



ProVen Legacy plc
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18 August 2020

Dear Shareholder,

**Annual report and accounts for the Year Ended 30 June 2020 (“Annual Report”)
For ProVen Legacy plc (the “Company”)**

I am pleased to be able to write to you with the Company’s fourth Annual Report and Accounts.

The Company raised gross proceeds of £2,968,760 from the offer for subscription dated 21 August 2018 (the “2018 Offer”), the offer for subscription dated 7 August 2017 (the “2017 Offer”) and the offer for subscription dated 3 June 2016 (the “2016 Offer”). Under the offer for subscription dated 17 September 2019 (the “2019 Offer”), the Company raised and allotted a further £527,000, which includes £225,000 allotted in July 2020, bringing total combined proceeds of the four offers to £3,495,760.

The Lending Adviser is now working with another party experienced in Business Property Relief in the Solar sector with a view to expanding the Beringea offering and increasing fundraising. We expect to be able to write to Shareholders soon with a detailed introduction to these proposals.

We have continued to be profitable in our third full year of trading with a profit before tax of £21,540.

During the year, the Net Asset Value (“NAV”) per Growth Share increased from 101.9p to 102.4p at 30 June 2020.

During the same period, the Net Asset Value (“NAV”) per Income Share decreased from 101.0p to 100.7p at 30 June 2020. This is reflective of the profit in the period attributable to the Income Shares offset by the payment of a 0.4p dividend on 1 November 2019 as well as associated administrative costs.

The total difference in Net Asset Value between the two share classes is primarily a result of the 1.4p per share total dividends paid to Income Shareholders to date.

I can report that during the year we made the following further loans:

- Cogora - £100,000 drawn down in October 2019. This was repaid in full on 31 January 2020 including any interest accrued on the balance to date; and
- Premier Employer Solutions Limited - £300,000 was drawn down in November 2019.

We have now advanced total loans of £3,408,650. Of these, a total of £1,350,000 has been fully repaid. Of the remaining balance, total outstanding balances amounted to £821,663 at 30 June 2020.

The economic and commercial turbulence created by the Coronavirus pandemic in the second half of the year has inevitably had an impact on the Company. Whilst all repayments had been received in full and on time up to 31 March 2020, portfolio companies were offered a repayment holiday for the final quarter to 30 June 2020. This was in order to support them through the initial shock of the outbreak. The Company, through its Lending Adviser, continues to work closely with these companies to help them adapt to the new trading environment.

Subsequent to the year end, all loan agreements were renegotiated. This will result in an overall increase in return over the next financial year. All portfolio companies made their first repayments under the new arrangements on 1 July 2020. The business outlook for those companies remains positive.



In addition, in August 2020 a new loan of £225,000 was made to Moor Leasing Limited, a company which specialises in delivering B2B solutions designed to help drive sales, increase margin and improve customer satisfaction. A facility agreement for £1.8 million was also signed in August with Eden Acquisitions Limited, a merger and acquisitions business operating in the solar sector.

All facility interest rates have been comfortably above the target of 8.0% we had originally set ourselves and, whilst there are uncertain times ahead, our Lending Adviser, Beringea, continues to have a strong pipeline of loan prospects for us, which will be funded from the proceeds raised under the new DMS structure and repayments from the current loan portfolio.

With our latest transaction we have chosen to approve a lower margin but, in our view, very secure transaction which will dilute the portfolio return to c6.5%. This will also mean that most of our cash will be working and going forward we expect to focus on transaction returns in excess of 7.5%.

The Company's AGM will be held at 2pm on Tuesday 15 September 2020.

In light of the Coronavirus 'social distancing' measures in England, and the legislative measures that have been proposed to allow companies to hold general meetings safely, the AGM will be held as a closed AGM and Shareholders will not be able to attend the AGM. Shareholders are encouraged to submit their votes by proxy, as they will not be able to do so in person. We also welcome questions from our Shareholders which can be submitted via email to info@beringea.co.uk by 5:00 pm on Monday 7 September 2020. Answers to the themes in the questions received will be addressed on the website at www.provenlegacy.co.uk.

Further details are provided in the financial statements.

May I take this opportunity to thank you for your continued support as a Shareholder of ProVen Legacy plc and to wish you and your families well during these difficult times.

Yours faithfully,

Jamie Perkins
Chairman
ProVen Legacy plc