

CONFIDENTIAL



INTERIM RESULTS FOR
THE PERIOD ENDED
30 DECEMBER 2020



INTRODUCTION ¹

UK Focused Sterling Income Fund

613MWp of operational solar assets

Highest total return²

Highest dividend per share

Low risk portfolio & power strategy



PERIOD HIGHLIGHTS¹

OBJECTIVE: STERLING INCOME FUND
WITH SECTOR LEADING DIVIDEND

Shareholder approval to invest in wind and storage

Over subscribed equity raise of £45m

Acquisition of 134MWp ROC supported ground mounted PV plants

Planning consent achieved on 50MWp subsidy free plant



COVID RESPONSE

INTEGRATED TEAMS ENABLED QUICK & EFFECTIVE RESPONSE TO REMOTE WORKING

“The Board has been delighted with the services provided in relation to technical management of the Company’s portfolio by Bluefield Services and Bluefield Operations during the extended period of the Covid-19 pandemic...and I would also like to express our thanks to the Investment Adviser and all its staff for their exceptional effort supporting the Company during this unprecedented period” Chairman’s Statement, 1 March, 2020”

- 60 colleagues across three businesses remote working since 23 March, 2020
- No disruption to service provision
- Over 11 pence per share in earnings in calendar year 2020

INTERIM RESULTS HIGHLIGHTS

EXCELLENT PERFORMANCE IN THE FINANCIAL YEAR ¹

	H1 2020/21	H1 2019/20	FY 2019/20	FY 2018/19
Total underlying earnings	4.59	5.59	12.03	11.01
Debt amortisation	(1.96)	(2.17)	(2.50)	(2.40)
Reserves brought forward	2.03	0.60	0.60	0.30
Total funds available for distribution	4.66	4.02	10.13	8.91
Dividend distribution ²	(2.00)	(1.95)	(7.90)	(8.31)
Reserves carried forward	2.66	2.07	2.23	0.60
Net asset value per share	117.1	120.8	117.0	118.0

OPERATIONAL HIGHLIGHTS



- 1.6%

IRRADIATION



-1.5%

GENERATION



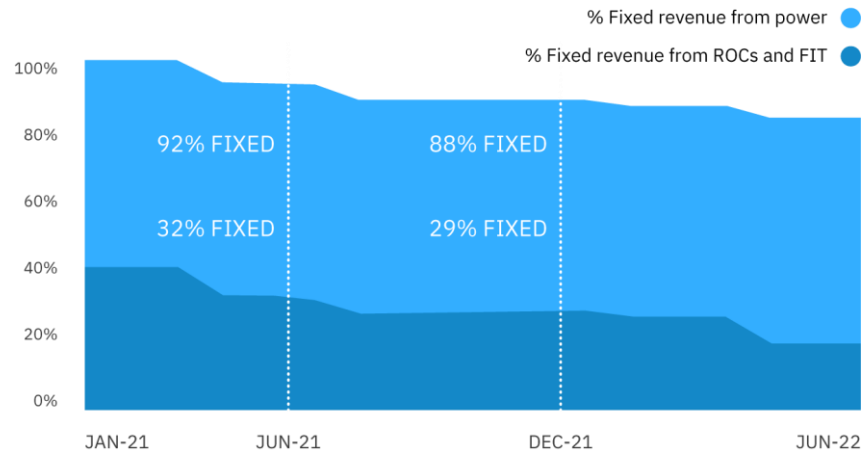
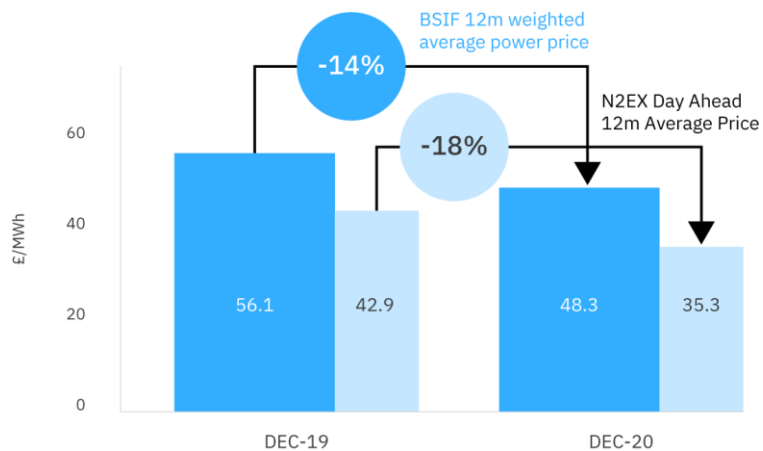
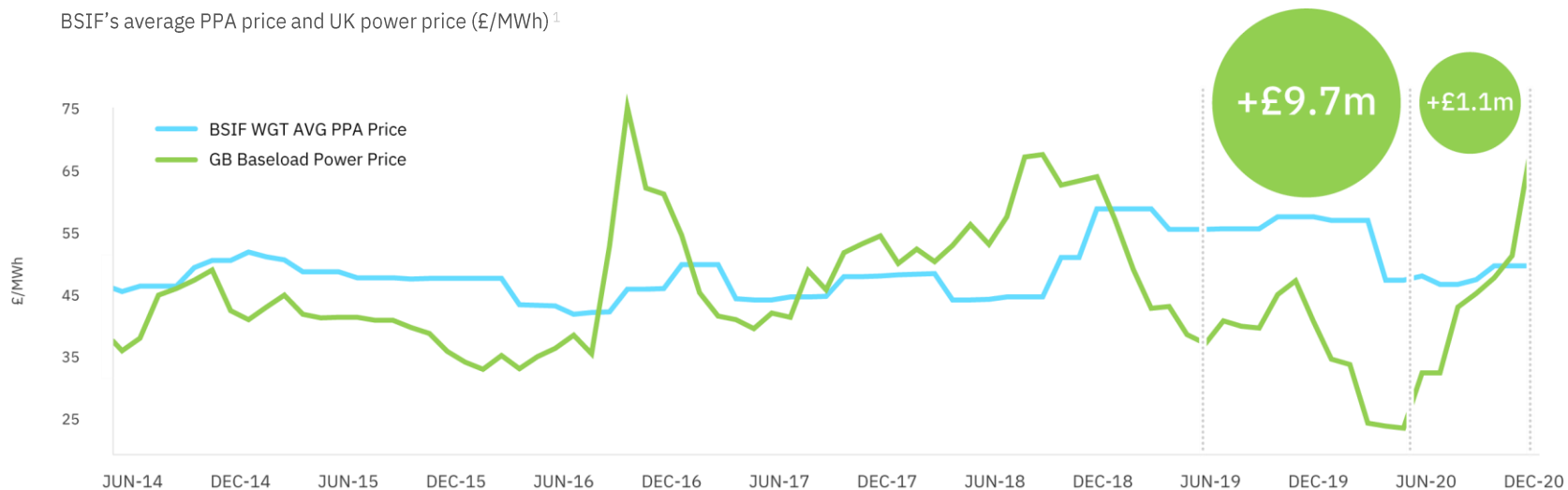
+ 1.5%

REVENUES

POWER PRICE FIXES PROTECTED AGAINST MARKET VOLATILITY

POWER PRICE FIXING STRATEGY ENSURES STABLE REVENUE GENERATION

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



BSIF portfolio power price compared to UK Day Ahead Auction Prices²

¹ Bluefield analysis

² Nord Pool monthly data

SOLAR PV: REVENUE GENERATION

CONVERTING IRRADIANCE TO PORTFOLIO INCOME



Power Generation Process

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

Solar Irradiation

Warranted by contractor

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

Plant Performance

Power revenues based on PPAs fixed contracts

ROC/FiT tariffs fixed on commissioning for 20-25 years

Output

Revenue Generation Process

H1 FY 2020/21 per MWp¹

$$\begin{array}{rclclclclclcl}
 541.1 & \times & 79.8\% & = & 431.8 & \times & \text{£82.9 MWh ROC/FiT Tariff} & = & \text{£35.8k MWp} \\
 \text{kWh/m}^2 & & & & \text{MWh} & & & & \\
 \text{Solar Irradiation} & & \text{Performance Ratio} & & \text{Plant Output} & & & & \\
 & & & & & \times & \text{£46.1 MWh PPA Tariffs} & = & \text{£19.9k MWp} \\
 & & & & & & & & \\
 & & & & & & & & \text{£55.7k MWp Revenue}
 \end{array}$$

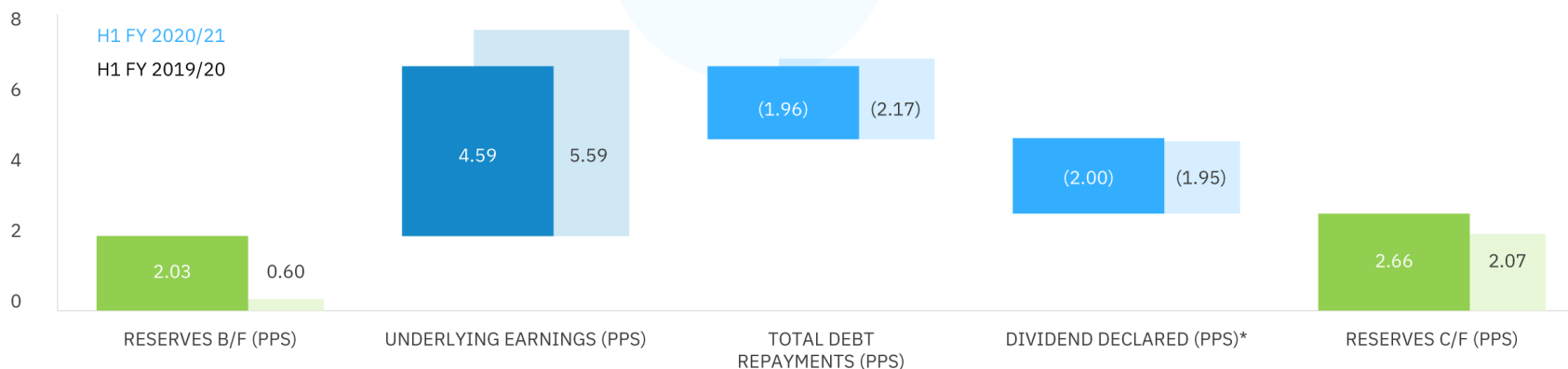
CONSOLIDATED PORTFOLIO EARNINGS

CONVERTING INCOME INTO COVERED DIVIDENDS

	Half year to 31 Dec 2020 (£m) ¹	Half year to 31 Dec 2019 (£m) ¹	December 2020 commentary
Portfolio Income	33.1	32.9	PPA revenue of £10.9m, regulated revenue of £21.0m & other revenue of £1.2m
Portfolio & Project Finance Interest Costs	(8.6)	(7.2)	Including £0.3m and £0.5m interest payments for Project Durrants and NatWest term loan
Total Portfolio Income Earned	24.5	25.7	
Group Operating Costs	(3.7)	(2.7)	Includes increase in tax charge to c£1.0m
Group Third Party Interest Costs	(2.1)	(2.3)	Interest on Aviva long-term & RCF financing
Underlying Earnings	18.7	20.7	

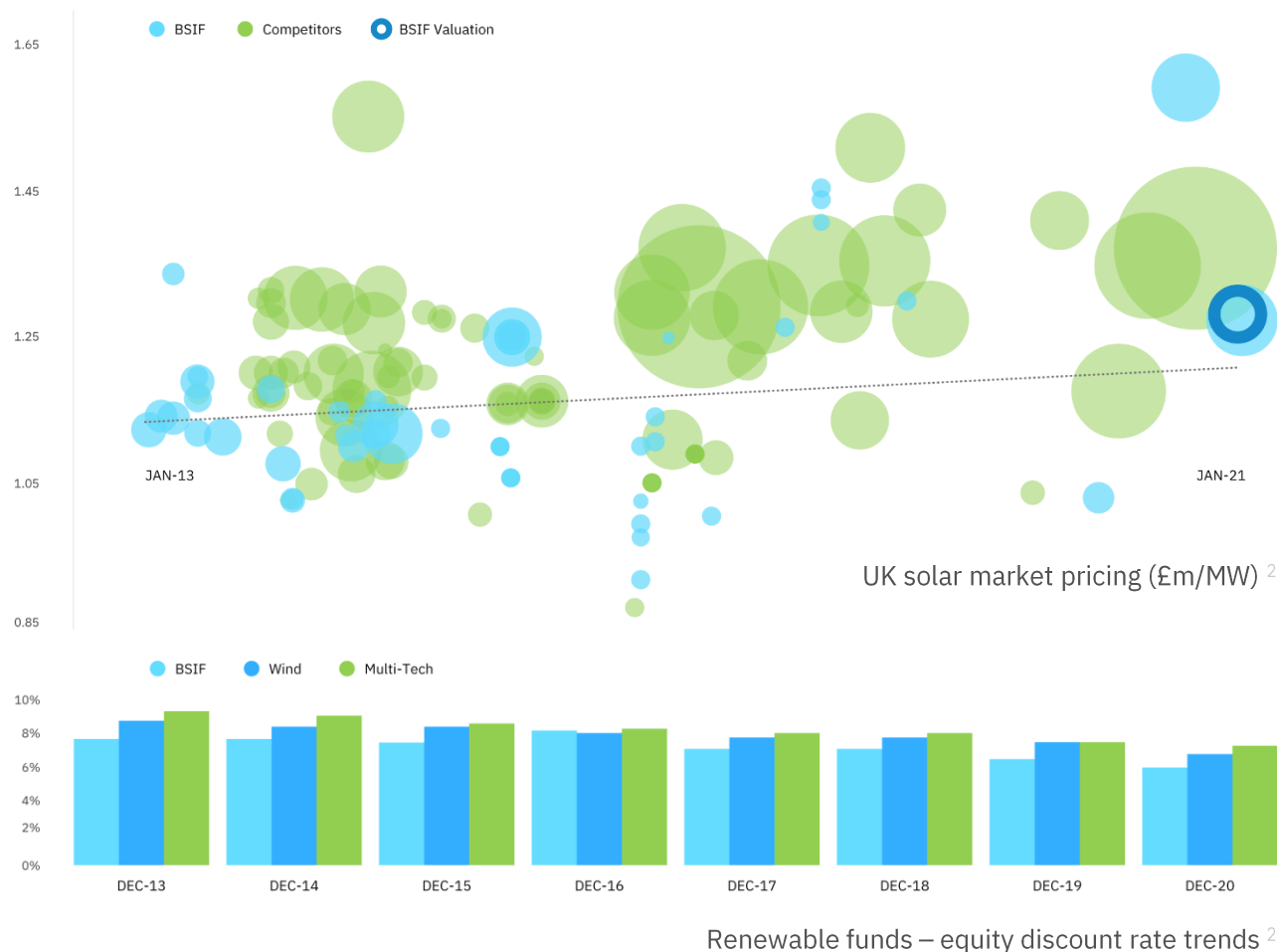
Earnings & dividend flows: H1 2020/21 vs H1 2019/20 (pps) ¹

$$\text{£18.7m Underlying Earnings} = 4.59 \text{ pps} + 2.03 \text{ pps FY19/20 Reserves} = 6.62 \text{ pps}$$



VALUATION PARAMETERS

VALUATION BENCHMARKED TO MARKET ACTIVITY



Valuation underpinned by

Low risk portfolio – low leverage (c.37%), high regulated revenues (c.65%), no currency risk

Discount rate of 6.0% (6.0% Jun 2020, 6.50% 31 Dec 2019)

Blend of three leading forecasters power curves

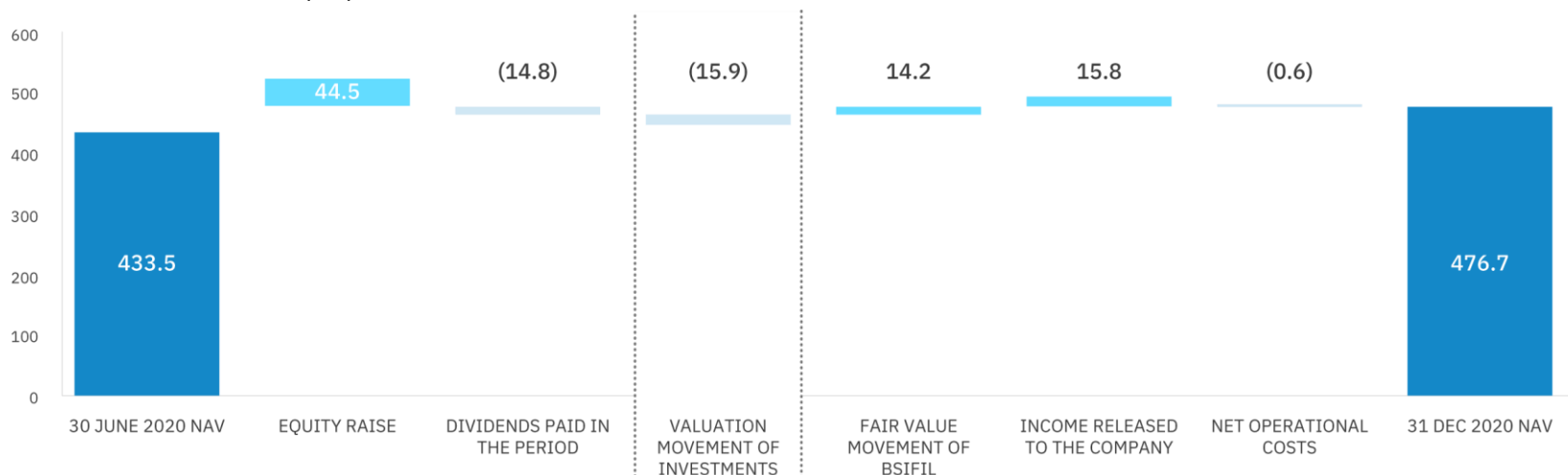
Inflation of 3.0% to June 2024, 2.75% thereafter

Weighted average life of portfolio 27.1yrs (Jun 20; 27.4yrs)

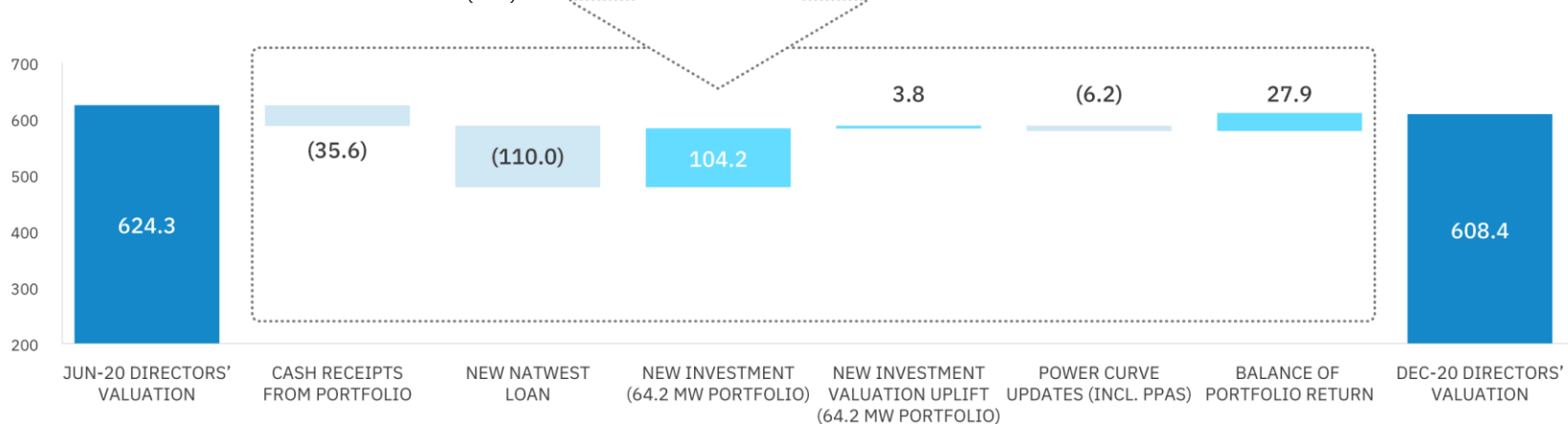
NAV CONSISTENT WITH PRIOR YEAR

ASSET LIFE EXTENSION BRINGS ADDITIONAL VALUE COMPARED WITH JUNE 2019

NAV Movement in Period (£m) ¹



Portfolio Valuation Movement in Period (£m) ¹

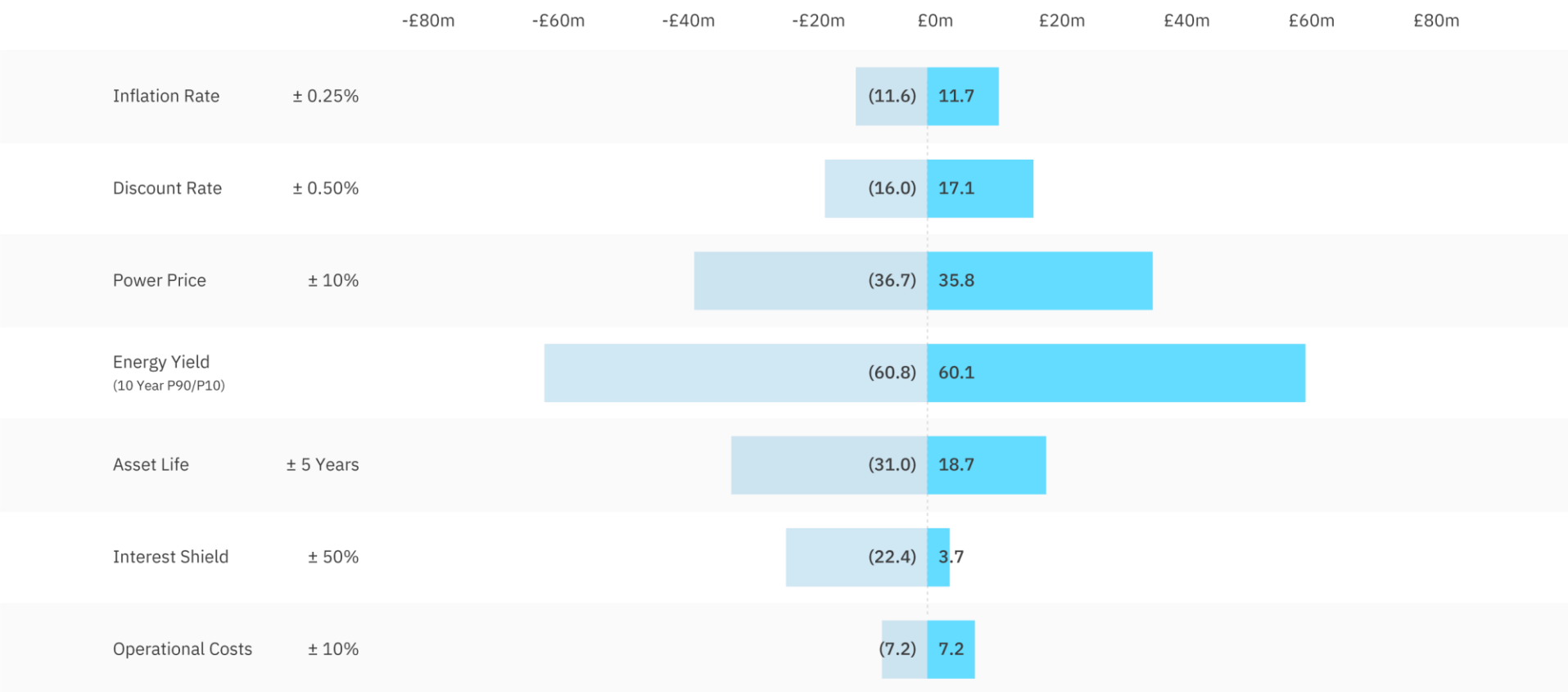


SENSITIVITY ANALYSIS

BSIF VALUATION REMAINS ROBUST AGAINST FLUCTUATIONS OF KEY PARAMETERS

£698.3m

Enterprise Portfolio DCF value (EV) ¹



ENVIRONMENTALLY & SOCIALLY CONSCIOUS COMPANY

HIGHLIGHTS

54,000

TONNES OF CARBON SAVINGS DELIVERED DURING THE LAST SIX MONTHS

170,000

APPROXIMATE NUMBER OF HOUSES POWERED WITH RENEWABLE ENERGY FOR A YEAR*

*IF THE SIX MONTH GENERATION DATA IS EXTRAPOLATED ACROSS A YEAR

ESG INITIATIVES

Enhancing Biodiversity

Wildflower seeding, bat and bird boxes and 'bug hotels' have been implemented across the portfolio.

Community Benefits

Community benefit schemes are supported across the portfolio, with significant donations made each year.

Environmental Accreditations & Frameworks

In 2019 the Company was awarded the LSE Green Economy Mark and achieved Guernsey Green Fund Status.

Looking Forward

The Company will undertake a Materiality Assessment in coming months, to provide a foundation upon which an ESG strategy can be developed. Such will ensure an informed and transparent approach to the management of material ESG risks and opportunities.

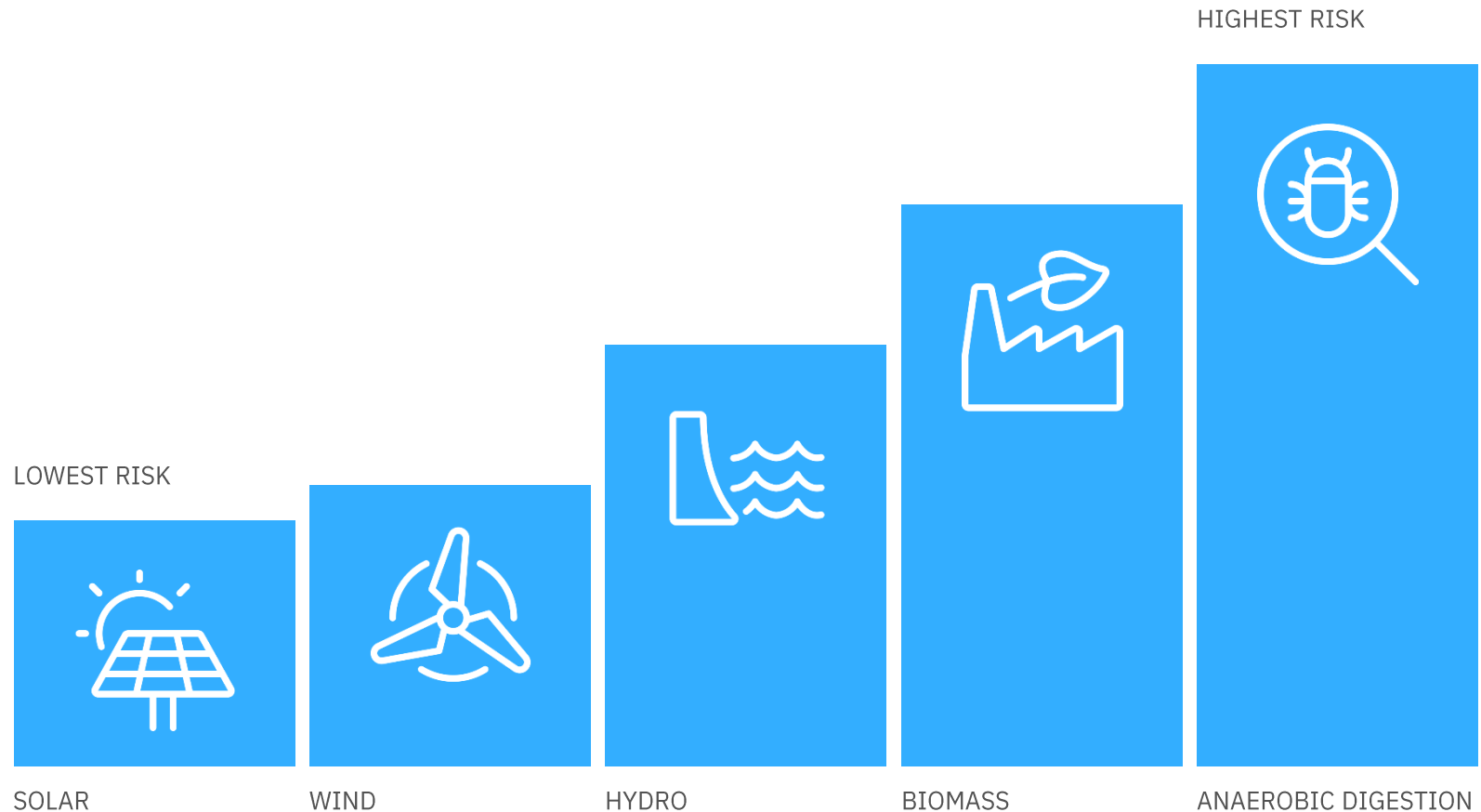




REASONS FOR OUTPERFORMANCE

TECHNOLOGY FOCUS

SOLAR AND WIND OUTPERFORM RELATIVE TO RISK



OPERATIONAL STRATEGY

EXPERTISE AT EVERY STAGE OF THE INVESTMENT CYCLE



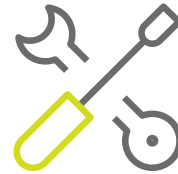
Develop

Development
Investment
Construction Engineers
In-house Legal



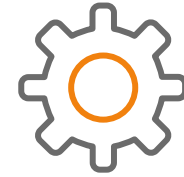
Invest

Investment
Engineering
Legal Team
Finance



Optimise

Portfolio
Asset Management
Reporting & Monitoring
PPA Sales



Operate

Operation & Maintenance
Asset Management
Finance

DEVELOPMENT

PRIMARY/NEW BUILD

OPERATIONAL

POWER/REVENUE STRATEGY

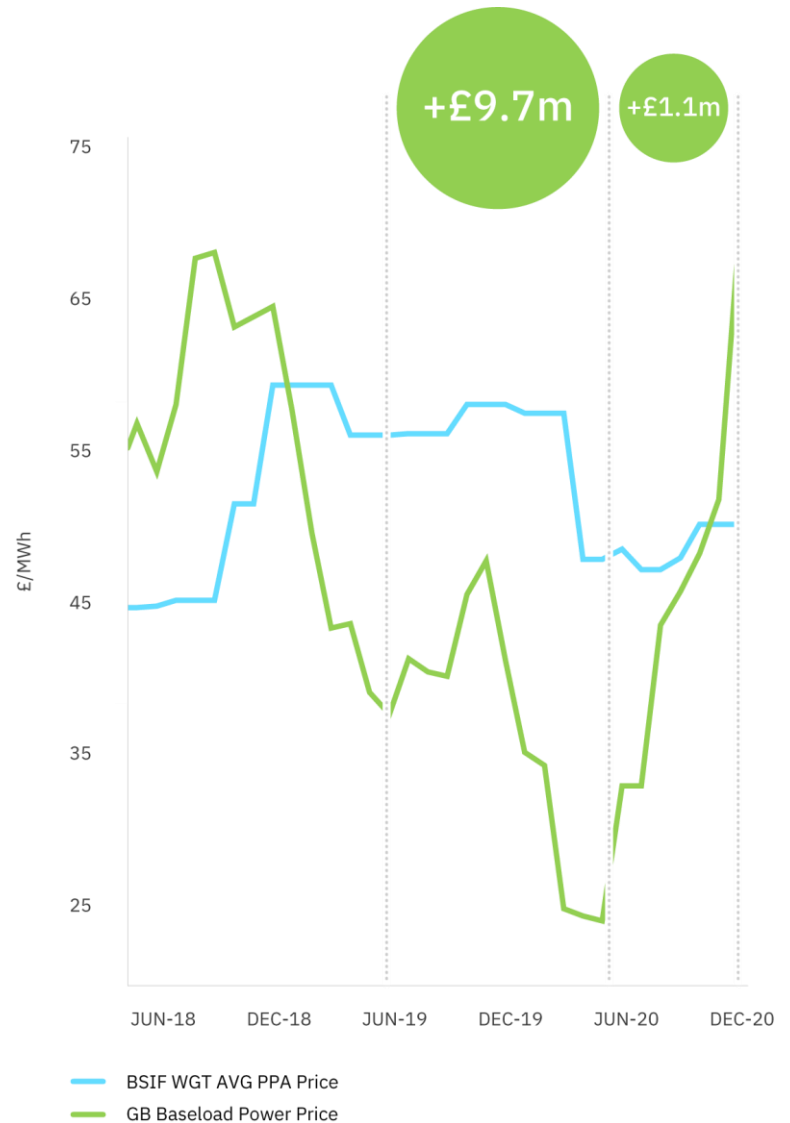
POWER SALES OPTIMISATION FOR INCOME

Avoided financing at asset level

6-36 month forward contracts

Contracts rolling on and off periodically

Maximises revenue and lowers risk



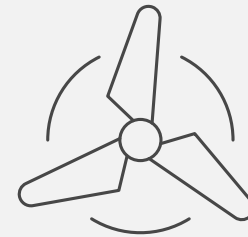
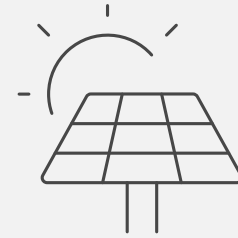
MANDATE FOR GROWTH

3 AREAS OF INTEREST

Solar development: 450MWp pipeline

Wind: specific segments of market offer potential value

Battery Storage: market looks viable now



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