



**THRIVE**  
RENEWABLES

THRIVE RENEWABLES  
**25**  
YEARS  
INVESTING IN CLEAN ENERGY





“ I chose to invest in Thrive 14 years ago to kick-start renewable energy in the UK and I’m going to take more shares because it’s important that clean energy continues to grow. Thrive provides the right balance between purpose and profit, which is good because few people will invest for purely altruistic reasons. ”

**Mike Atkinson**

Investor

“ In about 1996 I inherited a small amount of money, and rather than give some to a charity, I invested £1000 in Thrive - then Windfund I think. It was money that I could afford to lose, but I believed in the objectives so I was keen to invest. It gives me a huge amount of pleasure, many years later, to read about such a successful year, and of course to receive some dividend as well! Fabulous, and I am so glad that I was an early investor in something that I so strongly believed in. ”

**Freda Rogers**

Investor

“ I like the whole thing, I’ve got two children and it does concern me about what’s going to be left of the planet for them. ”

**Miranda Fagandini**

Investor

“ It was good to be backing an environmentally friendly company promoting wind energy which I’m in favour of. ”

**Alan Evans**

Investor

**Dear Shareholder,**

Imagine a society where we can live good lives with just a fraction of the energy we use now, powered purely by renewable energy, where no one goes cold in their home in winter, where our carbon emissions are virtually zero and fuel poverty is a bad but distant memory.

Imagine that we'd dramatically improved the energy performance of every building and energy-using gadget in the country, empowered our citizens and businesses to be truly smart with their energy use, and were harnessing renewable energy for our power. Imagine that our energy system served the needs of Britain's people, communities and businesses – environmentally, socially and economically – and made special provision for those most in need of a warm home.

As we commence our 25th anniversary year this October, we're looking back and celebrating how far we've come. Thrive Renewables will soon hit the milestone of having generated enough renewable electricity since it was founded to meet the annual demand of 1 million UK residents. But we're also looking forward to the enormous changes and opportunities that will come about as a result of all of us uniting to try and keep global heating well below 2 degrees so our incredible, hospitable blue planet can be preserved for our children and grandchildren.

So please enjoy this trip down memory lane from 1994 to the present day, framed by changing energy and climate policies, and remember that your money is working every day in Thrive, powering the transition to a clean, smart energy system.

You will also find our half year report including an overview of the financial performance for the first half of 2019, the latest information on our operations and an update on our focus for the rest of the year.



**Simon Roberts OBE**  
Chair of the Board of  
Thrive Renewables Plc



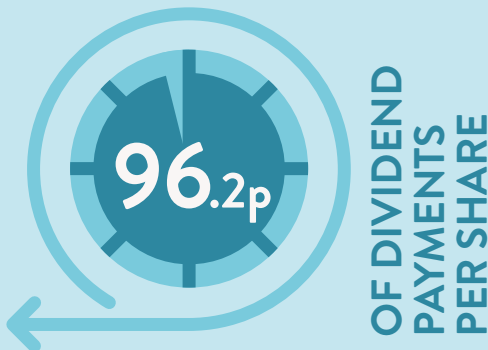
# INVESTING IN CLEAN ENERGY



**RAISED IN EQUITY**



**RAISED IN BONDS**



**DELIVERED SO FAR TO INVESTORS WHO BOUGHT THRIVE SHARES FOR £1 IN 1995<sup>1</sup>**

<sup>1</sup> Shareholders will continue to benefit from any future dividends. Past performance is not an indicator of future performance.

<sup>2</sup> Cumulative generation since 1998, average UK homes equivalent consumption of 3.781MWh/p.a./UK home (<https://www.renewableuk.com/page/UKWEExplained>), average residents per household 2.3 (<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21>)

1.6TWh

OF RENEWABLE  
ELECTRICITY  
GENERATED

EQUIVALENT TO  
THE ANNUAL  
DEMAND OF



UK RESIDENTS<sup>2</sup>



663,200



REDUCTION IN EMISSIONS

22

RENEWABLE  
ENERGY  
PROJECTS BUILT  
OR CONSTRUCTION  
FUNDED



6,100  
INVESTORS

700

COMMUNITY  
ENERGY GROUP  
MEMBERS

ABLE TO TAKE OWNERSHIP  
OF LOCAL PROJECTS



AWARDED IN GRANTS

60,000  
TO 17 COMMUNITY  
GROUPS

TO IMPROVE WARMTH, COMFORT AND  
ENERGY EFFICIENCY IN COMMUNITY  
BUILDINGS CLOSE TO OUR SITES



# 25 YEARS OF INVESTING IN CLEAN ENERGY

Thrive Renewables (then The Wind Fund plc) was established in 1994, the same year that Nelson Mandela became president of South Africa.

The 1995 financial statements described Thrive's principle purpose and activity as:

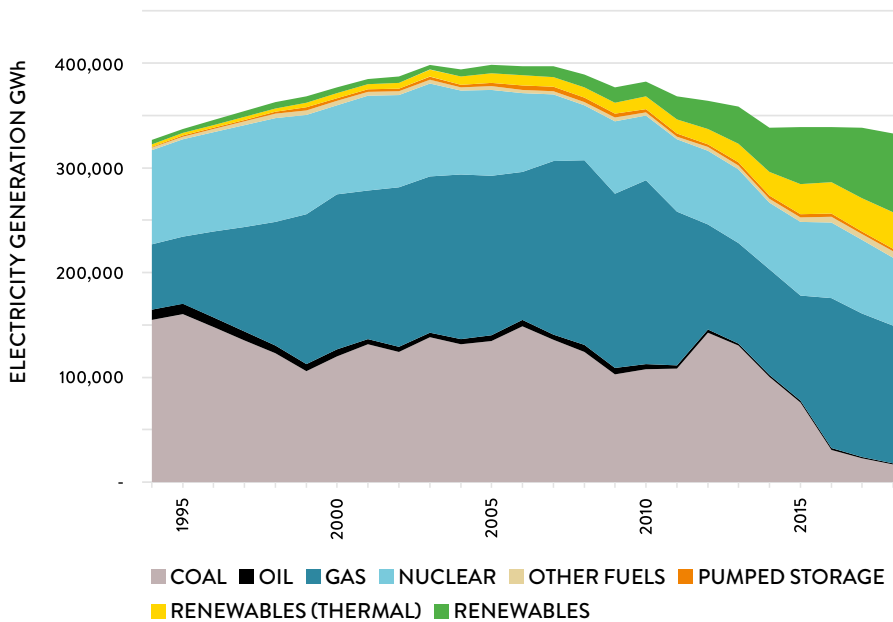
“ The Wind Fund Plc was established to provide equity finance for small-scale renewable energy projects. The principal activity of the company is direct investment in the development and operation of small-scale renewable energy projects such as wind farms and hydro schemes. It provides a mechanism for individuals and institutions to invest directly in renewable energy opportunities. ”

The stark reality of needing to halt climate change now makes our original mission and purpose more relevant than ever. The primary impetus for investing in Thrive may have evolved from a reaction to the Chernobyl nuclear disaster, acid rain and the Rio Earth Summit in 1992, but as awareness of climate change has increased, the necessity for action has become even more immediate and obvious. We remain committed to the dual objectives of cleaning up our energy system and providing a means for individuals to take action and deliver direct positive impact.

The chart below illustrates the evolution of the UK's electricity system since 1994 when Thrive Renewables was established. Achievements include;

- Renewables contribution to the UK's energy mix has increased over 17 fold.
- Electricity generation from oil and coal has fallen by almost 90%.
- The change in energy mix has contributed to a material reduction in the CO<sub>2</sub>e intensity of the UK's electricity grid. The carbon content of each unit of electricity has halved since 1994.
- Demand for electricity has fallen since 2003, due in part to improved energy efficiency.

## UK ELECTRICITY GENERATION MIX 1994 - 2018



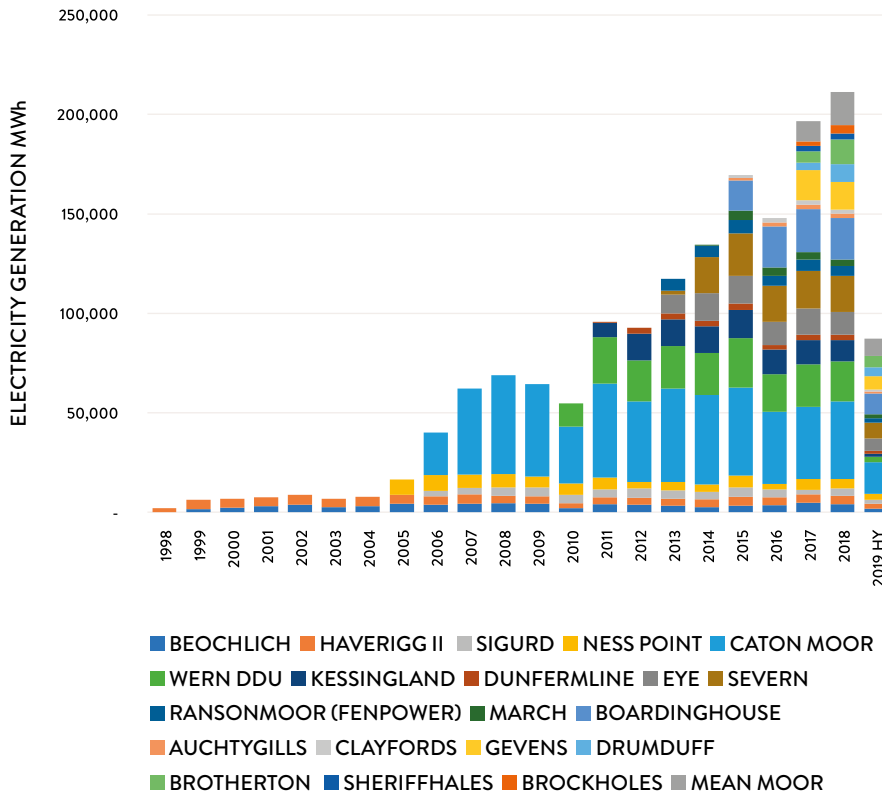
Source: <https://www.gov.uk/government/statistics/electricity-chapter-5-digest-of-united-kingdom-energy-statistics-dukes>, 1994-1997 data collected from a range of government (DECC) sources.

Over the last 25 years, Thrive has grown its impact by building or funding the construction of 22 renewable energy projects. In addition to wind and hydro, Thrive has invested in solar PV, ground source heat, early commercial scale tidal generation capacity and the development of energy storage assets.

In 1998, Thrive generated its first 2,000 MWh; by 2006 the portfolio had generated its first 100,000 MWh; 18 months later, in mid-2007, Thrive had generated its second 100,000 MWh; by 2012 Thrive had generated its first half of a terra-watt hour (TWh); and now cumulative generation stands at over 1.6TWh.

By the end of October this year, we expect to have generated electricity equivalent to the annual demand of 1 million UK residents<sup>3</sup>. Since commencing generation in 1998, Thrive has delivered 663,217 tCO<sub>2</sub>e<sup>4</sup>, equivalent to 121 tCO<sub>2</sub>e per average shareholding.

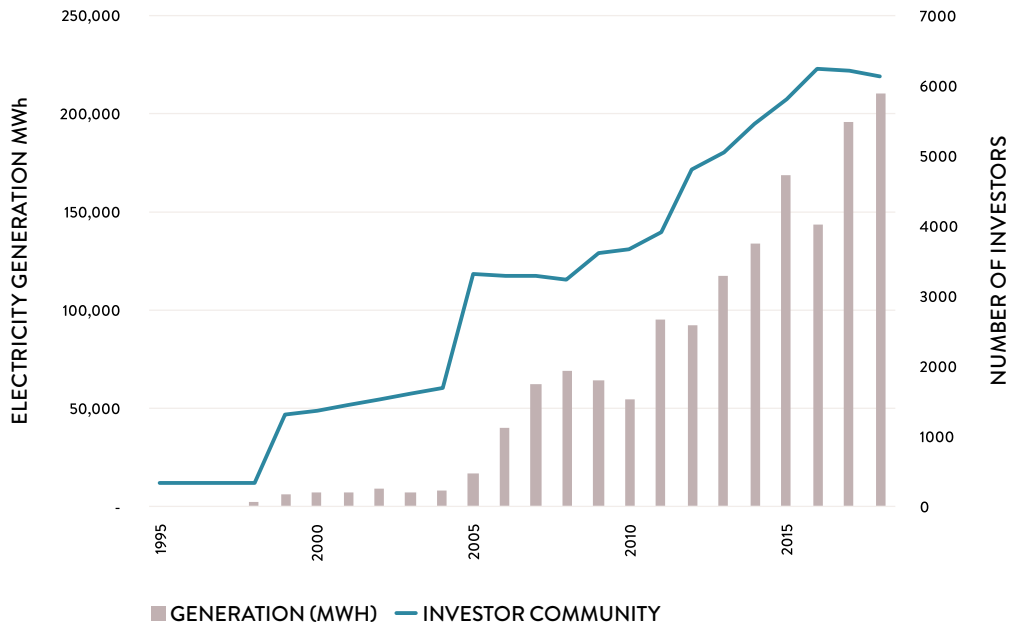
## THRIVE RENEWABLES, ELECTRICITY GENERATION 1998 - JUNE 2019





The early action taken by Thrive's community of investors has helped to deliver this energy revolution. We exist to provide individuals with the opportunity to come together and make a difference. Our mission and vision remain as relevant as ever today, and we are committed to continue helping you make a difference.

## THRIVE RENEWABLES GENERATION (MWh) AND INVESTOR NUMBERS 1995 - 2018



## A WHOLE NEW SYSTEM FOR THE FUTURE

The National Grid produces Future Energy Scenarios describing how power will be generated, distributed and consumed in the future. The chart below presents additional electricity generation capacity in gigawatts (GW) which is required if the UK is going to curtail climate change to the

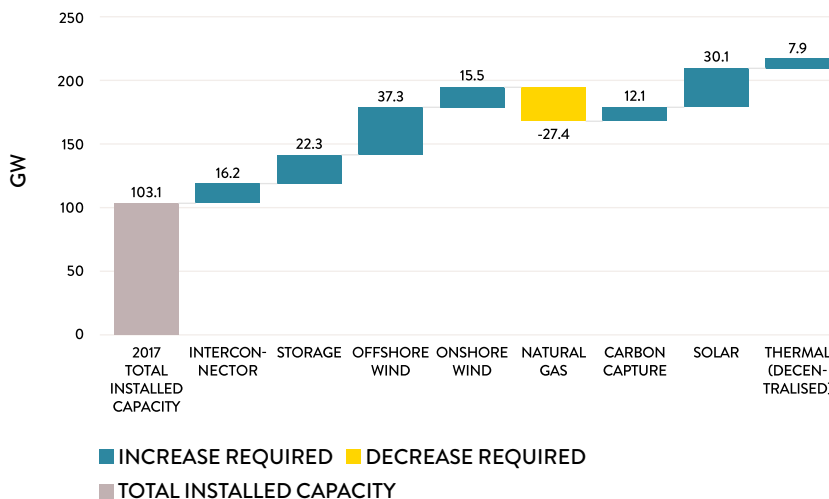
<sup>3</sup> Cumulative generation since 1998, average UK homes equivalent consumption of 3.781MWh/p.a./UK home (<https://www.renewableuk.com/page/UKWEExplained>), average residents per household 2.3 (<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21>)

<sup>4</sup> <https://www.renewableuk.com/page/UKWEExplained>

two degree Celsius ambition agreed in Paris in 2015. To-date the UK has built a fifth of the renewable capacity required to slow climate change. With the UNFCCC (United Nations Framework Convention on Climate Change) suggesting we have only 12 years to turn the climate change super-tanker around, the role for Thrive, its investors and others in building new sustainable energy infrastructure continues to be absolutely crucial. With the twin challenges of national planning guidance and an energy system where onshore renewables stand alone in being unsubsidised, the pioneering and values driven investment approach of Thrive and its investors has never been more relevant.

## GENERATION CAPACITY CHANGE NEEDED BY 2050

NATIONAL GRID, FUTURE ENERGY SCENARIOS - 2 DEGREES, 20gCO<sub>2</sub>e/kWh



Our mission is to power the transition to a sustainable energy future by helping people meaningfully connect with clean energy projects. By doing this we can achieve wider energy access and lower costs for everyone over the coming years.

The key is the change of relationship between demand and supply. To date, supply has been a slave to demand, resulting in an expensive electrical system which is designed to cope with unchecked peaks in demand. As the relationship between demand and supply becomes more balanced, with both elements being dynamic, then less infrastructure will be required, and the cost of the system will ultimately be lower.

The combination of commercial solutions (such as incentivising large consumers to be flexible and turn their electricity usage up and down to respond to the needs of the grid), electricity storage and demand side management begins to create a system which can utilise a growing volume of renewable power and lower energy bills. As we move forwards, the threshold of people using energy in a smarter way will shrink down to the household level. Widening ownership and giving people control of how they make and use energy is vital, with Community Energy Groups at the vanguard of this vital work.

The combination of continued progress with energy efficiency and smarter appliances will lighten the load on the system. Already, industrial cooling over-cools in periods of surplus energy and reduces demand when peaks occur. This technology is finding its way to the domestic level, with fridges and freezers consuming dynamically, hot water tanks being used to store energy, and other energy-hungry appliances automatically running at the best time for the grid. Over the coming years, this dynamic demand will be automated, with consumers being supplied comfort and convenience by their utility supplier, rather than simply energy.

We'll look back at the 'fossil fuel age' and be genuinely shocked at the way we as a species sleepwalked into the climate change crisis, and were so slow to react. The stone age didn't end because we ran out of stones, and, similarly, the fossil fuel age will not end as a result of peak oil; it will end because we've used our ingenuity to find a better way of doing things.



We are beginning to see a more balanced national conversation about the value of change versus the cost of continuing on an unsustainable trajectory. The recent climate strikes and demonstrations reflect a real desire for change on a political and personal level in the UK and beyond. The consequences will become increasingly real, and solutions increasingly desirable. We are embracing the new normal.

# WHAT WILL SUSTAINABLE ENERGY, OUR RELATIONSHIP WITH ENERGY, AND THE ENERGY SECTOR LOOK LIKE IN 2045?

We asked friends and supporters of Thrive, along with our Board, to share their thoughts in two sentences.

“ We are on the brink of a monumental shift in how energy is generated and consumed. The past 25 years has seen the groundwork set, the records broken and the goal becoming ever more within reach. This forthcoming 25 year blink of the planet’s eye could be one of the most important for all life on earth. Get it right and put people at the heart of the energy transition and we, our communities and planet thrive.”

**Emma Bridge**

Chief Executive, Community Energy England



“ By 2045 all our energy consumption will come from renewable sources. There is simply no alternative if we are to tackle climate change on time. Companies like Thrive have been crucial pioneers in making a livable future possible.”

**Marilou van Golstein Brouwers**

Former Chair Triodos Investment Management BV

“ The turning point came when there was a majority in favour of radical action. At last politicians started to implement policy which meant that serious investment was directed into creating a joined-up energy system, totally derived from renewable resources and based on intelligent demand and supply management. It required significant behavioural change, which was initially resisted, but with everyone incentivised and required to move in the same direction it introduced a strong sense of community which people found enjoyable and life sustaining.”

**Charles Middleton**

Senior independent director

“Some people always knew that wind and solar would be making a highly significant contribution to the UK’s electricity supply by 2019 – but most people really didn’t get it back in 1994. Astonishingly, most people still don’t get today’s new reality: that global electricity supply will be close to 100% renewable way before 2045!”

**Jonathon Porritt**

Founder Director, Forum for the Future



“In an increasingly distributed energy landscape, residential and commercial consumption will be largely electric, generated and shared locally and enabled by technology balancing and optimising usage in a smart, interconnected network. Transport and industry will progressively shift towards hydrogen and, with the development of the circular economy and waste materials as a resource, biofuels.”

**Tania Songini**

Non executive director

“In 2045, I expect climate denial to have been a distant memory; that markets will have shifted to renewables, electricity to be fully zero-carbon and a high proportion of transportation to be electrified. But also that we will come to realise the interconnectedness of sustainability challenges; the direct impacts of climate change - leading to rapid adaptation and contingency investment - will have serious geopolitical consequences.”

**James Vaccaro**

Former MD of Thrive



“Renewable energy will be the cheapest option by far. There’s a rule of thumb in technology that costs drop by 10% with every doubling of the volume installed. We can expect volume to double a few times between today and 2045 so renewable energy will be the cheapest available - perhaps 30 -50% cheaper than current market prices. As a result, there will be more renewable generation capacity available than is needed most of the time, so that periods when expensive non-renewable sources are called upon can be minimised.”

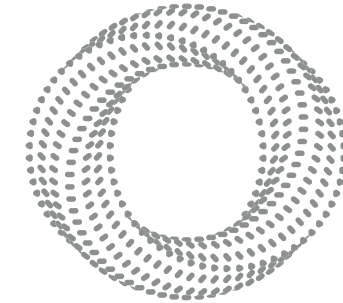
**Colin Morgan**

Non executive director

“Sun, wind, sea = the energy of life, renewing. Coal, oil, gas = the energy of death, spiralling. Thrive Renewables is the power of life. Let’s help her go forth and multiply!”

**Charles Secrett**

Former chair, Thrive Renewables



# THRIVE RENEWABLES

# 25 YEARS INVESTING IN CLEAN ENERGY

## 1994

Wind Fund plc established by Triodos Bank

“The Wind Fund Plc was established to provide equity finance for small-scale renewable energy projects. The principle activity of the company is direct investment in the development and operation of small-scale renewable energy projects such as wind farms and hydro schemes. It provides a mechanism for individuals and institutions to invest directly in renewable energy opportunities.”

2% of UK electricity comes from renewable sources<sup>1</sup>

Non Fossil Fuel Obligation (NFFO) / Scottish Renewable Obligation (SRO) order enacted



## 1998

First wind farm investment – Haverigg II

“There is one moment in 1998 which best captured what The Wind Fund is all about. In October, two coachloads of Wind Fund shareholders from all round the country braved the worst storms of the year to converge on Haverigg in Cumbria. As they wandered round the turbines, battered by the rain and gale force wind, they communicated a tangible sense of pride and achievement.”

First hydro investment – Beochlich

## 1995

1<sup>st</sup> share issue raises £0.5million

## 1997

Kyoto protocol signed – setting internationally binding emission reduction targets

Development of our first wind farm and hydro project commenced

## 2001

Climate Change Levy introduced in UK

## 2002

Renewable Obligation is introduced in UK

## 2004

The Wind Fund becomes Triodos Renewable Energy Fund Plc

## 2006

5% of UK electricity comes from renewable sources<sup>1</sup>

Invested in and repowered Caton Moor wind farm, growing the company from 6MW to 23MW



## 2005

Acquisition of Ness Point wind project



## 2007

Investment in Marine Current Turbines Limited, tidal tech company

## 2008

Fourth share issue raises £9.9 million, our largest share based fundraise

## 2011

First private wire project in Dunfermline

## 2010

10% of UK electricity comes from renewable sources<sup>1</sup>

Feed-In-Tariff is introduced in UK helping the UK solar industry to take off



## 2013

The Energy Act 2013 comes into effect, focusing on decarbonisation targets for the UK energy market

15% of UK electricity comes from renewable sources<sup>1</sup>

## 2015

The new government announces a number of radical changes to UK subsidy and planning processes for renewables including an early end to the Renewables Obligation scheme and removal of the Climate Change Levy Exemption Certificates

24% of UK electricity comes from renewable sources<sup>1</sup>

“The new, rather less supportive policy framework for renewable energy in the UK does create some challenges. That said, the changes brought in by the Government since May 2015 have limited impact on our existing portfolio of projects or on immediate project investment prospects. However, we anticipate that, particularly from 2017 onwards, future investment opportunities will potentially have different technical features (such as energy storage and demand side response) and commercial characteristics (such as local supply arrangements).”

## 2016

Triodos Renewables becomes Thrive Renewables

Thrive's First bond issue raises £3 million

Thrive launches UK's first Innovative Finance ISA bond raising £10 million

Paris Climate Agreement



## 2017

Thrive invests in solar PV for the first time, the Sheriffhales Solar Farm

Thrive total capacity reaches 98MW with the commissioning of Drumduff wind farm, built on the site of an open cast coalmine in Scotland

## 2019

Two wind farms successfully sold, releasing £11million for new investment

During May, the UK goes without coal power for two weeks, the longest period since the start of the industrial revolution

84% of UK residents support renewable energy sources for providing electricity and heat and 79% support onshore wind<sup>2</sup>

UK Government becomes first major economy to legally commit to net zero carbon dioxide emissions by 2050



# THRIVE RENEWABLES PLC HALF-YEAR REPORT

TO 30 JUNE  
2019



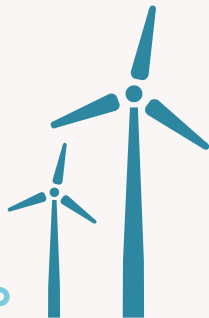
**THRIVE**  
RENEWABLES

[WWW.THRIVERENEWABLES.CO.UK](http://WWW.THRIVERENEWABLES.CO.UK)

# FIRST HALF OF 2019

## AT A GLANCE

**TWO  
WIND  
FARMS  
SOLD**



PAYING A 40P  
INTERIM DIVIDEND AND

**£11M** RETAINED FOR  
FURTHER INVESTMENT

**£2.5**  
**MILLION**  
**OPERATING  
PROFIT**  
INCLUDING INVESTMENTS  
(£2.9M HY 2018)

**87,242 MWh**  
**OF RENEWABLE  
ELECTRICITY GENERATION**

(9.3% LOWER  
THAN HY 2018)

'IMPACT' PORTFOLIO'  
GENERATED ENOUGH  
ELECTRICITY  
TO POWER

**46,148**  
**AVERAGE  
UK HOMES<sup>2</sup>**



**THE RESIDENTIAL  
DEMAND OF A CITY THE  
SIZE OF WORCESTER**



GENERATED EMISSION  
REDUCTIONS  
EQUIVALENT TO

40,131 tCO<sub>2</sub>e<sup>3</sup>

7.37 tCO<sub>2</sub>e

PER AVERAGE SHAREHOLDING<sup>4</sup>

AVOIDED THE  
CONSUMPTION OF

76.7 MILLION

LITRES OF WATER<sup>5</sup>

INVESTOR SURVEY  
1000 RESPONDENTS



HIGH SATISFACTION

OPENED ROUND FOUR OF  
OUR COMMUNITY BENEFIT  
PROGRAMME OFFERING

£30,000

OF GRANTS  
TO LOCAL  
COMMUNITIES



<sup>1</sup> Including generation pro-rated for Thrive's proportion of ownership, plus projects which Thrive has provided the majority of finance by way of loan and community energy funding bridge.

<sup>2</sup> 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 3,781kWh, [www.renewableuk.com/page/UKWEDEexplained](http://www.renewableuk.com/page/UKWEDEexplained)

<sup>3</sup> RenewableUK uses BEIS's "all fossil fuels" emissions statistic of 460 tonnes of carbon dioxide per GWh of electricity supplied in the Digest of UK Energy Statistics (July 2018) p125 Table 5D ("Estimated carbon dioxide emissions from electricity supplied 2015 to 2017"), [www.renewableuk.com/page/UKWEDEexplained](http://www.renewableuk.com/page/UKWEDEexplained)

<sup>4</sup> RenewableUK uses BEIS's "all fossil fuels" emissions statistic of 460 tonnes of carbon dioxide per GWh of electricity supplied in the Digest of UK Energy Statistics (July 2018) p125 Table 5D ("Estimated carbon dioxide emissions from electricity supplied 2015 to 2017"), <https://www.renewableuk.com/page/UKWEDEexplained>. Average per capita greenhouse gas emissions.

<sup>5</sup> We could not find a nationally recognised means of calculating the water savings generated by generating using wind and solar. The power sector consumes over 40% of Europe's water, mainly for cooling purposes. We have identified that Nuclear consumes approximately 2.7m<sup>3</sup>/MWh, Gas plants 0.7m<sup>3</sup>/MWh and Coal plants 1.9m<sup>3</sup>/MWh ([https://windeurope.org/fileadmin/files/library/publications/reports/Saving\\_water\\_with\\_wind\\_energy.pdf](https://windeurope.org/fileadmin/files/library/publications/reports/Saving_water_with_wind_energy.pdf)). We've performed some crude, but we intend conservative analysis, using the UKs 2018 generation mix ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/789765/ET\\_March\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789765/ET_March_2019.pdf)), to derive a conservative average water consumption per MWh figure. We believe that the factor of 0.898m<sup>3</sup>/MWh is conservative as it attributes no water consumption to other thermal sources such as oil and bioenergy, or hydro. We have then multiplied Thrives' generation by this factor, assuming that if our renewable projects had not generated this electricity, the UK grid mix would have, arriving at 76,741m<sup>3</sup>.



## OPERATIONAL UPDATE

UK wind speeds over the first half of 2019 were below the long-term average and marginally lower than the first six months of 2018<sup>5</sup>. There was also a more pronounced monthly variation. January and May were well below average, but March was well above – a pattern naturally reflected in generation from our wind portfolio.

Thrive Renewables' portfolio of renewable energy projects into which the Group is invested generated 102,519MWh in the first six months of 2019, 3.0% lower on a like for like basis once adjusted for the two wind farms which have been sold, and the community funding bridges repaid.

Operationally, the turbine damaged by fire at Fenpower in 2018 was recommissioned in May as planned. Main component failures at Caton Moor (one gearbox and one generator) took longer than desirable to resolve and subsequently Thrive initiated a proactive review of the commercial cost-benefit of maintenance contract terms on selected sites. Thrive is working with our asset managers to improve the preventative maintenance regimes across the portfolio.

The fourth round of our annual Community Benefit Programme, awarding grants to improve energy efficiency and comfort in village halls and other community buildings, opened in May. The programme, administered by the Centre for Sustainable Energy, has awarded a total of £60,000 via 21 grants to 17 community groups, providing 40 tonnes of carbon dioxide emission reductions per year.

Thrive's 'impact' portfolio<sup>6</sup> generated 87,242 MWh of renewable electricity, 9.3% below the same point in 2018. This is equivalent to the electricity needs of 46,148 average UK homes<sup>7</sup>, or the residential demand of a city the size of Worcester.

## INVESTOR SURVEY

Thrive's investor survey, sent out in March, was completed by over 1,000 investors. We really appreciate the level of engagement from both our shareholder and bondholder community. The insight provided by the responses is being used to help inform our plans for the coming years, with helpful feedback on investor motivations, the importance of financial, environmental and social performance in addition to appetite for risk and return. 87% of respondents reporting high levels of satisfaction provides confirmation of shareholder support for our strategy and further motivation for the team.

<sup>5</sup> Office for National Statistics, Energy Trends report July 2019, [www.gov.uk/government/statistics/energy-trends-section-7-weather](http://www.gov.uk/government/statistics/energy-trends-section-7-weather)

<sup>6</sup> Including generation pro-rated for Thrive's proportion of ownership, plus projects for which Thrive has provided the majority of finance by way of loan and community energy funding bridge.

<sup>7</sup> 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 3,781kWh, <https://www.renewableuk.com/page/UKWEExplained>





# FINANCIAL SUMMARY

The Group achieved a half year operating profit including the contribution from investments of £2.5m on turnover of £6.9m (36.4%), compared to an operating profit of £2.9m on turnover of £7.8m (37.2%) in the first half of 2018.

	HALF YEAR TO 30 JUNE 2019	HALF YEAR TO 30 JUNE 2018	FULL YEAR TO 31 DEC 2018	HALF YEAR TO 30 JUNE 2017	FULL YEAR TO 31 DEC 2017
	£	£	£	£	£
<b>TURNOVER</b>	6,924,728	7,848,401	16,522,624	7,869,272	15,609,821
Cost of sales	(3,691,620)	(4,247,964)	(9,121,763)	(4,071,234)	(8,775,494)
<b>GROSS PROFIT</b>	3,233,108	3,600,437	7,400,861	3,798,038	6,834,327
Other operating income	54,002	72,023	781,762	-	372,187
Administrative expenses	(1,381,876)	(1,509,016)	(2,817,290)	(1,489,798)	(2,810,962)
<b>OPERATING PROFIT</b>	1,905,234	2,163,444	5,365,333	2,308,240	4,395,552
Share of associates and mezzanine arrangements	614,913	754,728	1,4134,593	451,792	1,489,866
<b>OPERATING PROFIT INCLUDING INVESTMENT</b>	2,520,147	2,918,172	6,778,926	2,760,032	5,885,418

The decrease in operating profit relates largely to the contributions from the two projects sold in February 2019, which year on year reduced operating profit by £0.4m. Below is a table of the consolidated operating results for the first half of 2018 and 2019 excluding the contributions from both projects. The table illustrates that the results for the half year are broadly comparable with previous year.

	HALF YEAR TO 30 JUNE 2019	HALF YEAR TO 30 JUNE 2018
	£	£
<b>TURNOVER</b>	6,468,173	6,442,649
Cost of sales	(3,491,978)	(3,466,289)
<b>GROSS PROFIT</b>	2,976,195	2,976,360
Other operating income	53,756	11,003
Administrative expenses	(1,366,454)	(1,456,687)
<b>OPERATING PROFIT</b>	1,663,497	1,530,676
Share of associates and mezzanine arrangements	614,913	754,728
<b>OPERATING PROFIT INCLUDING INVESTMENT</b>	2,278,410	2,285,404

In the first half of 2019, while generation is below long term expectations for the period due to lower wind resource and the operational issues mentioned above, we have continued to benefit from improved wholesale electricity prices. This has led to a slightly increased turnover despite the lower generation.

## SALE OF WIND FARMS

In February 2019, Thrive sold two operating wind farm projects to Equitix, a long-term fund manager of core infrastructure and energy-efficiency assets in the UK.

Thrive took the decision to sell based on a number of factors in the renewables market aligning to ensure that we realised high valuations for these assets. These factors were:-

- High competition for the purchase of operational energy assets
- Low interest rates and cost of debt

- The highest energy price outlook we have seen since the windfarms were commissioned

The sale of these two assets resulted in a significant gain. We realised the next 10 years of projected dividends from these projects, allowing us to pay a substantial (40p per share) interim dividend to shareholders and retain a sizeable pot for future investment of approximately £11m.

The sale also demonstrates the value that shareholders have created from investing in consented projects and turning them into established operating assets and substantiates the directors' valuation for the Company.

Under new ownership the two projects will continue to deliver renewable electricity and maintain the community benefit commitments.



## DIVIDENDS

An interim dividend for 2019 of 40p per share was paid to shareholders in April following the sale of the two wind farms.

Also, at the Annual General Meeting on 15th June 2019, shareholders approved a final dividend for 2018 of 7p per share, which was paid in July 2019.

## COST OF DEBT

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The Company has significant debt that we use to leverage shareholder capital in order to build more renewable generation capacity and deliver greater impact and long-term returns. In the current financial environment, interest rates have significantly reduced and we continue to work on structuring our lending to reduce the overall cost of our debt. In order to build new renewable energy projects in the subsidy free context, managing our cost of debt is essential.

In the first half of 2019, we have repaid or refinanced £18m of our £46m debt and we continue to manage our borrowing efficiently in line with requirements for new investments.

## THRIVE BUY-BACK 2019

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The share buy-back policy was re-introduced by the Board in 2018. The buy-back policy offers an exit for eligible shareholders in the case that they have not been successful selling their shares on the matched bargain market. A resolution was passed at the AGM in June 2019 approving the buy-back of a total of 117,808 shares by the company in July and November.

## THRIVE RENEWABLES PLC BOND

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The Thrive Bond is currently fully invested. In the half year to June 2019, the contribution to net operating profit from the investments made with the money raised through the bond issue was £363,353. Those who invested in the bond, many of whom are also shareholders, receive 5% interest per annum. Shareholders have seen a positive net contribution from the investments made with the funds raised.



# INVESTMENTS

Thrive's investment pipeline is focusing on three main areas: private wire renewables, community renewables and demonstrating that subsidy free renewables are feasible.

## Private wire

Continuing to build wind and solar projects on industrial sites and delivering the power generated directly to the project's host. This model allows Thrive to sell power at a premium directly to the host, sheltering them from import price volatility and reducing their carbon footprint by supplying them with renewable electricity directly.





### **Community renewables**

Building on the success of our award-winning Community Energy Funding Bridge which provides community energy groups with the immediate finance needed to acquire or build renewable energy projects. This supports our objective of widening the ownership of renewables, by giving community energy groups the time they need to raise investment locally.

### **Subsidy free**

Building renewable energy projects without financial support from the government. Working with developers to identify the most productive sites and equipment suppliers to achieve a lower cost for the technology. Seeking to develop power sales contracts which provide adequate pricing and certainty.

We have a pipeline of new investment opportunities, about which we aim to be able to share more information later this year. We are committed to continuing to build new renewable energy projects and provide investors with the opportunity to directly address climate change.

