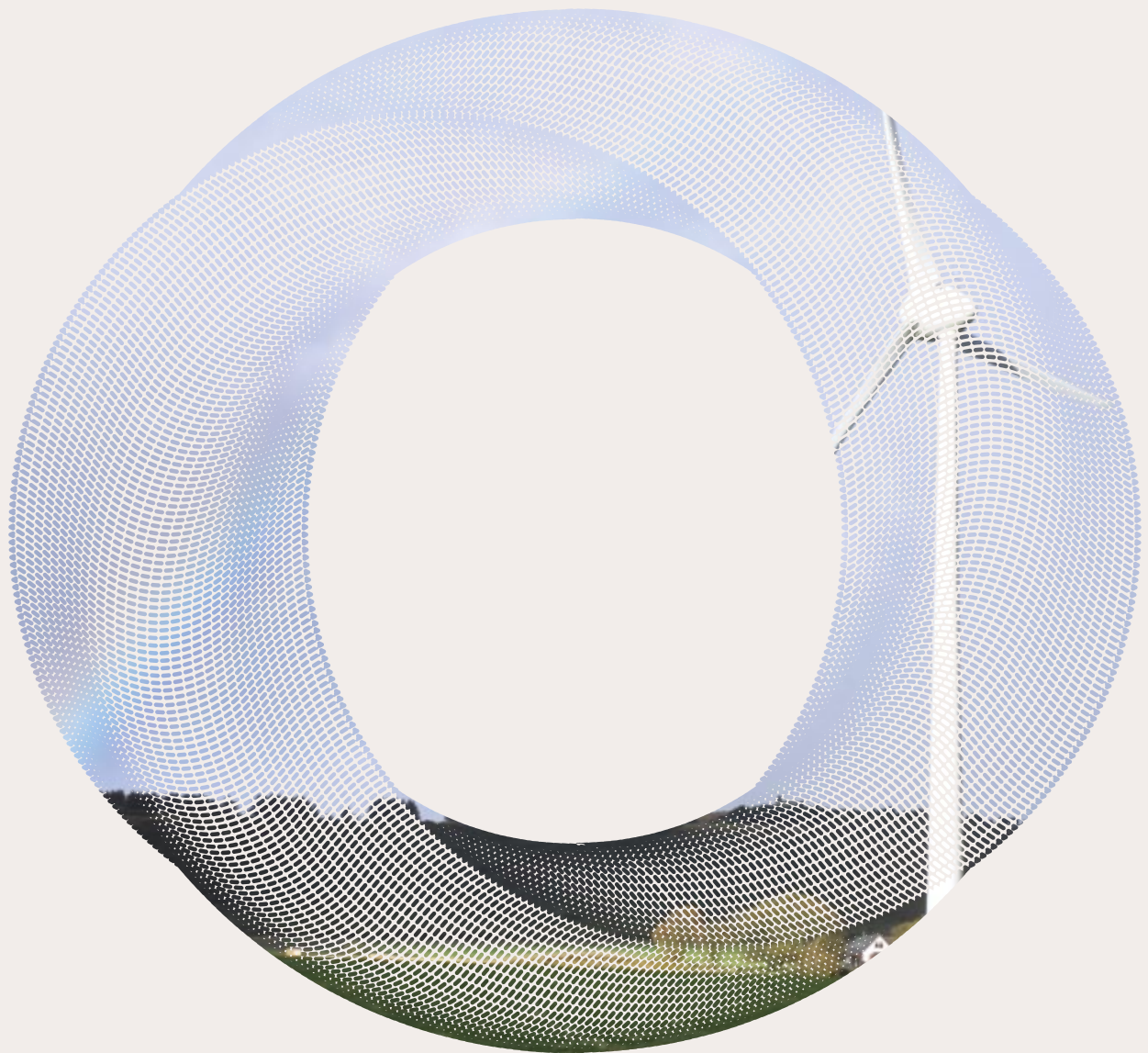


THRIVE RENEWABLES
(BUCHAN) LIMITED
ANNUAL MANAGEMENT REPORT

JANUARY
2017
TO JUNE
2018



THRIVE
RENEWABLES

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THRIVE RENEWABLES (BUCHAN) LIMITED

OPERATIONAL REVIEW FOR THE PERIOD JANUARY 2017 TO JUNE 2018

This report summarises the performance of Thrive Renewables (Buchan) Limited for the calendar year of 2017 and the provides insight into the first half of 2018 (January to June).

The two wind turbines held as Thrive Renewables (Buchan) Limited are developed on nearby but independent farms – Auchtygills and Clayfords – close to Strichen in Aberdeenshire, Scotland. The two turbines were built and commenced electricity generation in spring 2015. Each turbine has a generating capacity of 0.8MW.

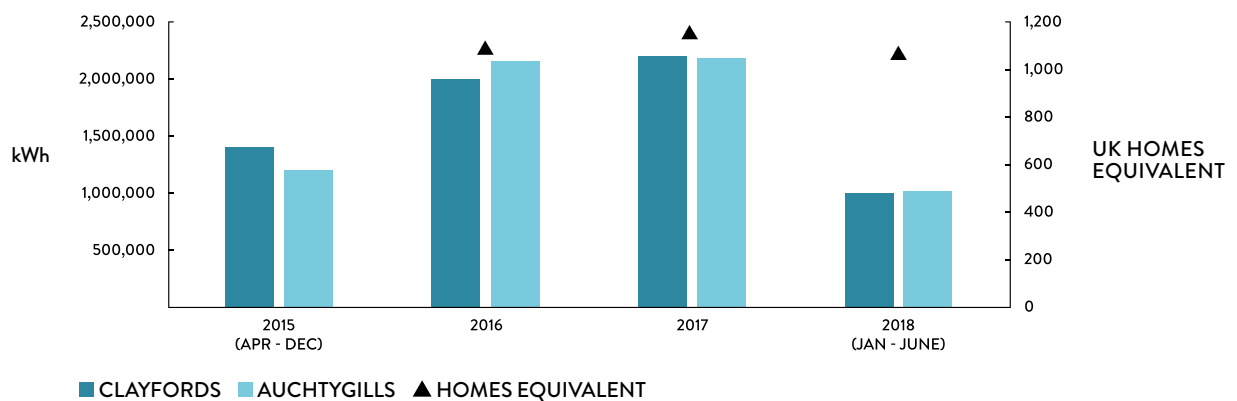
2017 FULL YEAR OPERATIONS

	AUCHTYGILLS	CLAYFORDS	TOTAL / AVERAGE
Generation (MWh)	2,203	2,225	4,428
Operational availability (%)	98.3%	99.7%	99.0%
Average wind speed (meters/sec)	7.0	7.0	7.0
UK Homes equivalent ¹	570	565	1,135
Tonnes of CO ₂ e emissions savings ²	947	957	1,904

¹ Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing that annual UK average domestic household consumption is 3,900kWh.

² Calculated using the most recent statistics from BEIS, 430g/kWh.

THRIVE RENEWABLES (BUCHAN) LIMITED ELECTRICITY GENERATION



The two wind turbines generated 4,427,593 kWh of electricity in 2017, a 6.7% increase on 2016 output. Average operational availability across the two sites was 99%, which is in line with operational targets. Whilst wind levels were marginally higher in 2017 than 2016, average wind speeds remained below the long term projections.

Both projects continue to benefit from 20 years of Government backed Feed in Tariff income which currently represents 64% of their revenues. The Directors of Thrive Renewables (Buchan) Limited remain confident that despite the change in support for 'new' projects, the Government will honour the financial support for which the projects are qualified.

Each project benefits from two sources of revenue, the Feed in Tariff and the wholesale electricity price. The Feed in Tariff component is adjusted in line with inflation annually. The Feed in Tariff on both projects was £84.80/MWh for the year April 2017 to March 2018, and £88.30/MWh for the year starting April 2018. Throughout 2017 the projects benefited from the improved fixed export electricity price which was secured in 2016. We will continue to monitor opportunities to secure higher export prices throughout 2018.

The civil engineering and electrical agreements upon which the site was constructed provide a warranty period. The civil and electrical infrastructure inspections conducted in 2017 confirmed that the condition of the sites is satisfactory.

As a result of Thrive Renewables (Buchan) Limited developing both of the projects, the counterparty to the project's grid connection agreements was held at the Buchan level. In January 2018 we completed the process of assigning the grid connection agreements from Thrive Renewables (Buchan) Limited to Thrive Renewables (Auchtygills) Ltd and Thrive Renewables (Clayfords) Ltd respectively. This has no impact on operations, but tidies up the legal framework for each company.

FINANCIAL SUMMARY

THRIVE RENEWABLES (BUCHAN) LIMITED CONSOLIDATED OPERATING STATEMENT	HALF YEAR TO 30 JUNE 2018	FULL YEAR TO 31 DECEMBER 2017	FULL YEAR TO 31 DECEMBER 2016
Half year ended 30 June 2018	£	£	£
Income	291,424	571,505	517,059
Operating costs	(76,489)	(172,561)	(89,078)
Depreciation	(91,104)	(193,333)	(176,375)
Profit before interest and tax	123,830	205,611	251,606
Bond interest	(82,500)	(165,000)	(82,500)
Profit before tax	41,330	40,611	169,106
Operating profit %	14.2%	7.1%	32.7%

The 2017 full year profit before tax was £40,611, a material decrease from £169,106 in 2016. Despite increasing income, this reduction in profitability relates to a budgeted increase in operational costs and the first full year of Bond interest costs.

The company's income has improved by 10.5% in 2017 when compared with 2016. The majority of this increase relates to the 6.7% year on year increase in energy yield and also the increase in the power sales prices.

For 2017, the operating costs have almost doubled from 2016 levels. This increase in budgeted costs relates to the first full year of turbine maintenance costs and the costs of the third party asset management arrangements. Under the terms of the turbine maintenance agreement, there was a period at the beginning of the service period which was provided at no charge.

During 2017 the company has seen the full twelve months bond interest payments. The interest rate of the Bond is fixed going forwards.

Performance for the first half of 2018 is in line with expectations.

IMPACT

In 2017 renewables delivered 29%³ of the UK's electricity. Renewables are now firmly part of the UK's energy mix. There have been several landmarks achieved in the energy sector throughout 2017. These include the 21 April 2017 which was the UK's first day since 1882 without any electricity demand being satisfied by coal fired power stations⁴.

The two wind turbines generated 4,428 MWh of electricity in 2017. This is equivalent to the needs of 1,135 UK homes, and 1,904 tCO₂e emission reductions. The Thrive Renewables (Buchan) Limited Bonds are owned by 418 investors. On average, in 2017, each investor contributed to the generation of approximately 2 UK homes equivalent of electricity and emission reductions of 3.5 tCO₂e⁵.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/695752/Energy_Trends_March_2018.pdf

⁴ <https://www.ft.com/content/8f65f54a-26a7-11e7-8691-d5f7e0cd0a16>

⁵ Adjusted for the Bond's debt contribution to the total investment in the two windfarms.

COMMUNITY BENEFIT PROGRAMME

The Thrive Renewables Community Benefit Programme is a nationwide scheme that enables community buildings across the UK to obtain advice and funding to implement the most worthwhile energy saving measures.

In collaboration with the national charity, Centre for Sustainable Energy (CSE), we offer communities in areas close to our project sites, including those at Auchtygills and Clayfords, the opportunity to make improvements to buildings using our combined knowledge of energy matters. The fund fills a gap between domestic and commercial property. It raises awareness of energy issues and makes community buildings more sustainable and comfortable, so more beneficial to the communities they serve.

The programme makes awards of up to £4,000 to local community buildings as well as identifying zero cost improvements. Grants may be awarded for changes like LED lighting, insulation, draught-proofing, improved heating or lighting controls, and can be used for professional advice leading to long term improvements in energy performance. The grant can also be used in conjunction with other funding to pay for improvements to achieve the greatest impact.



PROGRESS WITHIN THE THRIVE RENEWABLES GROUP

Thrive Renewables (Buchan) Limited is owned by Thrive Renewables plc (Thrive). In 2017 Thrive invested in a further five renewable energy projects, growing the investment portfolio from 16 to 21 renewable energy projects. The additional sites contributed to a 28% increase in Thrive's renewable electricity generation capacity between 2016 and 2017. The five investments made by Thrive are summarised below.

GREEN BREEZE ENERGY LIMITED

Thrive has established a 50:50 joint venture with an experienced Scottish developer called GreenPower (International) Limited. In July 2016 the company jointly acquired Green Breeze Energy Limited, a company with rights to construct Drumduff wind farm. This three-turbine project is located on an old, disused open cast coal mine to the north of Blackridge in West Lothian. Construction took place over the spring of 2017 and became operational in July 2017. The project is forecast to generate enough renewable electricity to meet the annual demand of 5,590 UK homes.

BROTHERTON

On 26 January 2017, Thrive (via its subsidiary Brunel Wind Limited) agreed a £1.48m mezzanine finance facility with Renewable Energy Ventures (Brotherton) Ltd (REVB). REVB have successfully secured all the required rights and permits to build a 4.6MW wind farm located within the Brotherton Estate near Johnshaven in Aberdeenshire, Scotland. Thrive has provided the capital required for the project construction in combination with senior debt and the developer's own equity. The project construction took place over the spring 2017 and the project started delivery of electricity to the grid in June 2017. The two 2.3MW Enercon E82 turbines are just under 100 meters tall and are expected to generate enough renewable electricity to meet the annual demand of 3,230 UK homes.

SHERIFFHALES

In February 2017, Thrive invested in a solar PV project by providing a £1.7m mezzanine loan to the Community Interest Company (CIC) that owns the operational solar project, Sheriffhales, located in Shropshire. This is the first time that Thrive has invested into a CIC structure, which is a new form of legal entity introduced specifically to facilitate community ownership. The CIC is managed by Mongoose Energy and a community share issue is planned to launch in 2018.

During 2018 the community will be invited to get involved in the 3.174MWp solar farm and establish a rewarding connection with the site. The site is expected to generate enough renewable electricity to meet the annual demand of 754 UK homes.

MEAN MOOR

On 11 July 2017, Thrive provided a £7.4m mezzanine finance facility to Mean Moor Community Wind Farm Limited to purchase Mean Moor, a 6.9MW wind farm in Cumbria commissioned in late 2016. Mean Moor Community Wind Farm Limited was set up by three Energy Co-operatives - Energy Prospects, High Winds and Baywind.

The wind farm is now 100% community owned. The site is expected to generate enough renewable electricity to meet the annual demand of 4,689 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. At the time of writing this Report, the combined community groups have raised the first £4m to partially repay the Community Energy Funding Bridge, attracting over 700 investors.



BROCKHOLES

The third Community Energy Funding Bridge of £2.3m was completed in October 2017 for the purchase of a 2.4MW wind farm located 10km North East of Duns in the Scottish Borders. The project was developed by and acquired from a farmer and has been operational since November 2012. The 3-turbine wind farm generates enough renewable electricity to meet the annual demand 1,692 UK homes. Thrive has provided Brockholes Community Energy limited with a funding bridge. The project is being managed by Mongoose Energy. The project plans to repay Thrive's Community Energy Funding Bridge with money raised from community investors in 2018.

KEEPING IN TOUCH

We encourage investors to register for email communications to go paperless, as it has a positive impact environmentally and financially. If you are not already receiving emails from us instead of paper communications, you can instruct your Registrar to change your settings. Bondholders should contact Computershare on 0370 707 1350 or sign yourself up at www.computershare.com/uk

If you already have opted for email communications, please remember to keep the Registrar updated if you change your email address.

Register for the Thrive Renewables plc newsletter to keep up to date with company news at www.thriverenewables.co.uk/newsletter

Shares in Thrive Renewables plc are available via a monthly auction. Visit www.thriverenewables.co.uk/investors for more information.

www.thriverenewables.co.uk

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Thrive Renewables plc is a public limited company,
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