

THRIVE RENEWABLES PLC HALF-YEAR REPORT

TO 30 JUNE 2022



THRIVE
RENEWABLES

WELCOME

We are facing extremely turbulent times, economically, socially and environmentally. As our investors expect, our response is ambitious growth and diversification with investment in creating a cleaner, fairer future for the next generation. By working together, we can avoid catastrophic climate change.



Dunfermline open day

As wind speeds returned to expected levels in the first half of 2022, we can report a significant increase in generation and associated carbon emission savings. It is exciting to see our new battery storage and commercial solar rooftops now in operation, contributing to emissions reductions and helping balance the grid as we head towards a renewables-based future.

With a strong development pipeline, we are planning to expand, kicking off with the launch of a share issue on the Triodos Crowdfunding platform at the end of June. We aim to use the funds raised to build more solar, onshore wind and battery storage projects generating the cleaner, cheaper electricity the UK so badly needs to help reduce our reliance on expensive, imported fossil fuels.

We were very pleased to welcome Jo Butlin to our board this year. She was voted in as a director at the Annual General Meeting in June and has now taken on the role of Chair. Her rich and extensive experience in the energy sector and finance will support the board and executive team as we continue with our growth plans over the next three years.

Generating social as well as environmental benefits lies at the heart of what we do as we fulfil our mission to connect people to clean energy. We are absolutely thrilled to be able to provide the funding for Ambition Community Energy to construct what will be England's largest onshore wind turbine at Laurence Weston in our home city of Bristol. Profits from the sale of electricity generated will be ploughed back into the local community. This project is a perfect example of what individuals can do when they come together to solve big problems.

FIRST HALF OF 2022 AT A GLANCE

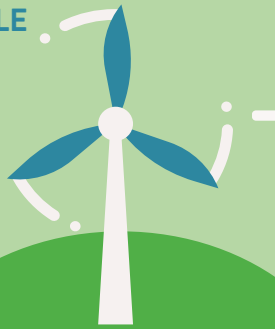
 **£30,000**

ALLOCATED TO COMMUNITY BENEFIT PROGRAMME FOR ENERGY EFFICIENCY IMPROVEMENTS

PROVIDED FUNDING TO BUILD ENGLAND'S LARGEST WIND TURBINE OWNED BY THE LOCAL COMMUNITY



73,625 MWh
OF RENEWABLE ELECTRICITY GENERATED¹



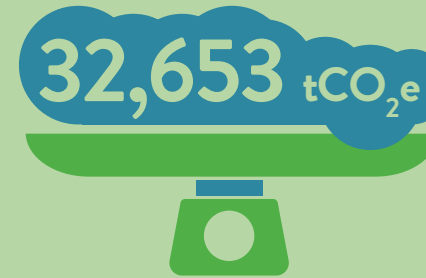
ENOUGH TO POWER +39,288 HOMES

EQUIVALENT TO ALL THE HOMES IN A TOWN THE SIZE OF **HASTINGS**³



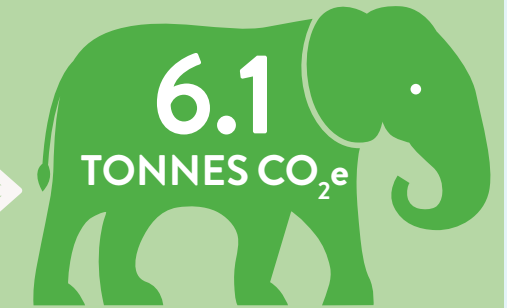
↓ EMISSION REDUCTIONS EQUIVALENT TO

32,653 tCO₂e



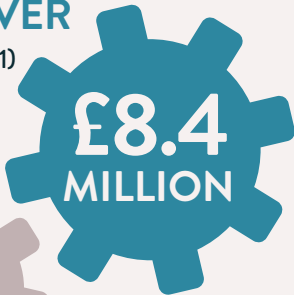
6.1
TONNES CO₂e

PER AVERAGE SHAREHOLDING⁵



TURNOVER (5.0M HY 2021)

£8.4
MILLION



£3.4
MILLION

OPERATING PROFIT (€0.9M HY 2021)



7.4
HOMES



PER AVERAGE SHAREHOLDING⁴

HIGHLY COMMENDED

IN THE BRITISH RENEWABLE ENERGY AWARDS



B CORP 'BEST FOR THE WORLD: ENVIRONMENT' AWARD 2022



¹ Refers to Thrive's impact portfolio – total electricity generation of the portfolio adjusted for Thrive's proportion of ownership, plus the projects Thrive is funding.

² Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing that UK average domestic household consumption is 3,748 kWh per annum (1874 kWh for a half year) www.renewableuk.com/page/UKWEDExplained

³ Average residents per household 2.4 (www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/

bulletins/familiesandhouseholds/2020). Population of Hastings is 93,592 (www.thegeographerist.com/uk-cities-population-1000/)

⁴ Thrive Renewables average shareholding of 4261.2 shares as of June 2022. Total shares in issue were 22,759,187 and total number of shareholders were 5341.

⁵ Calculated using BEIS's "all non-renewable fuels" emissions statistic of 440 tonnes of carbon dioxide per GWh of electricity supplied in the Digest of UK Energy Statistics (July 2021)

OPERATIONAL UPDATE

The wind resource in the first half of the year returned to more normal levels. Our portfolio of assets generated 73,625 MWh of clean electricity – a 38% increase on H1 2021 – and avoiding the emission of 32,653 tonnes of CO₂e .

Following its commissioning in December 2021, our first battery storage project – Wicken – has provided valuable support to the local electricity grid, contributing to grid stability and ultimately increasing the volume of renewable electricity generation the electricity system can utilise. Additional equipment is currently being procured to provide further grid services to access additional revenue streams in the future. There has also been good progress with life extension work at our more mature wind farms, specifically Haverigg II in Cumbria and Sigurd on Orkney, all of which is due to be completed during Q3 2022.

We are pleased to share that there were no reportable health and safety incidents at any of our operational projects or those under construction. In line with our ethos of continuous improvement, we also commissioned an independent review of our arrangements which confirmed that Thrive is taking a responsible approach to Health, Safety and Environment.

As expected, the impact of Covid-19 has significantly reduced, however we continue to assess the risks, adhere to guidelines and ensure contractors are working responsibly to protect themselves and minimise further spread of the virus.

Avonmouth wind farm

FINANCIAL SUMMARY

CONSOLIDATED OPERATING STATEMENT

HALF YEAR ENDED 30 JUNE 2022

	HALF YEAR TO 30 JUNE 2022	HALF YEAR TO 30 JUNE 2021	FULL YEAR TO 31 DEC 2021	HALF YEAR TO 30 JUNE 2020	FULL YEAR TO 31 DEC 2020
	£	£	£	£	£
TURNOVER	8,383,230	4,986,959	11,040,701	7,591,417	13,501,797
Cost of sales	(3,752,935)	(3,093,927)	(6,093,792)	(3,851,429)	(7,521,673)
GROSS PROFIT	4,630,295	1,893,032	4,946,909	3,739,988	5,980,124
Other operating income	42,341	222,649	1,003,895	416,327	439,170
Administrative expenses	(1,889,171)	(1,736,948)	(3,452,349)	(1,560,237)	(2,972,113)
OPERATING PROFIT	2,783,465	378,733	2,498,455	2,596,078	3,447,181
Share of associates and mezzanine arrangements	624,407	545,444	392,282	735,982	1,057,826
OPERATING PROFIT INCLUDING INVESTMENT	3,407,872	924,177	2,890,737	3,332,060	4,505,007

The Group achieved a half year operating profit of £3.4m on turnover of £8.4m (40.7%) including the contribution from investments, compared to an operating profit of £0.9m on turnover of £5.0m (18.5%) in the first half of 2021. A copy of Thrive Renewables' Annual Report and Financial Statements 2021 can be viewed by scanning the QR code.



The increase in turnover and operating profit relates to improved generation after a year of low wind resource across the portfolio in 2021. Generation so far in 2022 has been close to our expectations and the major component replacements and operational maintenance that impacted availability in 2021 has been successfully completed.

The increase in power prices that started in 2021 as a result of post COVID demand recovering more quickly than anticipated, has continued in 2022. Price rises have been further exacerbated by the crisis in Ukraine. Our price fixing strategy means that we locked in improved prices in late 2021 and before the extraordinary prices seen in 2022. We continue to review our power purchase arrangements to lock in future prices to mitigate exposure to energy price volatility into later periods.



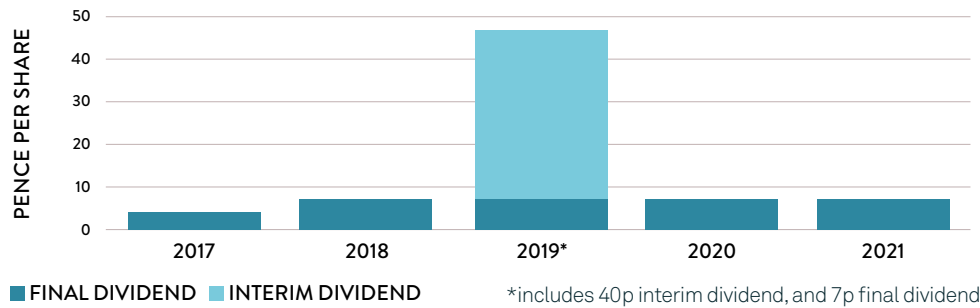
Wicken battery storage system

The cost of sales has increased in line with the improved generation, and administration costs have increased reflecting investment into the resourcing of new project development.

Overall, the financial performance is as expected as a result of the return to 'normalised' generation. We are making further investment into the life extension of the existing portfolio, as well as increasing diversification to secure value from the range of clean energy technologies required to transform the UK electricity system.

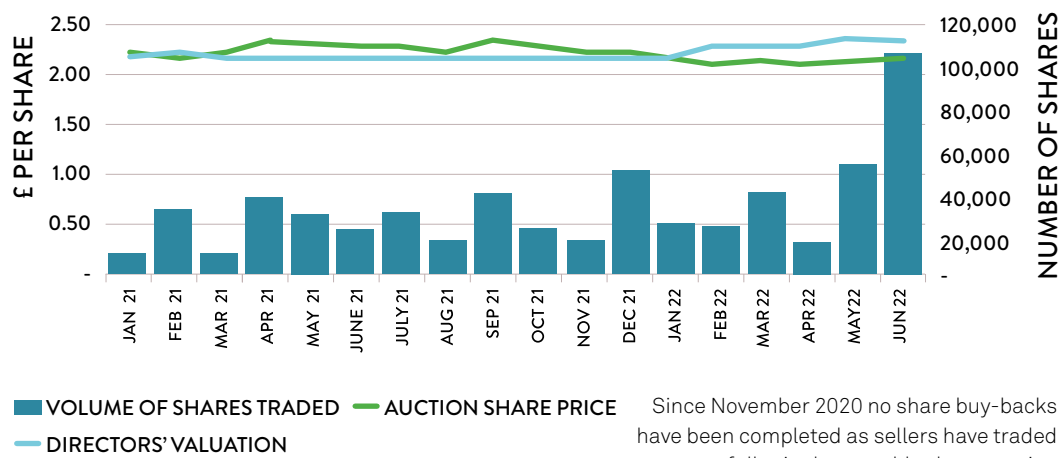
DIVIDENDS

At the Annual General Meeting on 28 June 2022, shareholders approved a final dividend of 7p per share for 2021, which was paid in July 2022. This represents a 3% return on the average share trading price for 2021. Please remember past performance in paying dividends is no indication of likely future performance.



SHARE TRADING

A total of 259,391 shares traded on the monthly share auction at an average price of £2.14 during the first half of 2022.



Note: Past performance is no indication of likely future performance.



Drumduff wind farm



INVESTMENT REPORT

We have continued funding assets which make the energy system smarter and more diverse, including community-led projects such as our £4 million investment in what will be England's largest onshore wind turbine for Lawrence Weston, Bristol. Good progress has also been made with the construction of our new battery storage and commercial solar rooftop sites, with new exclusivity agreements in these technologies putting us in a strong position as we move into the second half of the year.

Ambition Community Energy team with Matthew Clayton

“After years of austerity, community services in Lawrence Weston have been reduced and more of our residents are living in poverty. Compounding this further, there are homes in Lawrence Weston which suffer from poor insulation and low-energy efficiency and, with energy costs continuing to soar, this means even more of our residents will be unable to keep themselves warm. All profits from the turbine's electricity sales will help Ambition Lawrence Weston implement regeneration plans that support residents and improve local services. Thanks to Thrive, we're now pushing forward with construction and hope that the turbine acts as a shining example for similar community projects.”

David Tudgey, Project Development Manager, Ambition Community Energy CIC

ONSHORE WIND - AMBITION COMMUNITY ENERGY

Locally owned projects will play a fundamental role in the future energy system, not only providing clean electricity that will help to reduce consumer bills but generating revenue that can be reinvested into the host communities.

In April, we finalised our investment in Ambition Community Energy, with our unique collaborative funding model helping to get England's biggest onshore wind turbine into construction after years of planning work. With a maximum capacity of 4.2MW, the turbine will be capable of generating enough power for close to 3,000 homes – the equivalent of Lawrence Weston's domestic use. The project will also save almost 120,000 tonnes of carbon emissions over its lifetime. Groundwork is now underway and commissioning is expected in Spring next year.

Providing a new revenue stream for the local community in Lawrence Weston, the profits from electricity sales will be reinvested back into the area, while Ambition Community Energy are also planning to build and Energy Learning Zone that inspires young people and provides training for zero carbon careers.



BATTERY STORAGE - FEEDER ROAD, BRISTOL

We have completed procurement and begun works on our largest battery project to date, a 20MW site at Feeder Road in Bristol. The batteries have arrived at the port and will be delivered to the site in the Autumn, with the project expected to be connected to the grid later in 2022.

Battery storage is currently the cheapest way to deliver stability to the grid during peak times, traditionally provided by the retiring fossil fuel power stations. With gas prices soaring, storage projects like Feeder Road are now critical, helping to ensure that electricity from renewable sources such as wind and solar – which is significantly cheaper than gas – is available at peak times when it's most needed.

COMMERCIAL SOLAR ROOFTOPS - OLYMPUS POWER

We have continued our partnership with Olympus Power, working together on projects that meet Thrive's investment criteria at the same time as enhancing our ethical due diligence processes. In the first half of 2022, we have invested in three additional commercial solar rooftop projects, two of which are now operational and another in construction. These are located in Birmingham and provide a total capacity of 2,404 kWp for the host businesses.

Moving forward into the second half of the year, we expect this strong pipeline to continue as more and more businesses explore the potential for on-site renewable generation, especially those struggling with increased energy bills as a result of volatile wholesale gas prices, and growing pressure on supply chains to reduce their carbon footprint.



IMPACT

Whether it's funding new clean energy projects, further reducing our own emissions, helping businesses to meet their net zero targets or volunteering within the local community – we're always looking at how we can make a difference socially and environmentally.

Dunfermline open day

COMMUNITY OUTREACH

We love meeting the communities that live close to our clean energy sites – it reminds us of the importance of putting people – and the planet – at the heart of everything we do.

In June, we were invited to a family open day at our wind farm in Dunfermline, Scotland. The 1.5MW wind turbine, which we built as a part of a 'direct wire' arrangement in 2012, is hosted by an engineering business. The company uses the clean electricity generated to power its operations, with additional power being fed back to the local grid. We had a great time greeting the families in attendance and giving them more information on Thrive and how renewable technologies are helping us tackle climate change.

Tucked away in the hills behind Blackridge, Scotland, is the unexpected jewel of Blawhorn Moss National Nature Reserve. The reserve is located near our co-owned Drumduff wind farm so it was great to be invited to the opening of the boardwalk extension, which the wind farm helped to fund. As part of the event, NatureScot invited local schoolchildren up to cut the hand-crafted ribbon and it was fantastic to see how engaged and excited they were to be exploring nature.

“ We're always looking for ways to give back to the communities living and working close to our clean energy sites, so we're thrilled to be able to play a part in the boardwalk extension and hope it encourages more people to visit the reserve and learn about the wonderful history. We know that biodiversity is heavily impacted by climate change, so for Thrive it's important that – alongside our renewable projects – we do as much as we can to protect the environment. ”

**Adrian Warman, Head of Operations,
Thrive Renewables**



BLACK & GREEN AMBASSADORS

We are proud to have continued our sponsorship of Bristol-based programme, Black & Green Ambassadors, in 2022. The scheme aims to connect, empower and celebrate diverse leadership and community action on environmental issues in Thrive's home city of Bristol.

The 21-22 Ambassadors have had a busy year speaking on their monthly radio show as well as conferences, forums & festivals across the southwest, exploring themes of environmental justice and promoting grassroots activities to address the climate emergency. Key events and partnership highlights have included the Bristol One City Gathering, COP26 Coalition Climate Justice Forum, Think Global, Conference of Environmental History & Stir to Action Festival.



COMMUNITY BENEFIT PROGRAMME

We're helping to keep bills down in community buildings close to our sites by offering them energy efficiency grants of up to £4,000 as part of our Community Benefit Programme. Round six of the initiative is now open to applications and is run in conjunction with national energy charity Centre for Sustainable Energy (CSE).

Eligible buildings can use the funding to cover energy saving measures including insulation, draught proofing, improved heating or lighting controls and LED lighting. Communities will also be able to access free expert advice from CSE on zero-cost solutions.

Each of the ambassadors have also embarked on their own research this year, which we look forward to reading and supporting:

Miss Divine - Street pollution uptown and downtown of Bristol.

Rosina - Black & Brown communities connections to nature, including identity, wellbeing and lifestyle.

Ruth - Connections to green spaces for parents with young children, with a focus on disabled parents and people living with long term health conditions.



Left to right: Miss Divine, Ruth Northey and Rosina Al Shaater



'BEST FOR THE WORLD' – B CORP

In July, we were named a 2022 Best for the World™ B Corp™ for a second year in a row. Recognised for our positive impact on the environment, this distinction is given by B Lab to global B Corps whose verified impact scores rank in the top 5% of their size. It means that, out of 5,000 B Corps, our commitment to the environment puts Thrive in the top 250 companies globally.





Commercial solar rooftops - Olympus Power

SUPPLY CHAIN

We pay very close attention to our supply chain and collect data to improve our decision making, evaluate our suppliers and increase transparency. The global supply chain for solar panels and batteries is a particular focus for us as we continue diversifying our portfolio. We are mindful of allegations of modern slavery in certain solar panel supply chains, so we have been working with suppliers and external experts to identify the most ethical manufacturers.

We have also commissioned third party experts to review the provenance of rare earth minerals used in the manufacturing of batteries and the human rights practices in their extraction. Our procurement includes environmental, social and governance criteria upon which tenders are evaluated.

By incorporating these ethical and environmental criteria into our procurement processes, we hope that suppliers will see the value in improving their practices.

INDUSTRY PARTNERSHIPS

To deliver a clean energy future, we must work together. That's why it's important that we consult with the wider energy industry to share our progress, insight and skills in funding and building new renewable capacity in the UK and the challenges we must overcome.

We are proud to be members of a number of organisations, trade associations and networks shaping the future of energy policy and leading the charge to net zero, including RenewableUK (RUK). In the first half of 2022, we have contributed to several of RUK's policy consultations and steering groups on issues including ESG, onshore wind and community benefit.

Our investment director, Monika Paplaczyk, also sits on various industry groups and panels including Innovate UK's Prospering from the Energy Revolution programme, which has been investigating different types of Smart Local Energy Systems being developed and the benefits they can bring to local areas.



Wicken battery storage project



ANNUAL GENERAL MEETING (AGM) AND REPORTING

We were very pleased to hold our first fully ‘hybrid’ AGM on 28 June, with shareholders able to take part in-person at the Coin Street conference centre in London as well as attending via the online platform. Sixty shareholders attended in total, and all resolutions passed with significant majorities. This included the official appointment of Jo Butlin as Chair of Thrive’s board, after Simon Roberts OBE stepped down after 10 very successful and impactful years as Chair and 13 years in total as a non-executive director. With over 25 years’ experience leading and operating energy businesses, including roles at E.ON UK, SmartestEnergy and Utiylx, Jo will help us further grow and diversify our clean energy portfolio and invest in the future of the UK energy system.



Jo Butlin, Chair of Thrive’s board

Alongside the management update, we were lucky to be joined by guest speaker Dr Andrew Garrad CBE, who gave great insight into his work in the global wind industry as well as his role at Ambition Community Energy – the team behind England’s largest onshore wind turbine. There was a lively and productive Q&A session with valuable contributions from shareholders both online and in person and, following approval by shareholders, a dividend of 7p per share was paid on 29 July 2022.

“ It is with some sadness, and much pride, that I stand down as your chair after 10 years. Sadness because Thrive is an amazing team to work with. From the executive team, with their energy and drive, the non-executives who provide such effective challenge and represent the shareholders with such integrity and, of course, you – the shareholders who bring commitment, enthusiasm and above all investment to such a worthy and vital cause.

Pride because we have sustained the original spirit of Thrive from right back when it was The Wind Fund, finding rewarding opportunities for investment in new renewables and enabling technologies like energy storage and flexibility in a constantly changing context. I have had the privilege of meeting Thrive’s new Chair, Jo Butlin. It is great to be able to say she will strengthen the organisation and leaves me confident, as a fellow shareholder, in the future of Thrive Renewables. Thank you for your involvement and support over the past ten years.”

Simon Roberts OBE, former Chair and Non-Executive Director, Thrive Renewables

TAKING ACTION IN A CHANGING WORLD



United Downs

The Energy Security Bill was published in July, containing 26 measures that ministers claim will help reduce the UK's dependence on imported gas. With gas prices soaring, it was positive to see the government aligning the strategy to net zero and recognising the important role renewables will play in both reducing carbon emissions and lowering the cost of energy long term. The bill – which has been called the most “ambitious package of energy measures in a decade” – has broadly been welcomed but we were disappointed to see a lack of support for certain clean technologies in particular onshore wind, one of the cheapest and quickest ways to build new renewable generation today. Despite this, our diverse portfolio puts us in a strong position to continue building new projects across the technology mix.

As promised in the Energy Security Bill, the government has also launched the first step in its comprehensive review of the UK electricity market. The Department for Business, Energy and Industrial Strategy (BEIS) announced its consultation into wholesale electricity market reform in July. Amongst other things, it will explore how we decouple the wholesale electricity market price from fossil fuels. If done appropriately, this would be a positive move and something we have been advocating since 2017, with new data from BloombergNEF confirming that it's now cheaper to build and operate new large-scale wind or solar plants in nearly half the world than it would be to run an existing coal or gas-fired power plant. We look forward to taking part in the consultation, considering how market reform will support future investment and development of clean energy projects, whilst working in the best interests of consumers too.

These policy announcements are of course partly the result of the ongoing gas crisis, with wholesale prices rising following an increased demand for gas globally, exacerbated by Russia's invasion of Ukraine. As a result, it is likely that there will be significant hardship for many this winter, particularly the most vulnerable. At Thrive, our mission has always been to connect as many people as possible with clean energy, reducing carbon emissions and tackling climate change. That's why we intend to use the majority of any additional profits generated from our sites as a result of exceptional wholesale energy prices to continue investing in the energy transformation, ensuring we fund and build as many new projects as possible as we work towards a zero-carbon future.







STAY IN TOUCH



To be the first to hear about new investments and other company updates, sign up to our newsletter at www.thriverenewables.co.uk/newsletter.

You can also follow us on Linked In, Twitter, Facebook or Instagram for the latest industry news and views.

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