

THRIVE RENEWABLES PLC HALF-YEAR REPORT

TO 30 JUNE
2017



THRIVE
RENEWABLES

WWW.THRIVERENEWABLES.CO.UK

“ We believe in a clean, smart energy system that is powered by the investment of many. ”

Matthew Clayton, Managing Director,
Thrive Renewables

Everyday your investment is helping to drive the transition to a cleaner, smarter energy system in the UK. Our mission and core values continue to drive us forward in 2017:

Sustainable at heart

The principles of sustainability have guided us for over two decades, from the projects we invest in to how we run our business. To generate clean energy that can meet the needs of today's world and future generations, we only ever invest in sustainable projects, in a sustainable way.

Rewarding Connection

We make decisions based on the interests of our investors. That means we invest in real projects, that are supported by real people, and that create real rewards – financial, environmental and social. We always communicate these impacts clearly and transparently.

Movement for Change

We play an active and committed role in the clean energy movement: a growing community of people and businesses who are committed to making change happen. We share our knowledge and insight to catalyse change, and we're passionate and excited about what is possible.



HIGHLIGHTS

We are pleased to present our operational update for the Group¹ for the half year ended 30 June 2017. The first half of 2017 has been an exciting period for Thrive.

THRIVE RAISES £10MILLION TO FUND CONTINUED GROWTH

Thrive Renewables Plc Bond – another great success

The Thrive bond offer launched in October 2016 and raised £7.7m in 2016 and a further £2.2m in 2017 making a total of £9.96m invested against our target of £10m. We are delighted that 291 Thrive Renewables' shareholders and previous bond investors took the opportunity to invest in this bond.

THE THRIVE
BOND OFFER
HAS RAISED
A TOTAL OF

£9.96M

AGAINST OUR TARGET
OF £10M



¹ Thrive Renewables Plc Group of Companies

FINANCIAL LEADERSHIP WINNER - BRITISH RENEWABLE ENERGY AWARDS 2017

Thrive has won an award for its inclusive business model, its flexible investment approach, and for being the first renewables bond offer which could be included in an Innovative Finance ISA.



Also, we welcomed a further 656 investors to the Thrive Renewables Group, growing our community to 6,247 individuals. As planned, the majority of the £10m raised via the bond has already been employed or allocated to new projects in 2017.

In addition to benefiting the bond holders, the bond is good for you, our shareholders, as the money raised by the bond allows further growth in the portfolio, securing additional projects, increasing positive impact and diversifying revenue streams.

WE'VE BEEN INVESTING IN NEW PROJECTS

SINCE THE START OF THE YEAR, THRIVE HAS INVESTED

£10.6M

INTO THREE RENEWABLE ENERGY PROJECTS - TWO WIND FARMS AND A SOLAR PV PROJECT.



1. BROTHERTON ONSHORE WIND FARM



In January Thrive provided a £1.5m mezzanine finance facility to Brotherton wind farm, a 4.6MW project in Aberdeenshire which completed construction in the summer and is now operational. Thrive's investment provided the equity required to construct the project, allowing the developer to continue to own the wind farm.

The project was built on schedule and started the first export to the grid in May 2017. The two 2.3MW Enercon E82 turbines are 100 metres tall and are expected to generate enough electricity to meet the demand of 3,230 UK homes. We are currently progressing with the Renewables Obligation Certificates (ROCs) qualification process which is expected in the coming months, following commissioning well in advance of the January 2018 deadline.

2. DRUMDUFF ONSHORE WIND FARM



Already in our portfolio and under construction at the start of the year, Drumduff achieved financial close on 24 January 2017 having agreed the turbine supply and civil works contracts and progressed with construction. Connection to the grid took place in June. The 6MW wind farm, which was jointly developed with GreenPower, was constructed on time and on budget.

The site in West Lothian is a former coal mine and was identified by a family owned developer who successfully secured planning consent for the site before selling the project to GreenPower and Thrive. The wind farm is projected to meet the annual demand of 5,589 UK homes.

3. MEAN MOOR ONSHORE WIND FARM



On 11 July 2017, we provided a £7.4m mezzanine loan facility to Mean Moor Community Wind Farm Limited to purchase a recently commissioned 6.9MW wind farm in Cumbria. This facility has allowed a group of community organisations to come together to purchase this site, with the aim to raise funds and put the ownership of the project into the local community. The site is expected to generate enough renewable electricity to meet the annual demand of 4,667 UK homes. This is an innovative transaction which allows three communities to come together and secure the required finance from Thrive to purchase a large commercial wind farm.

4. SHERRIFHALES SOLAR PV FARM



In February 2017, we were delighted to have invested in our first solar PV project. Thrive has provided a £1.7m mezzanine loan to the Community Interest Company (CIC) that owns and operates Sheriffhales, a 3.2MW operational solar project located in Shropshire.

This is not only our first solar project but also the first time we have invested into a CIC structure, which is an innovative form of legal entity introduced specifically by the Government to facilitate community ownership. A community fundraising is planned later this year to give the opportunity for local investors to take a direct investment in the project. The site is expected to generate enough renewable electricity to meet the annual demand of 754 UK homes.

The Mean Moor and Sheriffhales investments provide a financial bridge to offer the local communities the opportunity to own their local renewable projects, migrating the ownership from mainstream developers and utilities to local communities. This model of facilitating local ownership of renewable energy projects is new to Thrive, but we consider it complements our mission of connecting individuals with sustainable energy, whilst generating returns for our investors.



PERFORMANCE FOR THE FIRST HALF OF 2017

OPERATIONS AND RESULTS

Thrive Renewables' portfolio of renewable energy projects into which the Group is invested generated 100,492MWh in the first six months of 2017, more than in any previous first half year (2016 - 89,823MWh). Thrive's portfolio consists of 20 sites, 12 of these are 100% owned by Thrive. Thrive co-owns four of the sites with developers, landlords and co-investors and is supporting four others by means of a mezzanine loan.

Generation relating to our proportion of ownership was 79,052MWh by the end of June (2016 - 76,839MWh). This is equivalent to the electricity demand of 39,000 UK homes. Generation is below the total expected for this period but 3% above the same point in 2016. The reduction in generation in the first half of 2017 relative to budget is attributable to:

- Lower than projected wind resources - overall the first half of 2017 was 4% less windy than the long-term average for the UK. January, April and May were below the long-term average;

February and March were at the long-term average; and June was the windiest for 15 years³.

- A series of minor faults at Caton Moor, our largest site, impacted availability. In aggregate this downtime will result in an availability claim.
- A gearbox breakdown at Sigurd in Orkney meant the turbine was offline for April, May and most of June. The gearbox has now been removed, over hauled and reinstalled.

The operating results are as follows:

The Group achieved a half year operating profit including investments of £2.76m on turnover of £7.87m compared to an operating profit of £2.32m on turnover of £7.1m in the first half of 2016.

CONSOLIDATED OPERATING STATEMENT

HALF YEAR ENDED 30 JUNE 2017

	HALF YEAR TO 30 JUNE 2017	HALF YEAR TO 30 JUNE 2016	FULL YEAR TO 31 DEC 2016	HALF YEAR TO 30 JUNE 2015	FULL YEAR TO 31 DEC 2015
	£	£	£	£	£
TURNOVER	7,869,272	7,085,618	13,541,316	7,396,374	15,157,793
Cost of sales	(4,071,234)	(3,613,020)	(7,960,883)	(3,406,654)	(7,217,081)
GROSS PROFIT	3,798,038	3,472,598	5,580,433	3,989,719	7,940,712
Administrative expenses	(1,489,798)	(1,379,436)	(2,839,604)	(1,314,827)	(2,814,491)
OPERATING PROFIT	2,308,240	2,093,162	2,740,829	2,674,893	5,126,221
Share of associates and mezzanine arrangements	451,792	226,452	433,296	181,951	224,355
OPERATING PROFIT INCLUDING INVESTMENT	2,760,032	2,319,614	3,174,125	2,674,893	5,350,576

The increase in operating profit relates to increased revenue from additional capacity from new investments. This is however below our targets given reduced turnover due to the low wind resource and operational issues mentioned above.

The turnover was also impacted by the low wholesale electricity prices which have persisted since the oil price crash in winter of 2015/16, and whilst we have seen an increase in late 2016 and early 2017, these have not returned to pre-crash values.

Importantly, there have been no reportable health, safety and environment incidents in 2017, with appropriate learning being achieved from the reporting of near miss incidents.

² BEIS, 2016, Annual average UK household consumption of 3.938MWh p.a.

³ DNV.GL, July 2017, UK Windiness 2017

PASS IT FORWARD

We believe in a clean, smart energy system that is powered by the investment of many, and wish to grow our community of like-minded investors. Please recommend family, friends or colleagues who may be interested in finding out more about us by visiting the Thrive website or www.ethex.org.uk.

Thanks to your help, we now have over 6,000 investors who are making their money make a difference. Please note that your capital is at risk.

There are other ways to get involved:

- Thrive secondary shares are available via our monthly auctions
- Attend one of our open days or sponsored events
- Sign up to our bi-monthly newsletters
- Follow us on Facebook, Twitter and LinkedIn

Visit www.thriverenewables.co.uk for more information or contact info@thriverenewables.co.uk

 @Thrive_R

 [linkedin.com/company/thrive-renewables](https://www.linkedin.com/company/thrive-renewables)

 [facebook.com/thriverenewables](https://www.facebook.com/thriverenewables)



GROWTH

RENEWABLES' LANDSCAPE

The political context

The immediate political outlook for renewables in the UK remains a confused picture. However, we remain confident in the future prospects for Thrive Renewables as the Government continues to honour the support commitments which have been made to existing renewable energy projects (including our portfolio).

The fundamentals of the energy sector in a climate change conscious world with growing electricity demand requires an increasing contribution from renewable energy sources and smart technology. Regardless of BREXIT, the UK has both set itself and made global commitments to reducing greenhouse gas emissions by over 50% by 2030⁴. In all four of the National Grid's planning scenarios we see growth in both electricity demand and the contribution by renewables⁵.

⁴ GHG emission reductions measured against 1990 levels.

⁵ <http://fes.nationalgrid.com/media/1253/final-fes-2017-updated-interactive-pdf-44-amended.pdf>

A global race to deliver renewables at grid price parity

There has been a trend of declining financial support for renewable energy. This is to be expected and celebrated, as the ability of the sector to rapidly deploy renewable technologies, and deliver at lower prices is resulting in renewables becoming the rational option for meeting the majority of our future energy needs. What we are now experiencing is a global race for the delivery of renewable technologies at or below grid prices.

In the UK the progress is evident, with 24% of the Nation's electricity being generated by renewables in 2016, a greater contribution than either coal or nuclear. The UK's renewable capacity grew by 43% between 2014 and 2016. A further milestone was achieved on Friday 21 April, when the UK's electricity demand was met for a 24-hour period without burning any coal, a first in over 130 years⁶.



The democratisation of electricity

This transition from a centralised electricity system dominated by coal, nuclear and gas to a distributed system with increasing reliance on renewable generation, requires changes to the national electricity transmission and distribution infrastructure. There is a requirement for flexible supply which can be quickly powered up to meet demand and eventually a more dynamic demand base, where industry and we as consumers adjust our demand to make the most of natural resources. The use of battery storage to meet the need for flexibility and provide a cushion between variable supply and demand is a growing sector in which we are evaluating investment opportunities.

⁶ <https://www.ft.com/content/8f65f54a-26a7-11e7-8691-d5f7e0cd0a16>

A subsidy free future

As we move into a subsidy free environment, the need for Thrive to continue to focus on the lowest cost sources of renewable electricity generation, located where abundant natural resources are available becomes increasingly important. Our experience working on industrial sites, often delivering electricity directly to our hosts is also valuable, achieving a win win, where we deliver power to our hosts at a lower cost than they can import it, but for a higher price than we can export it.

CONTINUED GROWTH FOR THRIVE

Repowering and battery research

In addition to the evaluation of investment opportunities in both battery storage to address the need for flexibility in our electricity system and subsidy free renewable generation to demonstrate the true sustainability of renewables, we continue to progress the preliminary work to extend the life of and eventually repower some of our older assets.

At our older sites advances in technology mean that there is an opportunity to replace existing generation equipment with modern turbines and enhance the production and longevity of the sites, often with very little change in the aesthetic and environmental footprint.

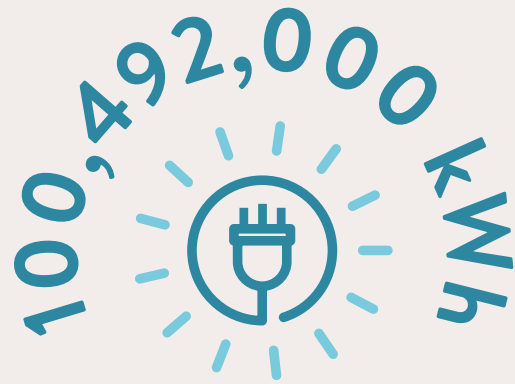
Supporting community ownership

We also see further opportunities to support communities with the acquisition of renewable projects from the mainstream developers and investment funds, allowing local communities to benefit from our financial and operational experience, migrating the ownership of renewable projects into local hands.





TOTAL OUTPUT



OF GREEN ENERGY HAS BEEN GENERATED⁷



SHAREHOLDERS

THE AVERAGE SHAREHOLDER HAS SAVED MORE THAN THE WEIGHT OF



VW GOLFS

7.43 TONNES

OF CO₂e PER HALF YEAR¹⁰

CO₂e SAVINGS



PER HALF YEAR⁸

OUTPUT



HOMES OR EQUIVALENT⁹

POWERED BY THE AVERAGE SHAREHOLDER

HOMES

OVER THE LAST SIX MONTHS, THE EQUIVALENT OF

51,534



HOMES HAVE BEEN POWERED FROM THE OVERALL PORTFOLIO

^{7,8,9,10} From total invested in portfolio



BUSINESS

SECONDARY SHARES IN THRIVE

In early 2016 we changed the operation of the secondary market for shares in Thrive Renewables. The improved Matched Bargain Market service operates as a monthly auction, run by James Sharp & Co., an experienced stockbroking partnership.

In 2016, 818,339 shares traded at an average price of £2.23 (95% of the director's recommended share price of £2.35). In 2017⁷ 109,828 shares have traded at an average price of £1.75 (74% of the directors recommended share price). We are pleased that the new arrangements are providing the opportunity for existing shareholders to buy and sell shares and for Thrive to connect with additional ethical investors.

The monthly auction has provided greater focus and activity on the secondary market. We are conscious of the decrease in the share price on the monthly auctions in 2017. The Directors Recommended Share Price has remained at £2.35, as the outlook for the Company continues to look positive and we have



added new projects to the portfolio. There are no fundamental reasons for the reduction in auctioned share price, so we assume that the decrease reflects current shareholders' willingness to sell their shares at these levels. We are therefore focusing on increasing awareness and interest in buying shares from the secondary market through our newsletters, attendance at events and our website.

Thrive shares are available to buy now on the secondary market, to find out more go to www.thriverenewables.co.uk/investors or look at Thrive's profile on Ethex www.ethex.org.uk. Please note that your capital is at risk, and that past performance is not an indicator of future performance.

In 2017 we became a member of the Social Stock Exchange www.socialstockexchange.com and we continue to work with ethical investment platform Ethex to promote the availability of secondary shares in Thrive.

⁷ Year to 31 August 2017



COMMUNITY

THE COMMUNITY BENEFIT PROGRAMME

Last year we launched a Community Benefit Programme which awards grants to assess and implement the most beneficial energy saving measures in community buildings close to our projects. These buildings provide valuable meeting spaces for a host of individuals and groups and often act as a social hub in the communities they serve. Our programme plugs a gap between commercial and residential funding, helping to maintain and improve the long-term sustainability of these spaces.

“ We no longer need to put the electric lights on as the room is full of natural light and is so much warmer too. ”

Jean Liney, Millom Baptist Church Secretary

Administered by nationwide charity, the Centre for Sustainable Energy, our scheme has proved popular and was extended into a second year supporting measures such as insulation, draft-proofing, LED lighting, motion sensor switches and water saving devices.

Grants have ranged from £892 to the maximum of £4,000 and, to date, have been awarded against 12 successful applications.

This voluntary programme is in addition to monies we pay each year to several communities which were agreed as part of the planning permission to build our project. These funds are managed locally where priorities for their allocation can best be assessed.

COMMUNITY BENEFITS AT A GLANCE

THE TOTAL
AMOUNT OF
GRANTS PAID OUT
TO COMMUNITY
BUILDING
RECIPIENTS WAS

£6,828

DURING
THE FIRST PART
OF 2017 WE MADE



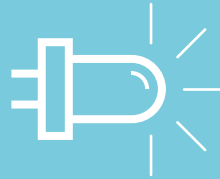
AWARDS THROUGH OUR
VOLUNTARY COMMUNITY
BENEFIT PROGRAMME



TONNES CO₂
PER ANNUM

HAS BEEN SAVED BY
MEASURES FUNDED
THROUGH THE COMMUNITY
BENEFIT PROGRAMME

MONEY HAS BEEN
SPENT ON



LED LIGHTING



EFFICIENT
HEATING SYSTEMS



ROOFING
IMPROVEMENTS



NEWS

ROUNDUP OF ACTIVITY

75 investors attend Thrive's AGM

We hosted our Annual General Meeting (AGM) at the Royal Institution, London, on Friday 30 June. The turnout of shareholders was one of our largest ever for an AGM. Shareholders asked challenging and relevant questions of the Board (a summary of AGM questions and answers can be viewed on the website). It is always invigorating for the Board and team to meet the investors and receive valuable feedback. The shareholders enjoyed seeing the result of their collective investment.

All Company resolutions were approved, including the recommendation to pay a 4p dividend per share, which was subsequently paid on 26 July 2017. Thrive Renewables PLC bondholders were also invited to attend the management presentation and guest speaker sections of the AGM. It was great to see bondholders in attendance and contributing to the discussions.





Visiting schools with ExplorerDome

Thrive has maintained a proactive approach to improving awareness of climate change and the importance of renewables in our evolving energy mix. We took the interactive ExplorerDome to Kessingland Primary Academy at the end of the school's summer term and delivered the curriculum linked science show to five groups of primary age pupils with enthusiastic, positive feedback. We also welcomed a school year group and eco council to our wind farm at Avonmouth to show them first-hand how a wind farm works.

Additionally, a family-oriented open day took place in September, visited by almost 400 investors, local residents and interested members of the public. We find these educational events incredibly fulfilling and an excellent opportunity to prompt dialogue with a diverse range of visitors.

Thrive's website and newsletter

We continue to improve communications to our existing and potential investors and our website is being updated all the time with relevant and timely information at www.thriverenewables.co.uk. On our website you can also sign up to our bi-monthly newsletter to be kept informed of our latest share/bond offers, renewable projects, news, and commentary on the energy sector.

If you would like to get in touch with any feedback about the website or newsletter, email your comments to info@thriverenewables.co.uk

We're A Good Egg!

Thrive has been awarded **A Good Egg** kitemark from personal finance website, Good with Money. The kitemark is awarded to financial services companies that

are able to prove they make a positive impact, by benefiting society and the environment. Visit www.good-with-money.com for more information.



Thrive is shortlisted for Investment Week award

We can also announce that Thrive has been shortlisted for the 'Innovative non-fund' category, Investment Week, Sustainable Investment Awards 2017 for its innovative bond offer with IFISA, supported by Abundance Investment and Triodos Bank. It is great for Thrive to be recognised alongside some of the larger financial institutions active in impact investing.

The industry and investment awards are invaluable in helping Thrive reach more investors and continuing to realise our mission to invest in a cleaner, smarter energy system.

A DATE FOR YOUR DIARY

We shall be supporting the Durrell Wildlife Conservation Trust's 10th Anniversary Lecture this year as a way for us to reach out to further like-minded investors. Both Durrell and Thrive are making a

difference through conservation and renewable energy to help tackle climate change and create a better world to live in. If you would like to attend the evening lecture on 23 November visit the www.durrell.org website events page for more information.





INVESTOR COMMUNICATIONS CALENDAR

We get in touch at certain points of the year via your Registrar.
Key dates include:

- TR plc Bond interest payment – late March
- Annual Report and AGM invitation – mailing sent early June, AGM held late June
- Shareholder Dividend payment - July
- Half year report – October/November

Please remember to notify your Registrar if you change your email or home address. Computershare are the Registrar for Thrive shares. Abundance are the Registrar for the TR Plc bond. Contact details for your Registrar can be found on the 'Contact Us' and 'FAQs' sections on our website.



FEEDBACK

SURVEY

Please click on the link below to complete our short communications survey.

Or visit: <https://goo.gl/forms/VRC6PWYvhE8fQjuS2>

We'll publish your feedback results on our website.

Thank you for taking part in this survey.

We could not do this without the continued support of our shareholders and we thank you for your involvement.



GETTING IN TOUCH

We encourage investors to register for email communications (eComms) to go paperless, as it has a positive impact environmentally and financially. If you're not already receiving emails from us instead of paper communications, you can instruct your Registrar to change your settings. Shareholders should contact Computershare on 0370 707 1350 or sign yourself up at www-uk.computershare.com/investor (look for the eComms Signup button on the right-hand side of the page). If you already have eComms, please remember to keep the Registrar updated if you change your email.

Register for Thrive's email newsletter to keep up to date with company news. Go to www.thriverenewables.co.uk/newsletter

Contact your Registrar if you need to update your contact details:

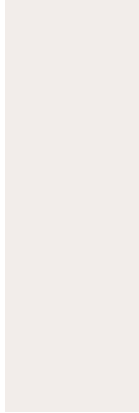
TR shares (and TR Buchan Bond): Computershare: 0370 707 1350

TR Bond: Abundance: 020 3475 8666 /
support@abundanceinvestment.com

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