



The Ventus Funds Manager Presentation 2017 AGM

19 July 2017

The Ventus Funds



TEMPORIS CAPITAL

SUSTAINABLE RETURNS

Authorised and Regulated by the Financial Conduct Authority

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- Forward-looking statements, including targeted dividends, involve known and unknown risks and there is no assurance that such returns will be realized

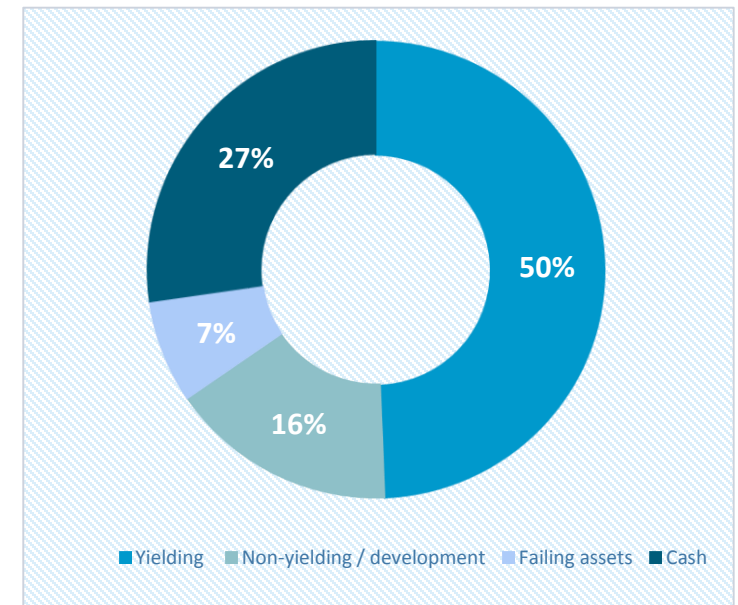
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Temporis Restructuring of Ventus Funds (1)

TEMPORIS HAS RESTRUCTURED A COMPLEX AND UNDERPERFORMING BOOK OF ASSETS INTO A HIGH QUALITY PORTFOLIO OF GENERATING ASSETS

- In September 2011 the Boards of the Ventus Funds changed the manager
- The portfolio comprised 7 operational sites, a significant amount of uninvested capital, three failing biomass investments and a failed landfill gas investment
- Ventus VCT Ords / Ventus 2 VCT Ords had paid an annual dividend of 3.1p and 2.5p respectively for the prior year end, with no dividend for C shareholders
- Shares were trading at a discount of up to 56% to NAV
- The Manager waived £530k of management fees, to assist with Ventus 2 VCT plc's liquidity

2011 Portfolio breakdown



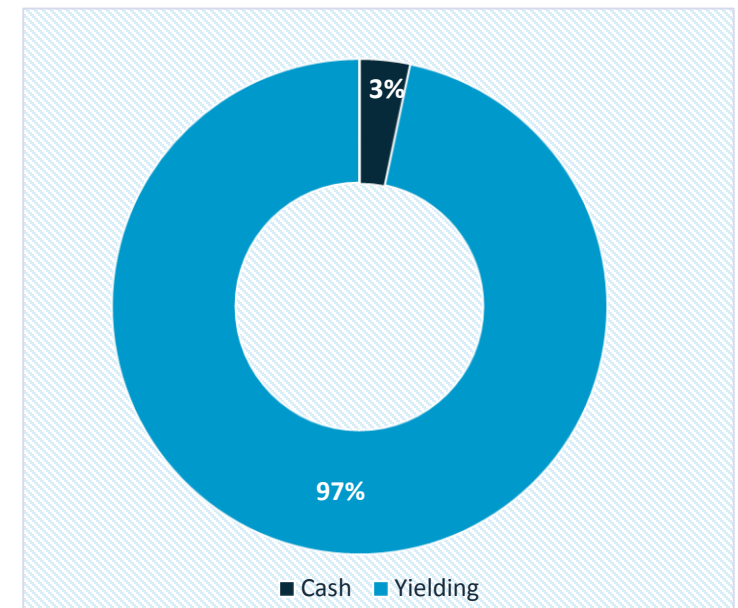
Temporis Restructuring of Ventus Funds (2)

TEMPORIS HAS RESTRUCTURED A COMPLEX AND UNDERPERFORMING BOOK OF ASSETS INTO A HIGH QUALITY PORTFOLIO OF GENERATING ASSETS

Temporis has:

- Closed down unsuccessful investments in over 10 companies
- Restructured complex development assets to unlock value
- Deployed the remaining capital, constructing 7 wind farms and 3 hydro schemes with over 74MW of new capacity
- Sold an asset to a strategic buyer for 3.12x cost to generate liquidity
- Delivered an attractive operational portfolio of generating assets paying a consistent and sustainable dividend
- Created over £31m of value for shareholders across NAV growth and dividends
- Overseen an increase in Ventus 2 Ord share price of 83% from lowest point, 56% for Ventus Ord shares

2017 Portfolio breakdown



Overview – Sustainable Dividends

THE VENTUS FUNDS COMPRISE A PORTFOLIO OF HIGH QUALITY GENERATING ASSETS STRUCTURED TO DELIVER A STABLE TAX-FREE YIELD

- Each share class has a clear dividend objective, aimed at delivering a long term sustainable tax free yield to investors
- Dividend supported by long term incentive payments to investee companies backed by UK Government
- Mitigation of power price exposure through fixed price electricity contracts
- Around 50% of portfolio has been operating for three years or more, demonstrating proven energy resources



Overview – Tax Efficient Wrapper

THE VENTUS FUNDS COMPRISE A PORTFOLIO OF HIGH QUALITY GENERATING ASSETS STRUCTURED TO DELIVER A STABLE TAX-FREE YIELD

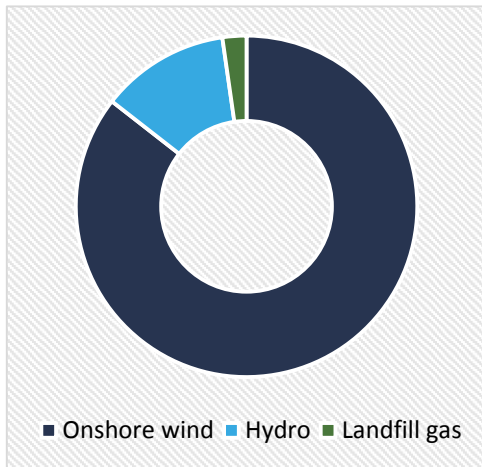
- The Ventus Funds are exempt from tax on dividends and capital gains received from investee companies
- Dividends to shareholders are income tax exempt, enhancing net yield to shareholders
- The sale of shares is capital gains tax exempt
- Unique value combination of yielding assets and tax benefits available to retail investors



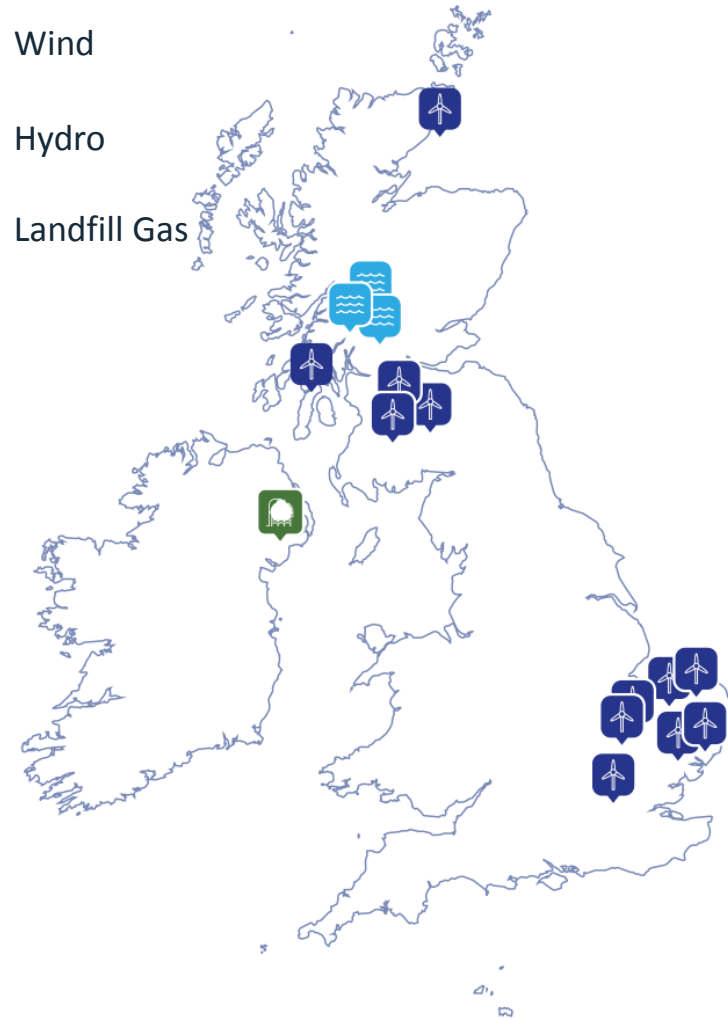
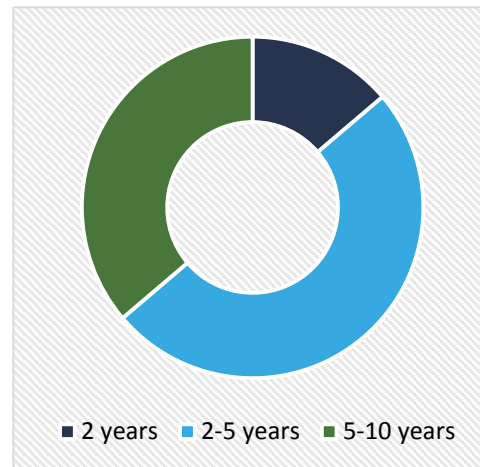
Overview – Portfolio

- 16 operational sites across wind, hydro electricity and landfill gas
- Gross generating capacity of 116MW, powering up to 63,000 homes annually and displacing the production of 113,000 tonnes of CO2 per annum
- Average asset age of 5 years across portfolio

Technology by value



Asset age by value



Case Study – refinancing

- Demonstration of value add through financial structuring
- Eye, Weston and Pickenham were constructed at a time when many senior lenders had withdrawn from lending to small wind projects
- The Temporis team originated a new lending relationship to fit the nature of the assets
- Temporis negotiated the credit documents and lending package and delivered a lending rate of 3.83%pa
- Refinancing of two sites, with the third to follow, has significantly reduced the cost of debt and added value to the Ventus Funds



Case Study – extracting value from grid assets

- Demonstration of value add through monetising grid assets
- Achairn Energy Limited holds grid capacity of 7.5MW but has installed capacity of 6MW.
- A neighbouring wind farm developer was unable to connect to the grid in time for its tariff cut off deadline.
- The Temporis team employed its technical and legal skills to structure a transaction that allowed the neighbour to utilise 1.5MW of Achairn's grid capacity on a temporary basis.
- This is expected to result in additional cash flows of over £2m to the Ventus Funds over the life of the Achairn project.



Case Study – pro-active asset management

- Temporis' in-house operations centre has been further expanded.
- Dedicated asset managers act as first response to turbine outages.
- Monitoring performance data to drive improvement in availability and yield.
- Power curve analysis has led to an improvement in performance and cost reductions.
- Analysis of SCADA variables helps anticipate failures and address them before they happen, minimising downtime and extending the operational life of the turbines.
- In-house capability allows Temporis' to be proactive in extracting value from the assets in a cost effective way for the Ventus shareholder.



Shareholder Outlook

- The Ventus Funds' objectives remain to provide stable, tax free, dividends
- As investee company debt amortises over time free cash flow will increase and the Directors will consider whether it is appropriate to revise the dividend targets
- Significant value to shareholders in the nature of asset backed income combined with a tax efficient wrapper
- Manager focussed on value add through active asset management:
 - Repowering, asset life extension and use of grid capacity (e.g. Achairn Energy Limited)
 - Operational optimisation – O&M reviews, downtime management, wind optimisation
 - Financial optimisation – refinancing (Eye, Weston and Pickenham), PPA strategy
 - Challenges – business rates assessments, power price exposure and asset longevity

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