



SOLAR 2016 INVESTMENT PORTFOLIO

Annual Performance Summary 2016/17

Investment in the Low Carbon Hub 2016 share offer funded the Low Carbon Hub's second major wave of solar PV projects across Oxfordshire. This report summarises the performance of the portfolio over the 2016/17 financial year.

PERFORMANCE REVIEW

The year started with a concerted effort to install the solar PV arrays in the portfolio, with the last installation being commissioned in November 2016.

The monthly generation figures for the year reflect the growing generation capacity of the portfolio. Variances between monthly predicted, and actual generation, figures are primarily a consequence of the timings of installations coming on-line. Overall, generation for the financial year was greater than predicted.

Electricity prices have remained fairly stable during this period. The feed-in tariff rate is index-linked to Retail Prices Index (RPI), and on 1 April 2016 the feed-in tariffs rose by 1.2% on the previous year's rates. By comparison, the 1 April 2017 rise was 2.5%.

2017-18 will be the first full year of operation for the entire portfolio and we should have a better picture of the portfolio's usual generation output and performance at the end of the next financial year.

PROJECTS IN THIS PORTFOLIO

- Botley School
- Crompton Technology Group Ltd
- Didcot Girls' School
- Langtree School
- Long Furlong Primary School
- Middle Barton Primary School
- Nettlebed Community School
- Orchard Fields School
- Prodrive
- Rose Hill Primary School
- Sir William Ramsay School
- Windmill Primary
- Wood Green School

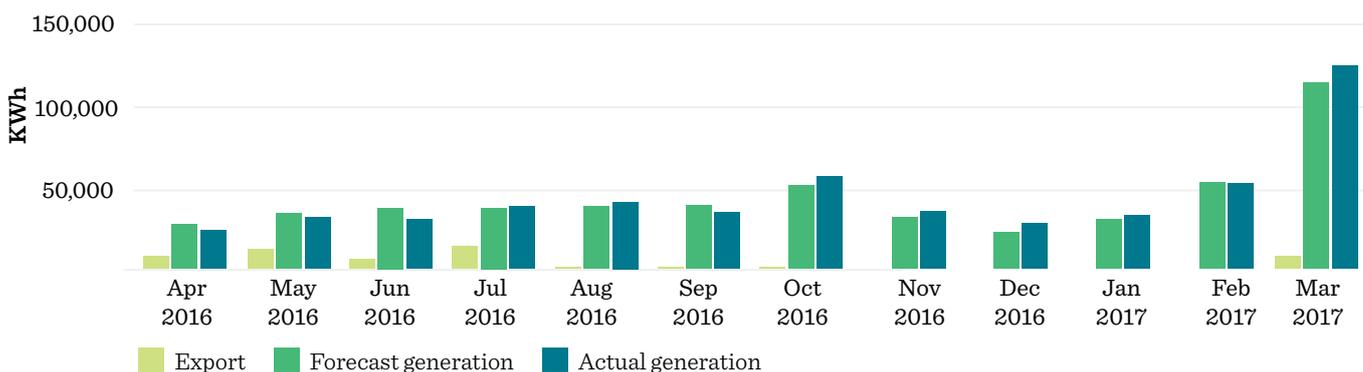
PERFORMANCE: 2016 PORTFOLIO

Electricity generation

| | |
|-------------------------------------|--------------------|
| Total generation this year | 539,346 kWh |
| As a percentage of predicted output | 102% |
| CO ₂ savings | 147 tonnes |

CO₂ savings based on UK electricity CO₂ intensities of 0.44932 kgCO₂e/kWh (2016) and 0.50035 kgCO₂e/kWh (2015)

Monthly generation results



Returns

This financial year:

| | |
|---------------------------------------|-----------------|
| Interest declared per £ invested | 0p |
| Total interest due to investors | £ 0 |
| Savings on electricity bills by hosts | £ 9,696 |
| Total IPS community benefit donation* | £ 48,497 |

Cumulative to date:

| | |
|---------------------------------------|------------------|
| Interest to investors | £ 0 |
| Savings on electricity bills by hosts | £ 10,418 |
| Total IPS community benefit donation* | £ 156,626 |

The first payment of interest to Members is anticipated after the second full year of operation, in accordance with the share offer document.

*Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub CIC, not just the income arising from this portfolio. In future years we would like to find an equitable way of attributing community benefit donations back to individual portfolios.

KEY FACTS

Projects

| | |
|--------------------------|----------|
| Number of installations | 13 |
| Total installed capacity | 1,868 MW |

Funding

| | |
|--|-------------|
| Total number of shareholders | 242 |
| Number of Class A investors | 242 |
| Number of Class B investors | 0 |
| Amount initially invested | £ 793,100 |
| Capital returned | £ 0 |
| Remaining investment capital | £ 793,100 |
| Current debt funding towards capital costs | £ 1,299,600 |

Lifetime anticipated benefits

| | |
|--|-----------|
| Interest to investors | £ 605,453 |
| Savings on electricity bills by hosts | £ 490,912 |
| Community benefit income from this portfolio | £ 552,050 |

Expressed as nominal values and based on equity levels at financial year end.

ABOUT INVESTMENT IN THIS PORTFOLIO

Class A shares are in the form of withdrawable shares. They cannot be sold, traded or transferred between members. They cannot increase in value.

ANTICIPATED RETURNS

We are forecasting a 5% internal rate of return on your investment, which includes your capital being paid back over the 20-year life of the investment, and annual interest on the outstanding balance of Retail Price Inflation (RPI) plus 3%.

Decisions relating to annual interest payments will be based on the portfolio's performance during a financial year, and will also take into account The Low Carbon Hub IPS Limited's overall financial situation. We aim to notify members of interest due the August after financial year close, and to make interest payments within 60 days of notification.

Income from investments in Registered Societies is treated as interest payments, not dividends, for tax purposes.

It is anticipated that capital will be gradually returned to investors from year four, with a number of shares being

bought back each year such that all shares are bought back by twenty years after installation.

Interest payments are forecast to start at the end of the second full year of the project, in 2018. In total we expect that for every £10,000 invested, at the end of the 20 year project lifetime, you will have received back £19,409; your initial capital and £9,409 as interest.

The amount of interest paid will vary depending on the actual rate of RPI for any given year.

Interest payments and capital repayments are not guaranteed and the decision to return capital will be made by the Directors.

Investors are reminded that any investment they make is an acknowledgement of their support for the development of renewable energy and, accordingly, a subscription for shares in the The Low Carbon Hub IPS Limited should primarily be regarded as an investment for social and environmental purposes rather than one that will produce a significant financial return.

MANAGING YOUR INVESTMENT

The Registry Trust is responsible for the administration of shareholders' investments in Low Carbon Hub.

They can be contacted on:

Email: info@rtronline.org.uk

Telephone: 020 7391 7295

Please contact them to:

- Notify us of changes to contact or bank account details
- Request nomination on death forms

Further information for investors can be found at lowcarbonhub.org

ABOUT LOW CARBON HUB

The Low Carbon Hub IPS Ltd is a Registered Society that operates for the benefit of the community. It generates income from the feed-in tariff and by selling renewable electricity. It aims to make a surplus that will enable The Low Carbon Hub IPS Limited and Low Carbon Hub CIC to lower carbon emissions across Oxfordshire by helping businesses, the public sector and communities to develop renewable energy projects and reduce energy demand. The two organisations work together as the Low Carbon Hub.

www.lowcarbonhub.org

Low Carbon Hub, 9 Park End Street, Oxford OX1 1HH • info@lowcarbonhub.org

The Low Carbon Hub IPS Limited is registered in England as a registered society under the Co-operative and Community Benefit Societies Act 2014. Registration number: 31903R, 9 Park End Street, Oxford OX1 1HH

Nothing in this document constitutes investment, tax, legal or other advice by The Low Carbon Hub IPS Limited, its Directors or advisers.