions and risk management. Daily management of ESG is outsourced to the Investment Adviser, with the Board regularly updated on ESG activity through investment committee papers, Board meetings, ESG Committee meetings, ad hoc calls, and written updates.

ESG risks are considered as part of the Company's risk management processes, and are identified, assessed, and discussed by the Audit and Risk Committee and included as part of the Company's risk matrix. The Company also discloses potential impacts relating to physical and transitional climate-related risks within its TCFD reports, which are included within the Company's Annual Report and Financial Statements.

Commitments & KPIs

Please refer to the Company's 2023 Annual Report and Financial Statements for its ESG commitments and KPIs for the current financial year.


SOLAR PV AT FREATHY

5. KEY ACTIVITY UPDATE

Key progress during the interim period includes:

Greenhouse Gas (GHG) Accounting & Net Zero

The Company is currently finalising its GHG inventory relating to the 2023 calendar year, calculated in line with the GHG Protocol Corporate Accounting Standard, which will be disclosed as part of the Company's upcoming SFDR PAI report.

The Company is also in the process of modelling potential Net Zero targets to serve as the foundation of its decarbonisation pathway, which is currently in development. As part of this process, the Company will assess the feasibility of validating its chosen targets and will develop roadmaps to help ensure delivery of its decarbonisation goals.

Given the Company's role in the Net Zero transition, it is cognisant of the need to select a Net Zero target which both supports its ambition to grow the portfolio and build out its development pipeline, while also ensuring it is being transparent and taking accountability for emissions both within its operations and supply chain.

Climate Scenario Analysis

The Company is finalising its second physical scenario analysis, following the "extreme heat" scenario analysis published within the Company's 2023 Annual Report and Financial Statements, which focused on its solar PV portfolio. The purpose of the current assessment is to investigate the potential impact of changing wind patterns, associated with different climate scenarios, upon the Company's wind portfolio.

Results of both physical scenario analyses will be consolidated and used to inform the development of a climate change adaptation plan for the Company's portfolio, and to enrich the Company's risk management processes, strategic and investment-related decision-making, and financial planning. Findings will be presented within the Company's 2024 TCFD disclosure.

Bluefield Partners LLP
27 February 2024

Statement of Principal and Emerging Risks and Uncertainties

for the Remaining Six Months of the year to 30 June 2024

As described in the Company's annual financial statements as at 30 June 2023 (with the exception of portfolio construction risk), the Company's principal and emerging risks and uncertainties include the following:

- Portfolio acquisition risk;
- Portfolio construction risk;
- Supply chain risks;
- Valuation error;
- Physical and transitional climate-related risks;
- Changing electricity market conditions;
- Changes in tax regime;
- Changes to Government plans;
- Cyber risk;
- Reputational risk;
- Access to capital, and
- Evolving ESG reporting

The Board believes that these risks are unchanged in respect of the remaining six months of the year to 30 June 2024.

Further information in relation to these principal risks and uncertainties may be found on pages 55 to 58 of the Company's annual financial statements as at 30 June 2023.

These inherent risks associated with investments in the renewable energy sector could result in a material adverse effect on the Company's performance and value of Ordinary Shares.

Risks including emerging risks are mitigated and managed by the Board through continual review, policy setting and regular reviews of the Company's risk matrix by the Audit and Risk Committee to ensure that procedures are in place with the intention of minimising the impact of the above mentioned risks. The Board carried out a formal review of the risk matrix at the Audit and Risk Committee meeting held on 27 November 2023. The Board relies on periodic reports provided by the Investment Adviser and Administrator regarding risks that the Company faces. When required, experts will be employed to gather information, including tax advisers, legal advisers, and environmental advisers.

Directors' Statement of Responsibilities

The Directors are responsible for preparing the Interim Report and Unaudited Condensed Interim Financial Statements in accordance with applicable regulations. The Directors confirm that to the best of their knowledge:

- the Unaudited Condensed Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and
- the interim management report which includes the Chair's Statement, Report of the Investment Adviser and Statement of Principal and Emerging Risks and Uncertainties for the remaining six months of the year to 30 June 2024 includes a fair review of the information required by:

  a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Unaudited Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

  b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Elizabeth Burne
Director
27 February 2024

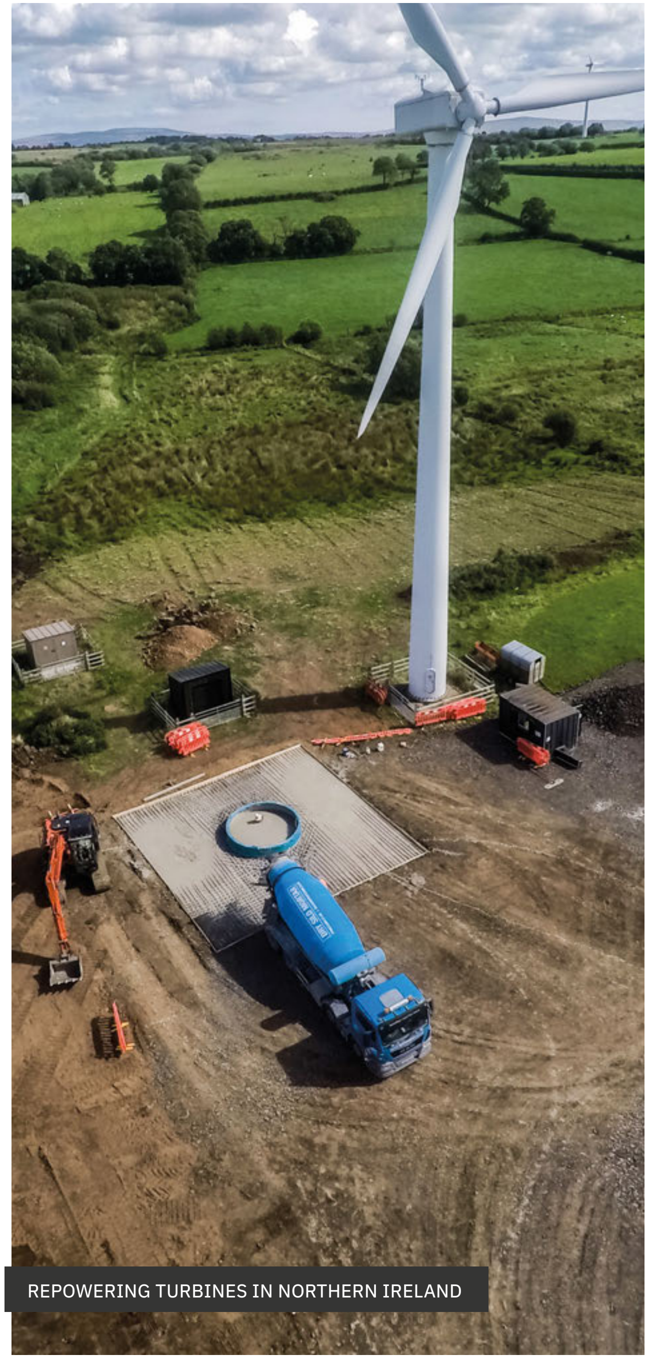
Chris Waldron
Director
27 February 2024

Independent Review Report to Bluefield Solar Income Fund Limited

Conclusion

We have been engaged by Bluefield Solar Income Fund Limited (the “Company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 of the Company, which comprises the unaudited condensed statement of financial position, the unaudited condensed statement of comprehensive income, the unaudited condensed statement of changes in equity, the unaudited condensed statement of cash flows and the related explanatory notes

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 31 December 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).


REPOWERING TURBINES IN NORTHERN IRELAND

Scope of review

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 ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review 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 Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 reached.

Barry Ryan
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey
27 February 2024

Unaudited Condensed Statement of Financial Position

As at 31 December 2023

Assets	Note	31 December 2023 Unaudited £'000	30 June 2023 Audited £'000
NON-CURRENT ASSETS			
Financial assets held at fair value through profit or loss	7	830,253	852,844
Total non-current assets		**830,253**	**852,844**
CURRENT ASSETS			
Trade and other receivables	8	467	910
Cash and cash equivalents	9	1,033	969
Total current assets		**1,500**	**1,879**
TOTAL ASSETS		**831,753**	**854,723**
Liabilities			
CURRENT LIABILITIES			
Other payables and accrued expenses	**10**	477	534
Total current liabilities		**477**	**534**
TOTAL LIABILITIES		**477**	**534**
NET ASSETS		**831,276**	**854,189**
Equity			
Share capital		663,809	663,809
Retained earnings		167,467	190,380
TOTAL EQUITY	**12**	**831,276**	**854,189**
Number of Ordinary Shares in issue at period/year end	12	611,452,217	611,452,217
Net Asset Value per Ordinary Share (pence)	6	135.95	139.70

These unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on 27 February 2024 and signed on their behalf by:

Elizabeth Burne
Director
27 February 2024

Chris Waldron
Director
27 February 2024

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed
Statement of Comprehensive Income

For the six months ended
31 December 2023

Income	Note	Six months ended 31 December 2023 Unaudited £'000	Six months ended 31 December 2022 Unaudited £'000
Income from investments	4	450	437
Bank interest		13	-
		463	**437**
Net gains on financial assets held at fair value through profit or loss	7	4,614	38,408
Operating income		**5,077**	**38,845**
Expenses			
Administrative expenses	5	1,086	1,203
Operating expenses		**1,086**	**1,203**
Operating profit		**3,991**	**37,642**
Total comprehensive income for the period		**3,991**	**37,642**
Attributable to: Owners of the Company		3,991	37,642
Earnings per share: Basic and diluted (pence)	11	0.65	6.16

All items within the above statement have been derived from continuing activities.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed Statement of Changes in Equity

For the six months ended 31 December 2023

	Note	Number of Ordinary Shares	Share capital £'000	Retained earnings £'000	Total equity £'000
Shareholders' equity at 1 July 2023		**611,452,217**	**663,809**	**190,380**	**854,189**
Dividends paid	12,13	-	-	(26,904)	(26,904)
Total comprehensive income for the period		**-**	**-**	**3,991**	**3,991**
Shareholders' equity at 31 December 2023		**611,452,217**	**663,809**	**167,467**	**831,276**

For the six months ended 31 December 2022

	Note	Number of Ordinary Shares	Share capital £'000	Retained earnings £'000	Total equity £'000
Shareholders' equity at 1 July 2022		**611,452,217**	**663,809**	**194,582**	**858,391**
Dividends paid	12,13	-	-	(25,314)	(25,314)
Total comprehensive income for the period		**-**	**-**	**37,642**	**37,642**
Shareholders' equity at 31 December 2022		**611,452,217**	**663,809**	**206,910**	**870,719**

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed
Statement of Cash Flows

For the six months ended 31 December 2023

	Note	Six months ended 31 December 2023 Unaudited | £'000	Six months ended 31 December 2022 Unaudited | £'000
Cash flows from operating activities			
Total comprehensive income for the period		3,991	37,642
Adjustments:			
Decrease/(increase) in trade and other receivables		443	(393)
(Decrease)/increase in other payables and accrued expenses		(57)	185
Net gains on financial assets held at fair value through profit or loss	7	(4,614)	(38,408)
Net cash used in operating activities *		**(237)**	**(974)**
Cash flows from investing activities			
Receipts from unconsolidated subsidiary **	7	27,205	25,300
Net cash generated from investing activities		**27,205**	**25,300**
Cash flows from financing activities			
Dividends paid	12,13	(26,904)	(25,314)
Net cash used in financing activities		**(26,904)**	**(25,314)**
Net increase/(decrease) in cash and cash equivalents		64	(988)
Cash and cash equivalents at the start of the period		969	1,619
Cash and cash equivalents at the end of the period	9	**1,033**	**631**

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

* Net cash used in operating activities includes £450,000 (31 December 2022: £437,500) of investment income.

**Receipts from unconsolidated subsidiary includes £14.1 million (31 December 2022: £6.2 million) of interest.

Notes

to the Unaudited Condensed Interim Financial Statements

For the six months ended 31 December 2023

1.GENERAL INFORMATION

The Company is a non-cellular company limited by shares, incorporated in Guernsey under the Law on 29 May 2013. The Company's registration number is 56708, and it is regulated by the GFSC as a registered closed-ended collective investment scheme.

The investment objective of the Company is to provide Shareholders with an attractive return, principally in the form of quarterly income distributions, by being invested primarily in solar energy assets located in the UK. The Company also has the ability to invest a minority of its share capital into wind, hydro and energy storage assets.

The Company has appointed Bluefield Partners LLP as its Investment Adviser.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements, included in this interim report, have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU and the DTR. These financial statements comprise only the results of the Company as all of its subsidiaries are measured at fair value as explained in Note 2.c. The financial statements have been prepared on a basis that is consistent with accounting policies applied in the preparation of the Company's annual financial statements for the year ended 30 June 2023, approved for issue on 27 September 2023.

These financial statements have been prepared under the historical cost convention with the exception of financial assets held at fair value through profit or loss and in accordance with the provisions of the DTR.

These financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2023, which were prepared under full IFRS requirements and the DTRs of the UK FCA.

Seasonal and cyclical variations

Although the bulk of the Company's electricity generation occurs during the summer months when the days are longer, the Company's results do not vary significantly during reporting periods as a result of seasonal activity.

b) Going concern

The Directors, in their consideration of going concern, have reviewed cash flow forecasts prepared by the Investment Adviser, future projects in the pipeline and the performances of the current solar and wind plants in operation.

The Board has considered the Directors' Valuation, which uses a blend of power price forecasts from leading industry consultants. These forecasts are based on updated analysis on European fuels and carbon forward prices as well as the expected evolution of the UK's overall power supply and demand position in the longer term. Electricity prices continued to fall during the Period, with UK day-ahead base load priced pricing falling to £85.92/MWh on average in the six months to 31 December 2023, down from £110.75/MWh the previous six-month period to 30 June 2023.

The Company's PPA sales strategy is largely unchanged: power sales prices are fixed for between 12 and 36 months ahead and went into 2024 with more than 78% of its merchant revenue sold forward to March 2025, and is therefore not impacted by the current fall in power prices. The Group continues to generate a significant cash surplus and has been able to move cash up the structure to comfortably meet the dividend requirements of its parent. The Board is confident that, post debt amortisation, it will achieve a high level of dividend cover for the present and the 2025 financial years, taking into account both current and carried forward earnings.

On 22 June 2023, the Group agreed a £110 million increase to its existing committed £100 million RCF, bringing the total committed amount to £210 million. The facility also has an uncommitted accordion feature allowing it to be increased by up to a further £30 million. As at 31 December 2023, the Group had drawn £167 million from its RCF and has £410 million of project level debt. Discussions are constantly held with lenders to ensure extensions are secured comfortably ahead of maturity. Given the strong cash generation, the Board is satisfied that debt repayments will be met and confirms that no covenant breaches have occurred in the period.

At the AGM held on 28 November 2023, BSIF's shareholders voted overwhelmingly in favour of the continuation of the Company for a further five years. Whilst there has been volatility in the share price of the Company recently, this is consistent with other funds in the sector. The portfolio continues to benefit from high energy prices and strong cash generation even when the impact of the Electricity Generator Levy is considered.

On 15 February 2024 BSIF announced its intention to commence a share buyback programme in response to the recent weakness in BSIF's share price and the significant discount that the share price represents to the value of BSIF's assets. The capital allocation policy of BSIF undergoes regular review, evaluating the relative merits of further investment (into both new and existing assets), the management of debt and returning value to shareholders. This review, and in the context of addressing what the Board views as the excessive discount at which BSIF's shares currently trade relative to the underlying NAV, led to the Board's announcement of the share buyback programme. The initial cash allocation has been set at £20 million for the purchase of its own shares from existing cash reserves.

The Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c) Accounting for subsidiaries

The Board considers that the Company is an investment entity. In accordance with IFRS 10, all subsidiaries are recognised at fair value through profit and loss.

d) Segmental reporting

IFRS 8 'Operating Segments' requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. One of the key measures of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's NAV, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.

For management purposes, the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets via SPVs, and in one geographical area, the UK.

e) Fair value of subsidiary

The Company holds all of the shares in the subsidiary, BR1, which is a holding vehicle used to hold the Company's investments. The Directors believe it is appropriate to value this entity based on the fair value of its portfolio of SPV investment assets held plus its other assets and liabilities. The SPV investment assets held by the subsidiary, inclusive of their intermediary holding companies, are valued semi-annually as described in Note 7 based on referencing comparable transactions supported by discounted cash flow analysis and are referred to as the Directors' Valuation.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

The preparation of these financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The area involving a high degree of judgement or complexity or area where assumptions and estimates are significant to the financial statements has been identified as the valuation of the portfolio of investments held by BR1 (see Note 7).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods.

As disclosed in Note 7, the Board believes it is appropriate for the Company's portfolio to be benchmarked on a £m / MW basis against comparable portfolio transactions and on this basis the weighted average discount rate remains 8.00% (8.00% in June 2023), which reflects the return hurdles in the market for lowly levered assets with high levels of regulated income.

4. INCOME FROM INVESTMENTS

	Six months ended 31 December 2023 £'000	Six months ended 31 December 2022 £'000
Monitoring fee in relation to loans supplied (Note 14)	450	437
	450	**437**

The Company provides monitoring and loan administration services to BR1 for which an annual fee is charged and is payable in arrears.

5. ADMINISTRATIVE EXPENSES

	Six months ended 31 December 2023 £'000	Six months ended 31 December 2022 £'000
Investment advisory base fee (see Note 14)	335	397
Administration fees	252	289
Legal and professional fees	152	140
Directors' remuneration (see Note 14)	120	137
Audit fees	59	53
Regulatory Fees	58	50
Non-audit fees (interim review)	48	45
Broker fees	25	25
Registrar fees	12	35
Insurance	7	12
Listing fees	3	3
Other expenses	15	17
	1,086	**1,203**

6. NET ASSET VALUE PER ORDINARY SHARE

The calculation of NAV per Ordinary Share is arrived at by dividing the total net assets of the Company as at the unaudited condensed statement of financial position date by the number of Ordinary Shares of the Company at that date.

7. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 31 December 2023 Total £'000	Twelve months ended 30 June 2023 Total £'000
Opening balance (Level 3)	852,844	856,380
Change in fair value	(22,591)	(3,536)
Closing balance (Level 3)	**830,253**	**852,844**

Investments at fair value through profit or loss comprise the fair value of the investment portfolio, which the Investment Adviser recommends on a quarterly basis, including a complete review of all valuation assumptions on a semi-annual basis, subject to the Board's approval, and the fair value of BR1, the Company's single, direct subsidiary being its cash, working capital and debt balances. A reconciliation of the investment portfolio value to financial assets at fair value through profit and loss in the Unaudited Condensed Statement of Financial Position is shown below.

	31 December 2023 Total £'000	30 June 2023 Total £'000
Investment portfolio, Directors' Valuation	1,001,053	1,018,350
Immediate Holding Company		
Cash	24,952	26,407
Working capital	(28,752)	(38,913)
Debt	(167,000)	(153,000)
	(170,800)	**(165,506)**
Financial assets at fair value through profit or loss	**830,253**	**852,844**

Analysis of net gains on financial assets held at fair value through profit or loss (per unaudited condensed statement of comprehensive income)

	Six months ended 31 December 2023 £'000	Six months ended 31 December 2022 £'000
Unrealised change in fair value of financial assets held at fair value through profit or loss	(22,591)	13,108
Cash receipts from unconsolidated subsidiary*	27,205	25,300
Net gains on financial assets held at fair value through profit and loss	**4,614**	**38,408**

*Comprising of repayment of loans and Eurobond interest

Fair value measurements

Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only financial instruments carried at fair value are the investments held by the Company, through BR1, which are fair valued at each reporting date. The Company's investments have been classified within Level 3 as BR1's investments are not traded and are valued using unobservable inputs.

Transfers during the period

There have been no transfers between levels during the six month period ended 31 December 2023. Any transfers between the levels will be accounted for on the last day of each financial period. Due to the nature of investments, these are always expected to be classified as Level 3.

Directors' Valuation methodology and process

The same valuation methodology and process for operational assets is followed in these financial statements as was applied in the preparation of the Company's financial statements for the year ended 30 June 2023.

Before planning has been achieved, no value is attributed to the Company's development pipeline.

However, once the projects receive planning permission they are then valued according to the following criteria:

- Projects purchased by the Company from developers are valued at investment cost (deemed to be approximate fair value).
- Other projects in the Company's pipeline are valued on an asset-by-asset basis and benchmarked against values from wider market processes.

During the construction stages assets continue to be valued at investment cost (deemed to be approximate fair value). The Investment Adviser intends for newly built projects to be valued on a DCF basis shortly after they become operational.

Investments that are operational are valued on a DCF basis over the life of the asset (typically more than 25 years) and, under the 'willing buyer-willing seller' methodology, prudently benchmarked on a £/MW basis against comparable transactions for large scale portfolios.

Each investment is subject to full UK corporate taxation at the prevailing rate with the tax shield being limited to the applicable capital allowances from the Company's SPV investments.

The Investment Adviser recommends the fair value on a quarterly basis, which includes a complete review of all valuation assumptions on a semi-annual basis, subject to the Board's approval. The key inputs, as listed below, are derived from various internal and external sources. The key inputs to a DCF based approach are: the equity discount rate, the cost of debt (influenced by interest rates, gearing level and length of debt), power price forecasts, long term inflation rates, irradiation forecasts, average wind speeds, operational costs, asset life and taxation. Given discount rates are a product of not only the factors listed previously but also regulatory support, perceived sector risk and competitive tensions, it is not unusual for discount rates to change over time. Evidence of this is shown by way of the revisions to the original discount rates applied between the first renewable acquisitions and those witnessed in the past twelve months.

The Electricity Generator Levy ("EGL") on excess profits produced by electricity generators was announced by the Chancellor of the Exchequer in the Autumn Statement in November 2022 is a temporary 45% tax on the extraordinary returns made by electricity generators last year while European energy prices soared in the wake of Russia's 2022 invasion of Ukraine. The EGL will be in place from 1 January 2023 until 31 March 2028, with the benchmark price linked to UK Consumer Price Inflation. The Investment Adviser previously sought external advice from its legal and tax advisers on how to model the EGL within the valuation methodology.

Given the fact discount rates are subjective, there is sensitivity within these to the interpretation of factors outlined above.

Judgement is used by the Board in determining the weighted average discount rate of 8.00% (8.00% as at 30 June 2023), with four key factors that have impacted the adoption of this rate outlined below:

a. Transaction values have remained broadly consistent at c.£1.20m-1.45m/MW for large scale solar portfolios and which the Board have used to determine that an effective price of £1.28m/MW is an appropriate basis for the valuation of the BSIF solar portfolio as at 31 December 2023;

b. Inclusion of the latest blended long term power forecasts from the Company's three providers;

c. Inclusion of inflation assumptions;

d. Decrease in the cost of debt.

In order to smooth the sensitivity of the valuation to forecast timing or the opinion taken by a single forecast, the Board continues to adopt the application of a blended power curve from three leading forecasters.

The fair value of operational SPVs is calculated on a discounted cash flow basis in accordance with the IPEV Valuation Guidelines. The Investment Adviser recommends the fair value on a quarterly basis, which includes a complete review of all valuation assumptions on a semi-annual basis, subject to the Board's approval as at 30 June and 31 December each year.

Sensitivity analysis

The table below analyses the sensitivity of the fair value of the Directors' Valuation to an individual input, while all other variables remain constant.

The Board considers the changes in inputs to be within a reasonable expected range based on its 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.

		31 DECEMBER 2023		30 JUNE 2023	
Input	Change in input	Change in fair value of Directors' Valuation £m	Change in NAV per share (pence)	Change in fair value of Directors' Valuation £m	Change in NAV per share (pence)
Discount rate	+ 0.5%	(18.5)	(3.03)	(18.8)	(3.07)
	- 0.5%	19.1	3.12	19.4	3.17
Power prices	+10%	58.2	9.52	54.2	8.86
	-10%	(59.9)	(9.80)	(56.9)	(9.31)
Inflation rate	+ 0.5%	42.7	6.98	31.7	5.19
	- 0.5%	(40.4)	(6.61)	(30.2)	(4.94)
Energy yield	10 year P90	(101.7)	(16.63)	(105.0)	(17.17)
	10 year P10	108.4	17.73	111.9	18.30
Operational costs	+10%	(9.2)	(1.50)	(9.1)	(1.49)
	-10%	9.2	1.50	9.1	1.49

Subsidiaries and Associates

The Company holds investments through subsidiary companies which have not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation. Below is the legal entity name and ownership percentage for the SPVs which are all incorporated in the UK except for Bluefield Durrants GmBH which is incorporated in Germany.

Name	Ownership percentage
Bluefield Renewables 1 Limited	100
Bluefield Renewables 2 Limited	100
Bluefield SIF Investments Limited	100
Bunns Hill Solar Limited	100
HF Solar Limited	100
Hoback Solar Limited	100
Littlebourne Solar Farm Limited	100
Molehill PV Farm Limited	100
Pashley Solar Farm Limited	100
ISP (UK) 1 Limited	100
Solar Power Surge Limited	100
West Raynham Solar Limited	100
Sheppey Solar Limited	100
Capelands Solar Farm Limited	100
North Beer Solar Limited	100
WEL Solar Park 2 Limited	100
Hardingham Solar Limited	100
Redlands Solar Farm Limited	100
WEL Solar Park 1 Limited	100
Saxley Solar Limited	100
Frogs Lake Solar Limited	100
Old Stone Farm Solar Park Limited	100

Name	Ownership percentage
Bradenstoke Solar Park Limited	100
GPP Langstone LLP	100
Ashlawn Solar Limited	100
Betingau Solar Limited	100
Grange Solar Limited	100
Hall Solar Limited	100
Oulton Solar Limited	100
Romsey Solar Limited	100
Salhouse Solar Limited	100
Tollgate Solar Limited	100
Trethosa Solar Limited	100
Welborne Energy LLP	100
Barvills Solar Limited	100
Clapton Farm Solar Park Limited	100
Court Farm Solar Park Limited	100
East Farm Solar Park Limited	100
Gypsum Solar Farm Limited	100
Holly Farm Solar Park Limited	100
Kellingley Solar Farm Limited	100
Little Bear Solar Limited	100
Place Barton Farm Solar Park Limited	100
Willows Farm Solar Limited	100
Southwick Solar Farm Limited	100
Butteriss Down Solar Farm Limited	100
Goshawk Solar Limited	100
Kite Solar Limited	100
Peregrine Solar Limited	100
Promothames 1 Limited	100
Rookery Solar Limited	100
Mikado Solar Projects (2) Limited	100

Name	Ownership percentage
Mikado Solar Projects (1) Limited	100
KS SPV 5 Limited	100
Eagle Solar Limited	100
Kislingbury M1 Solar Limited	100
Thornton Lane Solar Farm Limited	100
Gretton Solar Farm Limited	100
Wormit Solar Farm Limited	100
Langlands Solar Limited	100
Bluefield Merlin Limited	100
Harrier Solar Limited	100
Rhydy Pandy Solar Limited	100
New Energy Business Solar Limited	100
Corby Solar Limited	100
Falcon Solar Farm Limited	100
Folly Lane Solar Limited	100
New Road Solar Limited	100
Blossom 1 Solar Limited	100
Blossom 2 Solar Limited	100
New Road 2 Solar Limited	100
GPP Eastcott LLP	100
GPP Blackbush LLP	100
GPP Big Field LLP	100
Oak Renewables 2 Limited	100
Oak Renewables Limited	100
Creathorne Farm Solar Park Limited (formerly Good Energy Creathorne Farm Solar Park (003) Limited)	100
Lower End Farm Solar Park Limited (formerly Good Energy Lower End Farm Solar Park (026) Limited)	100
Woolbridge Solar Park Limited (formerly Good Energy Woolbridge Solar Park (010) Limited)	100

Name	Ownership percentage
Rook Wood Solar Park Limited (formerly Good Energy Rook Wood Solar Park (057) Limited)	100
Carloggas Solar Park Limited (formerly Good Energy Carloggas Solar Park (009) Limited)	100
Cross Road Plantation Solar Park Limited (formerly Good Energy Cross Road Plantation Solar Park Limited)	100
Delabole Windfarm Limited (formerly Good Energy Delabole Windfarm Limited)	100
Hampole Windfarm Limited (formerly Good Energy Hampole Windfarm Limited)	100
Renewable Energy Assets Limited (formerly Good Energy Generation Assets No. 1 Limited)	100
Aisling Renewables Limited	100
Wind Energy 3 Hold Co	100
Wind Energy (NI) Limited	100
Ash Renewables No 3 Limited	100
Ash Renewables No 4 Limited	100
Ash Renewables No 5 Limited	100
Ash Renewables No 6 Limited	100
Wind Beragh Limited	100
Wind Camlough Limited	100
Wind Cullybackey Limited	100
Wind Dungorman Limited	100
Wind Killeenan Limited	100
Wind Mowhan Limited	100
Wind Mullanmore Limited	100
Carmoney Energy Limited	100
Errigal Energy Limited	100
Galley Energy Limited	100
S&E Wind Energy Limited	100

Name	Ownership percentage
Wind Energy 2 Hold Co Limited	100
Boston RE Limited	100
DC21 Earth SPV Limited	100
E5 Energy Limited	100
E6 Energy Limited	100
E7 Energy Limited	100
Hallmark Powergen 3 Limited	100
Warren Wind Limited	100
Wind Energy Three Limited	100
Wind Energy Holdings Limited	100
Wind Energy 1 Hold Co Limited	100
Crockbaravally Wind Holdco Limited	100
Crockbaravally Wind Farm Limited	100
Dayfields Solar Limited	100
Farm Power Apollo Limited	100
Freathy Solar Park Limited	100
IREEL FIT TopCo Limited	100
IREEL FIT HoldCo Limited	100
IREEL Wind TopCo Limited	100
IREEL Solar HoldCo Limited	100
IREL Solar HoldCo Limited	100
Ladyhole Solar Limited	100
Morton Wood Solar Limited	100
Nanteague Solar Limited	100
Newton Down Wind HoldCo Limited	100
Newton Down Windfarm Limited	100
Padley Wood Solar Limited	100
Peel Wind Farm (Sheerness) Limited	100
Port of Sheerness Wind Farm Limited	100
Sandys Moor Solar Limited	100

Name	Ownership percentage
St Johns Hill Wind Holdco Limited	100
St Johns Hill Wind Limited	100
Trickey Warren Solar Limited	60
Whitton Solar Limited	100
LPF UK Equityco Limited	100
LPF UK Solar Limited	100
LPF Kinetica UK Limited	100
Wind Energy Scotland (Fourteen Arce Fields) Limited	100
Wind Energy Scotland (Birkwood Mains) Limited	100
Wind Energy Scotland (Holmhead) Limited	100
Mosscliff Power 5 Limited	100
Mosscliff Power 10 Limited	100
Mosscliff Power 2 Limited	100
Mosscliff Power 3 Limited	100
Mosscliff Power 4 Limited	100
Mosscliff Power 6 Limited	100
Mosscliff Power 7 Limited	100
Mosscliff Power Limited	100
E2 Energy PLC	100
Wind Energy One Limited	100
Wind Energy Two Limited	100
New Road Wind Limited	100
Yelvertoft Solar Farm Limited	100
Peradon Solar Farm Limited	100
Lower Tean Leys Solar Farm Limited	60
Lower Mays Solar Farm Limited	100
Longpasture Solar Farm Limited	60
Leeming Solar Farm Limited	60
Wallace Wood Solar Farm Limited	60
LEO1B Energy Park Limited	60

Name	Ownership percentage
LH DNO Grid Services Limited	60
Sweet Briar Solar Farm Limited	60
BF31 WHF Solar Farm Limited	60
BF27 BF Solar Limited	60
BF13A TF Solar Limited	60
HW Solar Farm Limited	100
AR108 Bolt Solar Farm Limited	100
BF33C LHF Solar Limited	60
AR006 GF Solar Limited	100
Mauxhall Farm Energy Park Limited	100
BF16D BHF Solar Limited	100
BF33E BHF Solar Limited	60
WSE Hartford Wood Limited	60
BF58 Hunts Airfield Solar Limited	60
Twineham Energy Limited	60
Sheepwash Lane Energy Barn Limited	100
Whitehouse Farm Energy Barn Limited	100
Bluefield Durrants GmBH	100
Lightning 1 Energy Park Limited	100
Abbots Ann Farm Solar Park Limited	100
Canada Farm Solar Park Limited	100
Kinetica 846 Limited	100
Kinetica 868 Limited	100
New Road Solar 3 Limited	100
New Road Solar 4 Limited	100
Galton Manor Solar Park Limited	100
Renewable Energy Hold Co Limited	100
Westover Gridco Limited	50
Lyceum Solar Limited	9

8.TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	30 June 2023 £'000
CURRENT ASSETS		
Monitoring fees receivable	450	900
Other receivables	17	10
	467	**910**

There are no material past due or impaired receivable balances outstanding at the period end. The probability of default of BSIFIL and BR1 was considered low and so no allowance has been recognised based on 12-month expected credit loss as any impairment would be insignificant.

The Board considers that the carrying amount of all receivables approximates to their fair value.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Company and short term bank deposits held with maturities of up to three months. The carrying amounts of these assets approximate their fair value.

SUNSET AT BIDWELL

10. OTHER PAYABLES AND ACCRUED EXPENSES

	31 December 2023 £'000	30 June 2023 £'000
CURRENT LIABILITIES		
Investment advisory fees (see Note 14)	163	164
Administration fees	134	136
Directors' Fees (see Note 14)	61	72
Audit fees	55	109
Other payables	64	53
	477	**534**

The Company has financial risk management policies in place to ensure that all payables are paid within the agreed credit period. The Directors consider that the carrying amount of all payables approximates to their fair value.

11. EARNINGS PER SHARE

	Six months ended 31 December 2023	Six months ended 31 December 2022
Profit attributable to Shareholders of the Company	£3,991,019	£37,642,084
Weighted average number of Ordinary Shares in issue	611,452,217	611,452,217
Basic and diluted earnings from continuing operations and profit for the period (pence per share)	**0.65**	**6.16**

12. SHARE CAPITAL AND RESERVES

The authorised share capital of the Company is represented by an unlimited number of Ordinary Shares of no par value which, upon issue, the Directors may designate into such classes and denominate in such currencies as they may determine.

Share capital	Six months ended 31 December 2023 Number of Ordinary Shares	Year ended 30 June 2023 Number of Ordinary Shares
Opening balance	**611,452,217**	**611,452,217**
Shares issued for cash	-	-
Closing balance	**611,452,217**	**611,452,217**

Shareholders' equity	Six months ended 31 December 2023 £'000	Year ended 30 June 2023 £'000
Opening balance	**854,189**	**858,391**
Dividends paid	(26,904)	(50,995)
Total comprehensive income	3,991	46,793
Closing balance	**831,276**	**854,189**

Rights attaching to shares

The Company has a single class of Ordinary Shares which are entitled to dividends declared by the Company. At any General Meeting of the Company each ordinary Shareholder is entitled to have one vote for each share held. The Ordinary Shares also have the right to receive all income attributable to those shares and participate in dividends made and such income shall be divided pari passu among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

Retained earnings

Retained earnings comprise of accumulated retained earnings as detailed in the unaudited condensed statement of changes in equity.

13. DIVIDENDS

On 7 August 2023, the Board declared a third interim dividend of £12,840,497, in respect of the year ended 30 June 2023, equating to 2.10pps (third interim dividend in respect of the year ended 30 June 2022: 2.05pps), which was paid on 1 September 2023 to Shareholders on the register on 18 August 2023.

On 28 September 2023, the Board declared a fourth interim dividend of £14,063,401 in respect of the year ended 30 June 2023, equating to 2.30pps (fourth interim dividend in respect of the year ended 30 June 2022: 2.09pps), which was paid on 6 November 2023 to Shareholders on the register on 6 October 2023.

14. RELATED PARTY TRANSACTIONS AND DIRECTORS' REMUNERATION

In the opinion of the Directors, the Company has no immediate or ultimate controlling party.

The total Directors' fees expense for the Period amounted to £120,376 (31 December 2022: £136,965) of which £61,220 was outstanding at 31 December 2023 (30 June 2023: £71,517).

Remuneration paid to each Director is as follows:

	31 December 2023 £'000	31 December 2022 £'000
John Scott	34	24
Elizabeth Burne	25	22
Michael Gibbons (appointed 7 October 2022)	20	10
Meriel Lenfestey	24	23
Paul Le Page (retired 30 September 2023)	13	26
John Rennocks (retired 22 February 2023)	N/A	32
Chris Waldron (appointed 1 December 2023)	4	N/A
	120	**137**

The number of Ordinary Shares held by each Director is as follows:

	31 December 2023	31 December 2022
John Scott *	643,929	625,619
Elizabeth Burne	15,000	15,000
Michael Gibbons (appointed 7 October 2022)	17,800	-
Meriel Lenfestey	7,693	7,693
Paul Le Page (retired 30 September 2023)	N/A	35,000
John Rennocks (retired 22 February 2023)	N/A	320,388
Chris Waldron (appointed 1 December 2023)	30,000	N/A
	714,422	**1,003,700**

*Including shares held by PCAs

John Scott and Michael Gibbons are Directors of BR1. Neil Wood and James Armstrong, who are partners of the Investment Adviser, are also Directors of BSIFIL and BR1.

Fees paid during the period by SPVs to BSL, a company which has the same ownership as that of the Investment Adviser totalled £2,681,775 (31 December 2022: £1,971,264).

Fees paid during the period by SPVs to BOL, a company which has the same ownership as that of the Investment Adviser totalled £ 5,834,327 (31 December 2022: £3,706,826).

Fees paid during the period by SPVs to BRD, a company which has the same ownership as that of the Investment Adviser, totalled £386,197 (31 December 2022: £379,295).

Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to a base fee. The base fee is payable quarterly in arrears in cash, at a rate equivalent to 0.80% per annum of the NAV up to and including £750,000,000, 0.75% per annum of the NAV above £750,000,000 and up to and including £1,000,000,000 and 0.65% per annum of the NAV above £1,000,000,000. The base fee will be calculated on the NAV reported in the most recent quarterly NAV calculation as at the date of payment. During the period an updated Investment Advisory Agreement was approved with an amendment to the base fee taking effect on 21 December 2023; at a rate equivalent to 0.80% per annum of the NAV up to and including £750,000,000, 0.75% per annum of the NAV above £750,000,000 and up to and including £900,000,000 and 0.65% per annum of the NAV above £900,000,000.

The Company and BR1's investment advisory fees for the period amounted to £3,342,456 (31 December 2022: £3,650,104) of which £545,719 (30 June 2023: £554,919) was outstanding at the period end and is to be settled in cash. The investment advisory fees for the period attributable to the Company amounted to £334,859 (31 December 2022: £397,329) of which £162,673 (30 June 2023: £163,984) was outstanding at the period end.

The Company's loan monitoring fee income for the period, due from its subsidiary BR1, amounted to £450,000 (31 December 2022: £437,500) of which £450,257 was outstanding at the period end (30 June 2023: £900,257).

15. RISK MANAGEMENT POLICIES & PROCEDURES

As at 31 December 2023 there has been no change to financial instruments risk to those described in note 15 of the financial statements to 30 June 2023.

16. SUBSEQUENT EVENTS

On 25 January 2024, the Company announced the successful completion of the first phase of the partnership with GLIL, with £20 million invested in equity alongside £200 million from GLIL to acquire a 247 MW portfolio of UK solar assets from Lightsource bp. BSIF's ownership stake in the portfolio is 9%. The Company funded the acquisition using earnings which arose in the financial year ended 30 June 2023, after the payment of dividends, debt amortisation and the EGL.

On 26 January 2024, the Board declared its first interim dividend of £13,451,949, in respect of the year ending 30 June 2024, equating to 2.20pps (first interim dividend in respect of the year ended 30 June 2023: 2.10pps), which will be paid on or around 9 March 2024 to Shareholders on the register on 9 February 2024.

On 15 February 2024, the Company announced a share buyback programme in which it has allocated £20 million to purchase its own shares post closed period. This announcement was made in response to recent weakness in the Company's share price. This buy back will be funded from a combination of available liquidity, excess operating cash flows from the portfolio and the proceeds from any asset sales as already announced.

Post period end, in early January one solar project of 50MW received planning permission located in Durham.

Glossary

of Defined Terms

Administrator	Ocorian Administration (Guernsey) Limited
AGM	The Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The Association of Investment Companies Code of Corporate Governance
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIFMD	The Alternative Investment Fund Management Directive
Articles	The Memorandum of 29 May 2013 as amended and Articles of Incorporation as adopted by special resolution on 7 November 2016
Auditor	KPMG Channel Islands Limited (see KPMG)
Aviva Investors	Aviva Investors Limited
BEIS	The Department for Business, Energy and Industrial Strategy
BEPS	Base erosion and profit shifting
Bluefield	Bluefield Partners LLP
Bluefield Group	Bluefield Partners LLP and Bluefield Companies
BOL	Bluefield Operations Limited
Board	The Directors of the Company
BR1	Bluefield Renewables 1 Ltd being the only direct subsidiary of the Company
BRD	Bluefield Renewable Developments Ltd
BSIF	Bluefield Solar Income Fund Limited
BSIFIL	Bluefield SIF Investments Limited
BSL	Bluefield Asset Management Services Limited
BSUoS	Balancing Services Use of System charges: costs set to ensure that network companies can recover their allowed revenue under Ofgem price controls
Business days	Every official working day of the week, generally Monday to Friday excluding public holidays

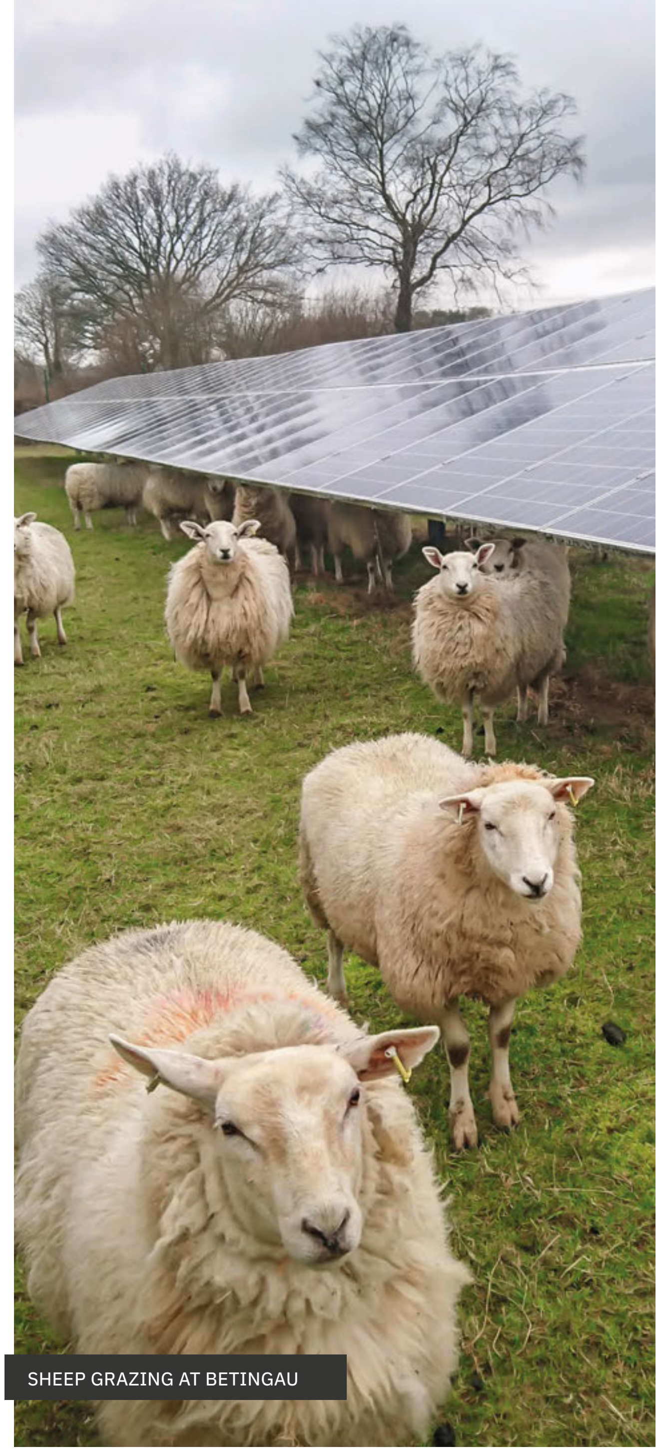
CAGR	Compound annual growth rate
Calculation Time	The Calculation Time as set out in the Articles of Incorporation
CCC	Committee on Climate Change
CfD	Contract for Difference
Company	Bluefield Solar Income Fund Limited (see BSIF)
Companies Law	The Companies (Guernsey) Law 2008, as amended (see Law)
Cost of debt	The blended cost of debt reflecting fixed and index-linked elements
CO_2e	Carbon Dioxide equivalent
CSR	Corporate Social Responsibility
CPIH	Consumer Price Index including owner occupiers' housing costs
DCF	Discounted Cash Flow
DECC	Department of Energy and Climate Change
Defect Risk	An over-reliance on limited equipment manufacturers which could lead to large proportions of the portfolio suffering similar defects
Directors' Valuation	Gross value of the SPV investments held by BR1, including their holding companies.
DNO	Distribution Network Operator
DSCR	Long Term Debt Service Cover Ratio calculated as net operating income as a multiple of debt obligations due within one year
DTR	The Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGL	Electricity Generator Levy
EGM	Extraordinary General Meeting
EIS	Enterprise Investment Scheme
EPC	Engineering, Procurement & Construction
EPS	Earning per share
ESG	Environmental, Social & Governance
EU	The European Union
EV	Enterprise valuation
FAC	Final Acceptance Certificate
FATCA	The Foreign Account Tax Compliance Act
Financial Statements	The unaudited condensed interim financial statements
FiT	Feed-in Tariff
GAV	Gross Asset Value on investment basis including debt held at SPV level
GDPR	General Data Protection Regulation
GFSC	The Guernsey Financial Services Commission
GHG	Greenhouse gas
GHG Protocol	Supplies the world's most widely used greenhouse gas accounting standards
Group	Bluefield Solar Income Fund Limited, Bluefield Renewables 1 Limited and its subsidiaries
Guernsey Code	The Guernsey Financial Services Commission Finance Sector Code of Corporate Governance
GWh	Gigawatt hour
GW	Gigawatt
IAS	International Accounting Standard
IASB	The International Accounting Standards Board
IFRS	International Financial Reporting Standards as adopted by the EU
Investment Adviser	Bluefield Partners LLP
IPEV Valuation Guidelines	The International Private Equity and Venture Capital Valuation Guidelines
IPO	Initial public offering
IRR	Internal Rate of Return
IVSC	International Valuation Standards Council
KID	Key Information Document
KPI	Key Performance Indicators
KPMG	KPMG Channel Islands Limited (see Auditor)
kWh	Kilowatt hour
kW	Kilowatt

Law	Companies (Guernsey) Law, 2008 as amended (see Companies Law)
LD	Liquidated damages
LIBOR	London Interbank Offered Rate
Listing Rules	The set of FCA rules which must be followed by all companies listed in the UK
Lloyds	Lloyds Bank Group plc
LSE	London Stock Exchange plc
LTF	Long term facility provided by Aviva Investors limited
Macquarie	Macquarie Bank Limited
Main Market	The main securities market of the LSE
MW	Megawatt (a unit of power equal to one million watts)
MWh	Megawatt hour
NatWest	NatWest International plc
NAV	Net Asset Value as defined in the prospectus
NMPI	Non-mainstream Pooled Investments and Special Purpose Vehicles and the rules around their financial promotion
NPPR	The AIFMD National Private Placement Regime
O&M	Operation and Maintenance
OECD	The Organisation for Economic Cooperation and Development
Official List	The Premium Segment of the UK Listing Authority's Official List
Ofgem	Office of Gas and Electricity Markets
Ordinary Shares	The issued ordinary share capital of the Company, of which there is only one class
Outage Risk	A higher proportion of large capacity assets hold increased exposure to material losses due to curtailments and periods of outage
P10	Irradiation estimate exceeded with 10% probability
P90	Irradiation estimate exceeded with 90% probability
PCA	Persons Closely Associated
PPA	Power Purchase Agreement
pps	Pence per Ordinary Share
PR	Performance ratio (the ratio of the actual and theoretically possible energy outputs)
PRIIPS	Packaged Retail and Insurance – Based Investment Products
PV	Photovoltaic
RBSI	Royal Bank of Scotland International plc
RCF	Revolving Credit Facility
REGO	Renewable Energy Guarantees of Origin
REMA	Review of Electricity Market Arrangements
RO Scheme	The Renewable Obligation Scheme which is the financial mechanism by which the UK Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of the electricity they supply to customers from eligible renewable sources, or pay a penalty
ROC	Renewable Obligation Certificates
ROC recycle	The payment received by generators from the redistribution of the buy-out fund. Payments are made into the buy-out fund when suppliers do not have sufficient ROCs to cover their obligation
RPI	The Retail Price Index
Santander UK	Santander UK plc
SASB	Sustainability Accounting Standards Board
SDG	The United Nations Sustainable Development Goals
SFDR	The Sustainable Finance Disclosure Regulation
SONIA	Sterling Overnight Index Average
SPA	Share Purchase Agreement
SPVs	The Special Purpose Vehicles which hold the Company's investment portfolio of underlying operating assets
Sterling	The Great British pound currency
TISE	The International Stock Exchange (based in the Channel Islands)
UK	The United Kingdom of Great Britain and Northern Ireland
UK Code	The United Kingdom Corporate Governance Code
UK FCA	The UK Financial Conduct Authority
UNGC	The United Nations Global Compact
United Nations Principles for Responsible Investment	An approach to investing that aims to incorporate environmental, social and governance factors into investment decisions, to better manage risk and generate sustainable, long term returns

Alternative Performance Measures

Unaudited

APM	DEFINITION	PURPOSE	CALCULATION
Total return	The percentage increase/(decrease) in NAV, inclusive of dividends paid, in the reporting period.	A key measure of the success of the Investment Adviser's investment strategy.	The change in NAV for the period plus any dividends paid divided by the initial NAV. (135.95-139.70+2.10 +2.30)/139.70=0.47%
Total Shareholder Return	The percentage increase/(decrease) in share price, inclusive of dividends paid, in the reporting period.	A measure of the return that could have been obtained by holding a share over the reporting period.	The change in share price for the period plus any dividends paid divided by the initial share price. (118.6-120.0+2.10 +2.30)/120.0=2.50% The measure excludes transaction costs.
Total Dividends Declared in Period	This is the sum of the dividends that the Board has declared relating to the reporting period.	A measure of the income that the company has paid to shareholders that can be compared to the Company's target dividend.	The linear sum of each dividend declared in the reporting period.
Underlying Earnings	Total net income of the Company's investment portfolio.	A measure to link the underlying financial performance of the operational projects to the dividends declared and paid by the Company.	Total income of the Company's portfolio minus Group operating costs minus Group debt costs.
Market Capitalisation	The total value of the Company's issued share capital.	This is a key indicator of the Company's liquidity.	The price per share multiplied by the number of shares in issue.
NAV per Ordinary Share	The Company's closing NAV per share at the period end.	A measure of the value of one Ordinary Share.	The net assets attributable to Ordinary Shares on the statement of financial position (£831.3m) divided by the number of ordinary shares in issue (611,452,217) as at the calculation date.
Sale of Electricity	The total proportion of revenue generated by the Company's portfolio that is attributable to electricity sales.	A measure to understand the proportion of revenue attributable to sales of electricity.	The amount of revenue attributable to electricity sales divided by the total revenue generated by the Company's portfolio, expressed as a percentage.
Total Revenue	Total net income of the Company's investment portfolio.	A measure to outline the total revenue of the portfolio on per MW basis.	Total income of the Company's portfolio owned for the period.
PPA Revenue	Revenue generated through PPAs.	A measure to outline the revenue earned by the portfolio from power sales.	Total revenue from all power price sales during the period from the Company's portfolio.
Regulated Revenue	Revenue generated from the sale of FiTs and ROCs.	A measure to outline the revenue earned by the portfolio from government subsidies.	Total revenue from all subsidy income earned during the period from the Company's portfolio.
Ongoing charges ratio	The recurring costs that the Company and BR1 has incurred during the period excluding performance fees and one off legal and professional fees expressed as a percentage of the Company's average NAV for the period.	A measure of the minimum gross profit that the Company needs to produce to make a positive return for Shareholders.	Calculated in accordance with the AIC methodology detailed in the table below.



SHEEP GRAZING AT BETINGAU

APM	DEFINITION	PURPOSE	CALCULATION
Weighted Average ROC	A relative indicator of the regulatory revenues within a renewable portfolio.	A measure of the Company's portfolio earnings as a proportion of its assets.	Total Regulated Revenue received by the portfolio divided by the product of the current market value of a ROC and the annual generation capacity of the portfolio.
Weighted Average Life	The average operational life of the Company's portfolio.	A measure of the Company's progress in extending the life of its portfolio beyond the end of the subsidy regime in 2036.	The sum of the product of each plant's operational capacity in MW and the plant's expected life divided by the total portfolio capacity in MW.
Directors' Valuation	The gross value of the SPV Investments held by BR1, including their holding companies minus Project level debt.	An estimate of the sum that would be realised if the Company's portfolio was sold on a willing buyer, willing seller basis.	A reconciliation of the Directors' Valuation to Financial assets at fair value through profit and loss is shown in Note 7 of the financial statements.
Gross Asset Value	The Market Value of all Assets within the Company.	A measure of the total value of the Company's Assets.	The total assets attributable to Ordinary Shares on the Statement of Financial Position.
Total Outstanding Debt	The total outstanding balances of all debt held within the Company and its subsidiaries.	A measure that is used to establish the Company's level of gearing.	The sum of the Sterling equivalent values of all loans held within the Company.

Ongoing Charges	Six month period to 31 December 2023		
	The Company £'000	BR1 £'000	Total £'000
Fees to Investment Adviser	335	3,008	3,343
Legal and professional fees*	84	24	108
Administration fees	252	-	252
Directors' remuneration	120	7	127
Audit fees	59	9	68
Other ongoing expenses	119	103	222
Total ongoing expenses	**969**	**3,151**	**4,120**
Average NAV			**839,798**
Annualised Ongoing Charges (using AIC methodology)			**0.98%**

* Includes non-audit fees (interim review)