Greencoat UK Wind PLC

Half-yearly Report

For the six months ended 30 June 2017

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Company Information

Directors (all non-executive)
Tim Ingram *(Chairman)*
Shonaid Jemmett-Page
William Rickett C.B.
Dan Badger
Martin McAdam

Investment Manager
Greencoat Capital LLP
3rd Floor, Burdett House
15-16 Buckingham Street
London WC2N 6DU

Administrator and Company Secretary
Heritage Administration Services Limited
The Innovation Centre
Northern Ireland Science Park
Queen's Road
Belfast BT3 9DT

Depositary
Heritage Depositary Company (UK) Limited
The Innovation Centre
Northern Ireland Science Park
Queen's Road
Belfast BT3 9DT

Registrar
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TF

Registered Company Number
08318092

Registered Office
27-28 Eastcastle Street
London W1W 8DH

Registered Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Legal Adviser
Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ

Broker
RBC Capital Markets
Riverbank House
2 Swan Lane
London EC4R 3BF

Account Bank
The Royal Bank of Scotland PLC
280 Bishopsgate
London EC2M 4RB

All capitalised terms are defined in the list of defined terms on pages 26 to 27 unless separately defined.

Summary

Greencoat UK Wind PLC is the leading listed renewable infrastructure fund, invested in operating UK wind farms. The Company's aim is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess cash flow and the prudent use of portfolio leverage.

Highlights

- The Group's investments generated 626.6GWh of electricity, 2 per cent. above budget.
- Net cash generation (Group and wind farm SPVs) was £39.2 million.
- Acquisition of Langhope Rig and Bishopthorpe increased the portfolio to 21 wind farm investments, net generating capacity to 452MW and GAV to £984.7 million as at 30 June 2017.
- The Company declared total dividends of 3.245 pence per share with respect to the period.
- £175 million outstanding borrowings at 30 June 2017, equivalent to 18 per cent. of GAV.

Key Metrics

	As at 30 June 2017
Market capitalisation	£893.6 million
Share price	121.2 pence
Dividends with respect to the period	£23.9 million
Dividends with respect to the period per share	3.245 pence
GAV	£984.7 million
NAV	£809.7 million
NAV per share	109.8 pence

Chairman's Statement

I am pleased to present the half-yearly report of Greencoat UK Wind PLC for the six months ended 30 June 2017, which continues to display robust performance.

Performance

Portfolio generation was 2 per cent. above budget at 626.6GWh. Wholesale electricity prices were slightly lower than budget, but net cash generated by the Group and wind farm SPVs amounted to £39.2 million, providing a cover of 1.7x dividends paid during the period. Full year 2017 dividend cover is expected to be lower (approximately 1.5x), owing to the standard seasonality of cashflows.

Dividends and Returns

The Company's aim is to provide investors with an attractive and sustainable dividend that increases in line with RPI inflation while preserving capital on a real basis. In line with our stated target of 6.49 pence per share for 2017, the Company has paid a dividend of 1.6225 pence per share with respect to Q1 2017 and has declared a dividend of the same amount with respect to Q2 2017, giving a total of 3.245 pence per share for the period (compared to 3.17 pence for the first half of 2016). NAV per share increased in the period from 107.0 pence per share (ex-dividend) on 31 December 2016 to 108.2 pence per share (ex-dividend) on 30 June 2017.

Gearing

Having raised further equity in November last year, we started the period with lower than average gearing at 11 per cent. of GAV. Following our two acquisitions in the period (see below), the Group's borrowings increased to £175 million (18 per cent. of GAV) as at 30 June 2017, of which £100 million is fixed rate term debt.

The Group's policy is to have no gearing at the individual asset level, and to keep overall Group level borrowings at a prudent level (the maximum is 40 per cent. of GAV) in order to reduce risk, while ensuring that the Group is always at least fully invested thus using shareholders' capital efficiently. Over the medium term we would expect gearing to be between 20 per cent. and 30 per cent..

Acquisitions

During the period, the Group made two acquisitions, increasing net generating capacity to 452MW. In March, the Group acquired the 16MW Langhope Rig wind farm, situated near Hawick in the Scottish Borders, our first acquisition from GE. In June, the Group acquired the 16.4MW Bishopthorpe wind farm, situated in Lincolnshire, our fifth acquisition from BayWa.

These acquisitions continue to demonstrate the Group's ability to source and execute transactions on terms that we consider to be advantageous to shareholders.

Principal Risks and Uncertainties

As detailed in the Company's Annual Report to 31 December 2016, the principal risks and uncertainties affecting the Group are as follows:

- dependence on the Investment Manager;
- financing risk; and
- risk of investment returns becoming unattractive.

Also, as detailed in the Company's Annual Report to 31 December 2016, the principal risks and uncertainties affecting the investee companies are as follows:

- changes in government policy on renewable energy;
- a decline in the market price of electricity;
- risk of low wind resource;
- lower than expected life-span of the wind turbines; and
- health and safety and the environment.

Further information in relation to these principal risks and uncertainties, which are unchanged from 31 December 2016 and remain the most likely to affect the Group in the second half of the year, may be found on pages 6 to 8 of the Company's Annual Report for the year ended 31 December 2016.

Outlook

Wind remains the most mature and widely deployed renewable technology available in the UK and the Company is in a good position to benefit as electricity production from wind becomes an increasingly important part of the UK's generation mix.

The total market of operating wind farms in the UK (both onshore and offshore) is expected to reach £60 billion over the next few years. The supply of operating UK wind farms coming to market is increasing and the Group has a significant pipeline of opportunities. Buyer interest is also increasing, primarily reflecting the low interest rate environment. The net effect on asset prices of both increased demand and supply will be seen over the remainder of 2017.

Chairman's Statement continued

Outlook continued

The Board considers that, for the foreseeable future, it is in the interest of our shareholders to grow the portfolio through further wind farm investments, as such growth:

- provides additional economies of scale at Group level;
- increases our market power with service providers and asset sellers; and
- increases liquidity in our shares.

The Board does not expect any material change to its business as a result of the UK exiting the European Union or as a result of the General Election in June 2017.

Since the EU referendum vote, inflation has increased. As nearly all of our cashflows are either directly or indirectly linked to RPI inflation, this is likely to have a positive effect on future cash generation.

The Board remains confident of the Company's outlook for the future, and of the disciplined approach of the Investment Manager to further acquisitions and the careful management of the existing portfolio.

Tim Ingram
Chairman

26 July 2017

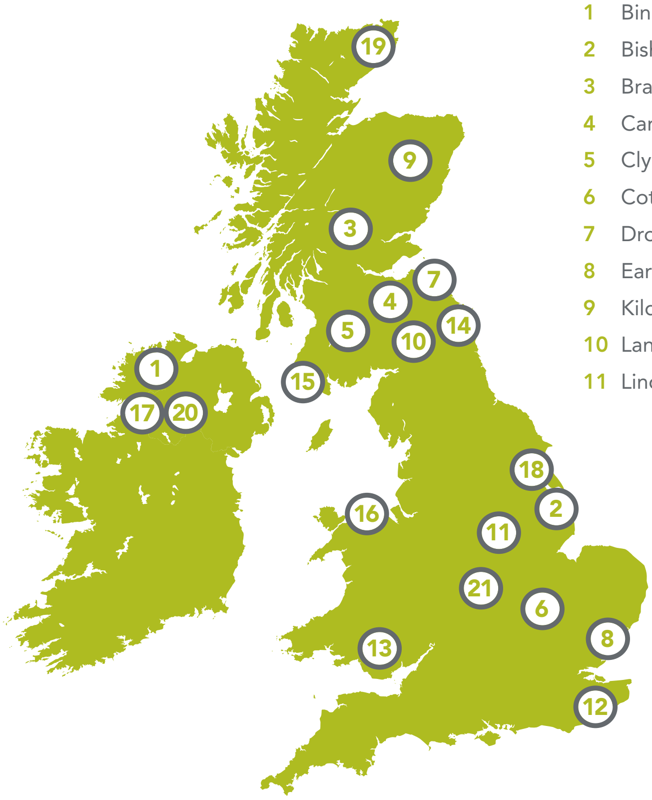
Investment Manager's Report

Investment Portfolio

The Group's investment portfolio as at 30 June 2017 consisted of interests in SPVs which hold the following underlying operating wind farms:

Wind Farm	Turbines	Operator	PPA	Total MW	Ownership Stake	Net MW
Bin Mountain	GE	SSE	SSE	9.0	100%	9.0
Bishopthorpe	Senvion	BayWa	Axpo	16.4	100%	16.4
Braes of Doune	Vestas	DNV-GL	Centrica	72.0	50%	36.0
Carcant	Siemens	SSE	SSE	6.0	100%	6.0
Clyde	Siemens	SSE	SSE	349.6	28.2%	98.6
Cotton Farm	Senvion	BayWa	Sainsbury's	16.4	100%	16.4
Drone Hill	Nordex	BayWa	Statkraft	28.6	51.6%	14.8
Earl's Hall Farm	Senvion	BayWa	Sainsbury's	10.3	100%	10.3
Kildrummy	Enercon	BayWa	Sainsbury's	18.4	100%	18.4
Langhope Rig	GE	Natural Power	Centrica	16.0	100%	16.0
Lindhurst	Vestas	Innogy	Innogy	9.0	49%	4.4
Little Cheyne Court	Nordex	Innogy	Innogy	59.8	41%	24.5
Maerdy	Siemens	Wind Prospect	Statkraft	24.0	100%	24.0
Middlemoor	Vestas	Innogy	Innogy	54.0	49%	26.5
North Rhins	Vestas	DNV-GL	E.ON	22.0	51.6%	11.4
Rhyl Flats	Siemens	Innogy	Innogy	90.0	24.95%	22.5
Screggagh	Nordex	Wind Prospect	Energia	20.0	100%	20.0
Sixpenny Wood	Senvion	BayWa	Statkraft	20.5	51.6%	10.6
Stroupster	Enercon	BayWa	BT	29.9	100%	29.9
Tappaghan	GE	SSE	SSE	28.5	100%	28.5
Yelvertoft	Senvion	BayWa	Statkraft	16.4	51.6%	8.5
Total[1]						**452.4**

[1] Numbers do not cast owing to rounding of (0.3)MW.



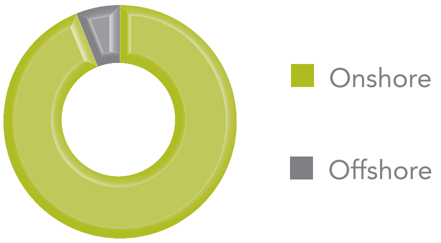
1 Bin Mountain
2 Bishopthorpe
3 Braes of Doune
4 Carcant
5 Clyde
6 Cotton Farm
7 Drone Hill
8 Earl's Hall Farm
9 Kildrummy
10 Langhope Rig
11 Lindhurst
12 Little Cheyne Court
13 Maerdy
14 Middlemoor
15 North Rhins
16 Rhyl Flats
17 Screggagh
18 Sixpenny Wood
19 Stroupster
20 Tappaghan
21 Yelvertoft

Investment Manager's Report continued

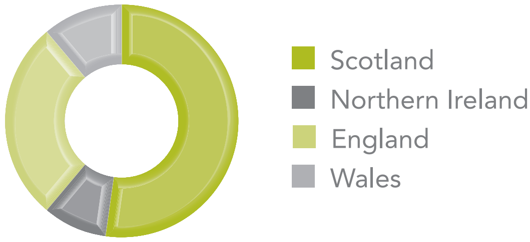
Investment Portfolio continued

The portfolio breakdown by value as at 30 June 2017 is as follows:

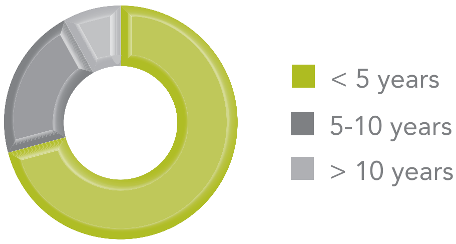
Onshore/Offshore



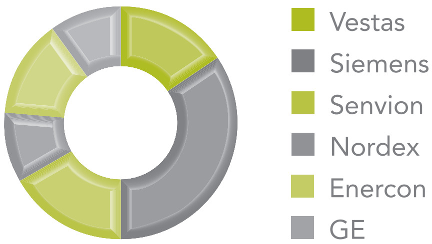
Geography



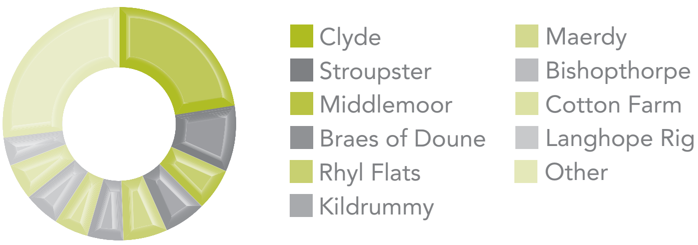
Asset Age



Turbine Manufacturer



Assets



Portfolio Performance

Portfolio generation for the six months ended 30 June 2017 was 626.6GWh[1], 2 per cent. above budget.

Overall portfolio availability was in line with budget. Notable issues were:

- lower than budgeted availability at Little Cheyne Court due to various gearbox, converter and blade bolt failures;
- lower than budgeted availability at Earl's Hall Farm due to scheduled and unscheduled grid outages; and
- successful remediation by Siemens of Maerdy yaw gear issues at all but one turbine location – compensation has been agreed in relation to the remaining turbine, which will be curtailed at high wind speeds.

The Vestas warranty, operation and maintenance contract at Braes of Doune was renewed for a further 10 years (to August 2027) to include a wider scope and at lower cost. Optimisation packages were installed (at the cost of the turbine manufacturer) at various sites, ranging from the installation of blade serrations to software upgrades. Potential generation gains will be monitored over the course of the year.

The Stroupster wind energy true-up was agreed in the period and BayWa will make a payment to the Group of £2.6 million on 31 July 2017. The Stroupster load factor assumption has been reduced accordingly.

[1] Including Clyde curtailed generation.

Investment Manager's Report continued

Health and Safety

There were no major incidents in the six months ended 30 June 2017.

Acquisitions

On 24 March 2017, the Group invested £39.9 million (including acquisition costs, excluding acquired cash) to acquire 100 per cent. of the 16MW Langhope Rig wind farm from GE. The transaction was negotiated on a bilateral basis and executed efficiently for the benefit of both the Group and GE.

On 30 June 2017, the Group invested £47.8 million (including acquisition costs, excluding acquired cash) to acquire 100 per cent. of the 16.4MW Bishopthorpe wind farm from BayWa. Bishopthorpe is the fifth wind farm that the Group has bought from BayWa and follows on from Cotton Farm and Earl's Hall Farm (2013), Kildrummy (2014) and Stroupster (2015). Including Bishopthorpe, BayWa now operates eight wind farms in the Group's portfolio.

Financial Performance

Group and wind farm SPV cash flows	For the six months ended 30 June 2017 £m
Net cash generation	39.2
Dividends paid	(23.6)
Acquisitions	(86.8)
Acquisition costs	(0.2)
Equity issuance	—
Equity issuance costs	(0.2)
Debt drawdown	75.0
Upfront finance costs	—
Movement in cash (Group and wind farm SPVs)	3.4
Opening cash balance (Group and wind farm SPVs)	20.7
Ending cash balance (Group and wind farm SPVs)	24.1
Net cash generation	39.2
Dividends	23.6
Dividend cover	1.7x

Investment Manager's Report continued

Investment Performance

The NAV at 30 June 2017 was £809.7 million (109.8 pence per share).

Shares in issue	736,700,850	737,319,408
NAV/share (pence)	108.6	109.8

(1) Numbers do not cast owing to a rounding of £0.1m.

A dividend of £11.7 million (1.585 pence per share) was paid in February 2017 with respect to the three month period ended 31 December 2016 and a dividend of £12.0 million (1.6225 pence per share) was paid in May 2017 with respect to the three month period ended 31 March 2017.

A dividend of £12.0 million (1.6225 pence per share) will be paid on 25 August 2017 with respect to the three month period ended 30 June 2017.

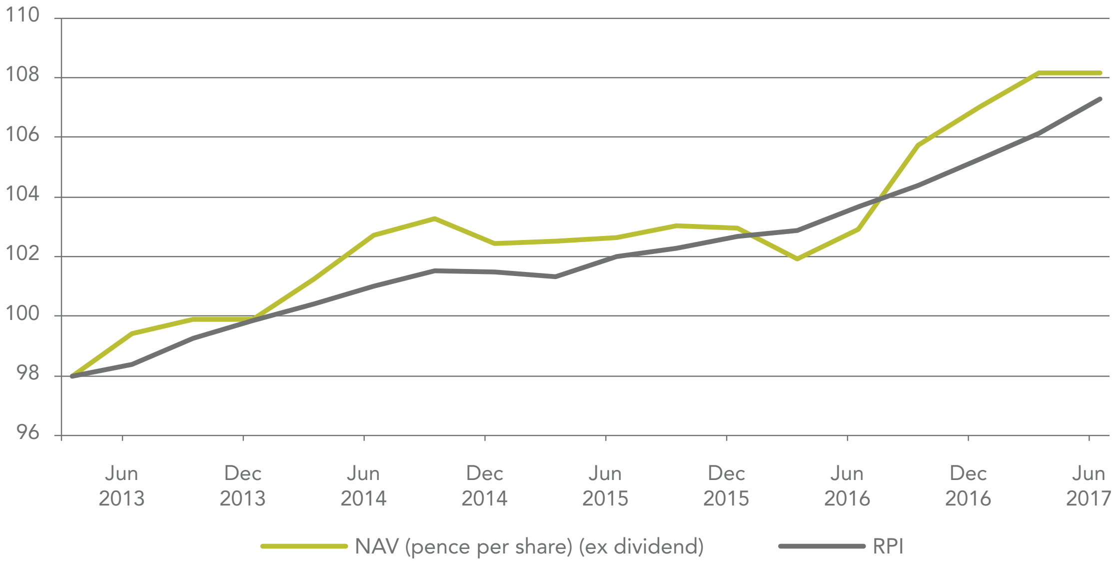
	pence per share
NAV at 31 December 2016	108.6
Less February 2017 dividend	(1.6)
NAV at 31 December 2016 (ex dividend)	107.0
NAV at 30 June 2017	109.8
Less August 2017 dividend	(1.6)
NAV at 30 June 2017 (ex dividend)	108.2
Movement in NAV (ex dividend)	1.2

Investment Manager's Report continued

Investment Performance continued

The chart below shows NAV per share versus RPI.

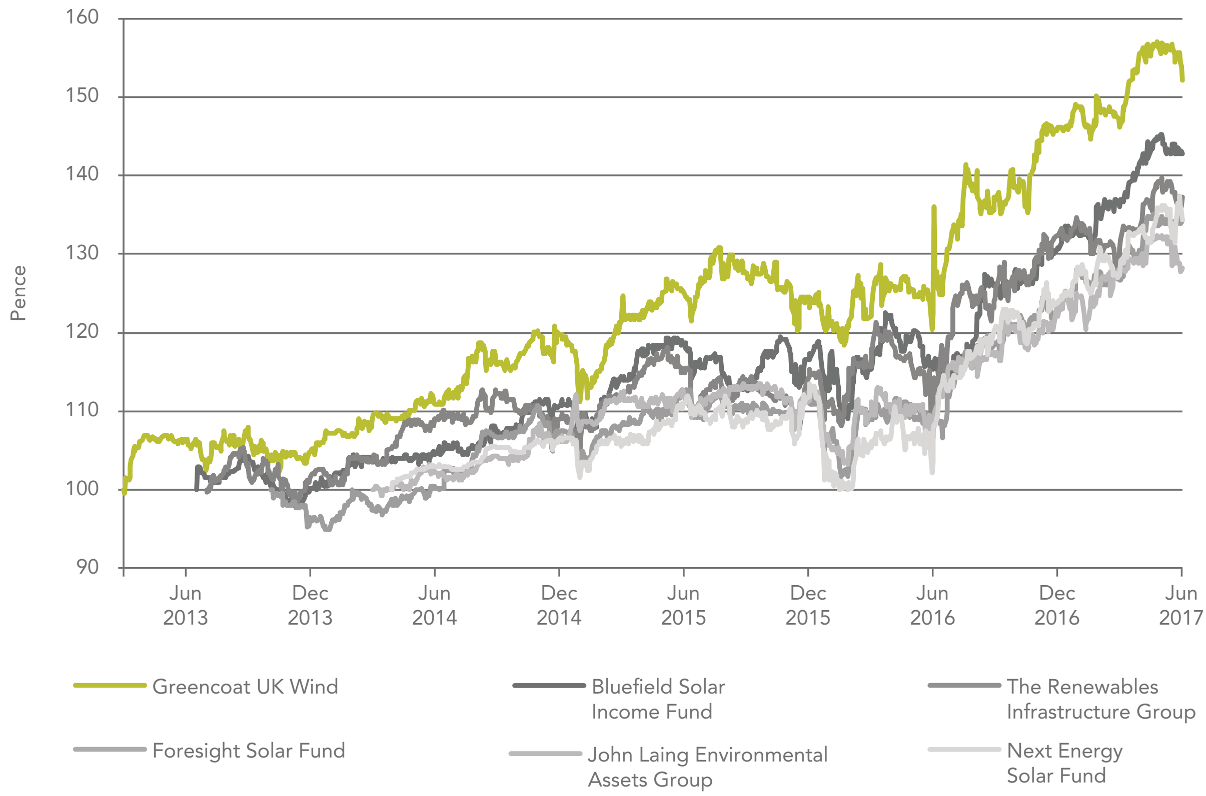
NAV vs RPI



The share price as at 30 June 2017 was 121.2 pence, representing a 10.4 per cent. premium to NAV.

The chart below shows TSR versus market peers.

Total Shareholder Return vs Market Peers (Bloomberg)



Investment Manager's Report continued

Reconciliation of Statutory Net Assets to Reported NAV

	As at 30 June 2017 £'000	As at 31 December 2016 £'000
DCF valuation	959,573	879,913
Cash (wind farm SPVs)	21,329	14,878
Fair value of investments	**980,902**	**894,791**
Cash (Group)	2,801	5,860
Other relevant assets/(liabilities)	1,031	(513)
GAV	**984,734**	**900,138**
Aggregate Group Debt	(175,000)	(100,000)
NAV	**809,734**	**800,138**
Reconciling items	—	—
Statutory net assets	**809,734**	**800,138**
Shares in issue	737,319,408	736,700,850
NAV per share (pence)	**109.8**	**108.6**

Gearing

As at 30 June 2017, the Group had £175 million of debt outstanding, equating to 18 per cent. of GAV.

£175 million outstanding debt comprised a term debt facility of £100 million together with associated interest rate swaps and £75 million drawn under the Group's revolving credit facility.

Outlook

The regulatory outlook for operational wind farms in the UK remains stable owing to the UK Government's policy of "grandfathering" for operational projects. The Group invests in operational wind farms, backed by known and fixed support mechanisms.

There is currently 11GW of operational onshore wind capacity plus 5GW offshore. Installed capacity is set to grow over the next few years to 12GW onshore plus 12GW offshore, as assets in construction come into operation. In monetary terms, the secondary market for operational UK wind farms is approximately £37 billion, increasing to £60 billion in the medium term. The Group currently has a market share of approximately 3 per cent..

The Company does not expect any material change to its business as a result of the UK exiting the European Union. Being solely UK focused and deliberately low-risk, all of the Group's assets and liabilities are inside the UK and sterling denominated. In addition, the regulatory regime under which the assets operate is robust, longstanding and rooted in UK legislation.

As an owner of operational wind farms, the key risk faced by the Group is power price. Power prices in the period were below budget, with prices falling from Q4 2016 levels. In general, independent forecasters expect UK wholesale power prices to rise in real terms from current levels, driven by higher gas and carbon prices. The long term power price forecast is updated each quarter and reflected in the reported NAV.

In general, the outlook for the Group is very encouraging, with proven operational and financial performance from the existing portfolio combined with a healthy pipeline of attractive further investment opportunities. There are a number of new buyers in the market, reflecting the attractiveness of the asset class; on the other hand, there are more assets coming to market and the Group is engaged in more active opportunities than at any time. The net effect on asset prices of both increased demand and supply will be seen over the remainder of 2017.

Statement of Directors' Responsibilities

The Directors acknowledge responsibility for the interim results and approve this half-yearly report. The Directors confirm that to the best of their knowledge:

a) the condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities and financial position and the profit of the Group as required by DTR 4.2.4R;

b) the interim management report, included within the Chairman's Statement and Investment Manager's Report, includes a fair review of the information required by DTR 4.2.7R, being the significant events of the first half of the year and the principal risks and uncertainties for the remaining six months of the year; and

c) the condensed financial statements include a fair review of the related party transactions, as required by DTR 4.2.8R.

The Responsibility Statement has been approved by the Board.

Tim Ingram
Chairman

26 July 2017

Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 June 2017

	Note	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Return on investments	3	40,617	26,838
Other income		286	224
Total income and gains		**40,903**	**27,062**
Operating expenses	4	(5,244)	(3,959)
Investment acquisition costs		(551)	(2,562)
Operating profit		**35,108**	**20,541**
Finance expense	12	(2,705)	(3,903)
Profit for the period before tax		**32,403**	**16,638**
Tax credit	5	176	344
Profit for the period after tax		**32,579**	**16,982**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		32,579	16,982
Earnings per share			
Basic and diluted earnings from continuing operations in the period (pence)	6	**4.42**	**3.20**

The accompanying notes on pages 16 to 25 form an integral part of the financial statements.

Condensed Consolidated Statement of Financial Position (unaudited)

As at 30 June 2017

	Note	30 June 2017 £'000	31 December 2016 £'000
Non current assets			
Investments at fair value through profit or loss	8	980,902	894,791
		980,902	**894,791**
Current assets			
Receivables	10	3,030	3,838
Cash and cash equivalents		2,801	5,860
		5,831	**9,698**
Current liabilities			
Payables	11	(1,999)	(4,351)
Net current assets		**3,832**	**5,347**
Non current liabilities			
Loans and borrowings	12	(175,000)	(100,000)
Net assets		**809,734**	**800,138**
Capital and reserves			
Called up share capital	14	7,373	7,367
Share premium account	14	495,766	495,110
Other distributable reserves		133,366	157,011
Retained earnings		173,229	140,650
Total shareholders' funds		**809,734**	**800,138**
Net assets per share (pence)	15	**109.8**	**108.6**

Authorised for issue by the Board on 26 July 2017 and signed on its behalf by:

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 16 to 25 form an integral part of the financial statements.

Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 June 2017

For the six months ended 30 June 2017	Note	Share capital £'000	Share premium £'000	Other distributable reserves £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2017)		7,367	495,110	157,011	140,650	**800,138**
Issue of share capital	14	6	680	—	—	**686**
Share issue costs	14	—	(24)	—	—	**(24)**
Profit and total comprehensive income for the period		—	—	—	32,579	**32,579**
Interim dividends paid in the period	7	—	—	(23,645)	—	**(23,645)**
Closing net assets attributable to shareholders		**7,373**	**495,766**	**133,366**	**173,229**	**809,734**

The total reserves distributable by way of a dividend as at 30 June 2017 were £264,061,571.

For the six months ended 30 June 2016	Share capital £'000	Share premium £'000	Other distributable reserves £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2016)	5,068	253,310	192,096	79,292	**529,766**
Issue of share capital	957	99,563	—	—	**100,520**
Share issue costs	—	(1,902)	—	—	**(1,902)**
Profit and total comprehensive income for the period	—	—	—	16,982	**16,982**
Interim dividends paid in the period	—	—	(15,972)	—	**(15,972)**
Closing net assets attributable to shareholders	**6,025**	**350,971**	**176,124**	**96,274**	**629,394**

The total reserves distributable by way of a dividend as at 30 June 2016 were £263,098,988.

The accompanying notes on pages 16 to 25 form an integral part of the financial statements.

Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 June 2017

	Note	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Net cash flows from operating activities	16	**26,917**	**31,407**
Cash flows from investing activities			
Acquisition of investments		(86,900)	(219,373)
Investment acquisition costs		(158)	(2,520)
Cash received for adjustment to purchase price of investments		—	3,200
Repayment of shareholder loan investment	8	8,404	—
Net cash flows from investing activities		**(78,654)**	**(218,693)**
Cash flows from financing activities			
Issue of share capital		—	100,000
Payment of issue costs		(198)	(1,736)
Amounts drawn down on loan facilities	12	75,000	210,000
Amounts repaid on loan facilities		—	(100,000)
Finance costs		(2,479)	(4,094)
Dividends paid	7	(23,645)	(15,972)
Net cash flows from financing activities		**48,678**	**188,198**
Net (decrease)/increase in cash and cash equivalents during the period		**(3,059)**	**912**
Cash and cash equivalents at the beginning of the period		**5,860**	**7,231**
Cash and cash equivalents at the end of the period		**2,801**	**8,143**

The accompanying notes on pages 16 to 25 form an integral part of the financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

1. Significant accounting policies

Basis of accounting

The condensed consolidated financial statements included in this half-yearly report have been prepared in accordance with IAS 34 "Interim Financial Reporting". The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2016 and is expected to continue to apply in the Group's consolidated financial statements for the year ended 31 December 2017.

The Group's consolidated annual financial statements were prepared on the historic cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss, and in accordance with IFRS to the extent that they have been adopted by the EU and with those parts of the Companies Act 2006 applicable to companies under IFRS.

These condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements as of 31 December 2016. The audited annual accounts for the year ended 31 December 2016 have been delivered to the Registrar of Companies. The audit report thereon was unmodified.

Review

This half-yearly report has not been audited or reviewed by the Company's Auditor in accordance with the International Standards on Auditing (ISAs) (UK) or International Standard on Review Engagements (ISREs).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Group's performance and to allocate resources is the total return on the Group's net assets, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements. For management purposes, the Group is organised into one main operating segment, which invests in wind farm assets. All of the Group's income is generated within the UK. All of the Group's non-current assets are located in the UK.

Seasonal and cyclical variations

The Group's results do not vary significantly during reporting periods as a result of seasonal activity.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

2. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a combination of a Cash Fee and an Equity Element from the Company.

The Cash Fee and Equity Element are calculated quarterly in advance, as disclosed on page 51 of the Company's Annual Report for the year ended 31 December 2016.

Investment management fees paid or accrued in the period were as follows:

For the six months ended 30 June 2017	Cash Fee £'000	Value of Equity Element £'000	Total amounts paid to the Investment Manager £'000
Quarter to March 2017	1,925	325	2,250
Quarter to June 2017	1,946	327	2,273
Total	**3,871**	**652**	**4,523**

As at 30 June 2017, total amounts payable to the Investment Manager were £nil (31 December 2016: £340,459). Total amounts paid to the Investment Manager for the six months ended 30 June 2016 were £3,135,665.

3. Return on investments

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Dividends received (note 17)	29,145	32,723
Interest on shareholder loan investment received (note 17)	1,534	1,874
Gain on adjustment to purchase price of investment (notes 8 & 13)	2,600	1,200
Unrealised movement in fair value of investments (note 8)	7,338	(8,959)
	40,617	**26,838**

4. Operating expenses

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Management fees (note 2)	4,523	3,135
Group and SPV administration fees	245	243
Non-executive Directors' fees	113	113
Other expenses	328	434
Fees to the Company's Auditor:		
for audit of the statutory financial statements	31	30
for other audit related services	4	4
	5,244	**3,959**

The fees to the Company's auditor includes £3,700 (30 June 2016: £3,600) payable in relation to a limited review of the half-yearly report and estimated accruals proportioned across the year for the audit of the statutory financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

5. Taxation

Taxable income during the period was offset by management expenses and the tax charge for the period ended 30 June 2017 is £nil (30 June 2016: £nil). The Group has tax losses carried forward available to offset against current and future profits as at 30 June 2017 of £7,654,199 (30 June 2016: £7,636,756).

During the period, £176,000 (30 June 2016: £344,000) was received from Little Cheyne Court as compensation for corporation tax losses surrendered by way of consortium relief in relation to the year ended 31 December 2016.

6. Earnings per share

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Profit attributable to equity holders of the Company – £'000	32,579	16,982
Weighted average number of ordinary shares in issue	737,055,098	529,969,070
Basic and diluted earnings from continuing operations in the period (pence)	**4.42**	**3.20**

Dilution of the earnings per share as a result of the Equity Element of the investment management fee as disclosed in note 2 does not have a significant impact on the basic earnings per share.

7. Dividends declared with respect to the period

Interim dividends paid during the period ended 30 June 2017	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2016	1.5850	11,682
With respect to the quarter ended 31 March 2017	1.6225	11,963
	3.2075	**23,645**

Interim dividends declared after 30 June 2017 and not accrued in the period	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 30 June 2017	1.6225	11,968
	1.6225	**11,968**

As disclosed in note 18, on 26 July 2017, the Board approved a dividend of 1.6225 pence per share in relation to the quarter ended 30 June 2017, bringing the total dividends declared with respect to the period to 3.245 pence per share. The record date for the dividend is 11 August 2017 and the payment date is 25 August 2017.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

8. Investments at fair value through profit or loss

For the period ended 30 June 2017	Loans £'000	Equity interest £'000	Total £'000
Opening balance	107,673	787,118	894,791
Additions	—	87,177	87,177
Repayment of shareholder loan investment (note 17)	(8,404)	—	(8,404)
Adjustment to purchase price of investment (note 13)	—	(2,600)	(2,600)
Gain on adjustment to purchase price of investment (note 3)	—	2,600	2,600
Unrealised movement in fair value of investments (note 3)	1,450	5,888	7,338
	100,719	**880,183**	**980,902**

For the period ended 30 June 2016	Loans £'000	Equity interest £'000	Total £'000
Opening balance	—	657,591	657,591
Additions	113,380	109,537	222,917
Adjustment to purchase price of investments	—	(1,200)	(1,200)
Gain on adjustment to purchase price of investment (note 3)	—	1,200	1,200
Unrealised movement in fair value of investments (note 3)	18	(8,977)	(8,959)
	113,398	**758,151**	**871,549**

The unrealised movement in fair value of investments of the Group during the period was made up as follows:

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Decrease in DCF valuation of investments	(7,977)	(14,551)
Repayment of shareholder loan investment (note 17)	8,404	—
Movement in cash balances of SPVs	6,374	3,030
Acquisition costs	537	2,562
	7,338	**(8,959)**

Fair value measurements

As disclosed on page 56 of the Company's Annual Report for the year ended 31 December 2016, IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities ranges from level 1 to level 3 and is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of the Group's investments is ultimately determined by the underlying fair values of the SPV investments. Due to their nature, they are always expected to be classified as level 3 as the investments are not traded and contain unobservable inputs. There have been no transfers between levels during the six months ended 30 June 2017.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

8. Investments at fair value through profit or loss continued

Sensitivity analysis

The fair value of the Group's investments is £980,901,848 (31 December 2016: £894,790,604). The analysis below is provided in order to illustrate the sensitivity of the fair value of investments to an individual input, while all other variables remain constant. The Board considers these changes in inputs to be within reasonable expected ranges. This is not intended to imply the likelihood of change or that possible changes in value would be restricted to this range.

Input	Base case	Change in input	Change in fair value of investments £'000	Change in NAV per share pence
Discount rate	8 – 9 per cent.	+ 0.5 per cent.	(32,643)	(4.4)
		- 0.5 per cent.	34,541	4.7
Energy yield	P50	10 year P90	(57,510)	(7.8)
		10 year P10	57,475	7.8
Power price	Forecast by leading consultant	- 10 per cent.	(65,868)	(8.9)
		+ 10 per cent.	65,848	8.9
Long term inflation rate	2.75 per cent.	- 0.5 per cent.	(35,162)	(4.8)
		+ 0.5 per cent.	37,028	5.0

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented.

The base case asset life assumption is 25 years from commissioning. An asset life sensitivity is not presented owing to the difficulty in quantifying various associated valuation drivers, including: ability to extend the lease term; ability to extend planning permission; commercial terms attaching to any lease extension; operating and maintenance costs associated with longer life; decommissioning costs; and scrap value. Notwithstanding the difficulty in quantification, the Investment Manager considers asset life extension to be a significant potential upside to the Group. Asset life is also highlighted as a principal risk and uncertainty on page 8 of the Company's Annual Report for the year ended 31 December 2016.

9. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group. As the Company is regarded as an investment entity under IFRS, these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of Business	Ownership Interest as at 30 June 2017
Bin Mountain	Northern Ireland	100%
Bishopthorpe	England	100%
Carcant	Scotland	100%
Cotton Farm	England	100%
Earl's Hall Farm	England	100%
Kildrummy	Scotland	100%
Langhope Rig	Scotland	100%
Maerdy	Wales	100%
Screggagh	Northern Ireland	100%
Stroupster	Scotland	100%
Tappaghan	Northern Ireland	100%
Drone Hill	Scotland	51.6%
North Rhins	Scotland	51.6%
Sixpenny Wood	England	51.6%
Yelvertoft	England	51.6%
SYND Holdco*	UK	51.6%

* The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

9. Unconsolidated subsidiaries, associates and joint ventures continued

The following table shows associates and joint ventures of the Group which have been recognised at fair value as permitted by IAS 28 "Investments in Associates and Joint Ventures":

Investment	Place of Business	Ownership Interest as at 30 June 2017
Braes of Doune	Scotland	50%
ML Wind*	England	49%
Little Cheyne Court	England	41%
Clyde	Scotland	28.2%
Rhyl Flats	Wales	24.95%

* The Group's investments in Middlemoor and Lindhurst are 49 per cent. (31 December 2016: 49 per cent.). These are held through ML Wind.

As disclosed in note 17, Holdco has provided a loan to Clyde which accrues interest at a rate of 5.8 per cent. per annum.

Security deposits and guarantees provided during the period by the Group on behalf of its investments are as follows:

Provider of security	Investment	Beneficiary	Nature	Purpose	Amount £'000
The Company	Langhope Rig	Barclays	Counter-indemnity	Decommissioning	81
					81

The fair value of counter-indemnities provided by the Group are considered to be £nil.

There were no other changes to security deposits and guarantees as disclosed on page 59 of the Company's Annual Report for the year ended 31 December 2016.

10. Receivables

	30 June 2017 £'000	31 December 2016 £'000
Amounts due in relation to wind energy true-up (notes 8 & 13)	2,600	—
VAT receivable	300	2,854
Prepayments	87	79
Other receivables	43	8
Amounts due as consideration for investee company tax losses (note 17)	—	897
	3,030	**3,838**

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

11. Payables

	30 June 2017 £'000	31 December 2016 £'000
Loan interest payable	755	570
Commitment fee payable	234	193
Acquisition costs payable	393	—
Deferred consideration (note 18)	277	—
Other payables	340	421
VAT payable	—	2,647
Investment management fee payable	—	340
Share issue costs payable	—	180
	1,999	**4,351**

12. Loans and borrowings

	30 June 2017 £'000	31 December 2016 £'000
Opening balance	100,000	135,000
Revolving credit facility		
Drawdowns	75,000	185,000
Repayments	—	(245,000)
Term debt facility		
Drawdowns	—	25,000
Closing balance	**175,000**	**100,000**

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Loan interest	1,929	3,209
Commitment fees	706	327
Other facility fees	70	70
Facility arrangement fees	—	275
Professional fees	—	22
Finance expense	**2,705**	**3,903**

The loan balances as at 30 June 2017 have not been revalued to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

There are no changes to the terms of the revolving credit facility or the term debt facility as disclosed on page 61 of the Company's Annual Report for the year ended 31 December 2016.

As at 30 June 2017, accrued interest on the revolving credit facility was £165,572 (31 December 2016: £nil) and the outstanding commitment fee was £233,627 (31 December 2016: £193,027).

As at 30 June 2017, accrued interest on the term debt facility and associated swap was £588,964 (31 December 2016: £570,266).

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

13. Contingencies

On 17 May 2017, the Stroupster wind energy true-up was agreed and BayWa will make a payment to the Group of £2,600,000 on 31 July 2017. The Stroupster load factor assumption has been reduced accordingly.

The wind-energy true-up for Clyde Extension remains outstanding and the maximum adjustment under this mechanism is £4,747,094.

14. Share capital – ordinary shares of £0.01

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2017		**736,700,850**	**7,367**	**495,110**	**502,477**
Shares issued to the Investment Manager					
2 February 2017	True-up of 2016 Equity Element	21,163	—	34	**34**
2 February 2017	Q1 2017 Equity Element	299,268	3	322	**325**
5 May 2017	Q2 2017 Equity Element	298,127	3	324	**327**
		618,558	6	680	**686**
Other					
1 January 2017	Less share issue costs*	—	—	(24)	**(24)**
30 June 2017		**737,319,408**	**7,373**	**495,766**	**503,139**

* Share issue costs recognised in the period in relation to the capital raise on 22 November 2016.

15. Net assets per share

	30 June 2017	31 December 2016
Net assets – £'000	809,734	800,138
Number of ordinary shares issued	737,319,408	736,700,850
Total net assets – pence	**109.8**	**108.6**

16. Reconciliation of operating profit for the period to net cash from operating activities

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
Operating profit for the period	35,108	20,541
Adjustments for:		
Movement in fair value of investments (notes 3 & 8)	(7,338)	8,959
Adjustment to purchase price of investment (notes 8 & 13)	(2,600)	(1,200)
Investment acquisition costs	551	2,562
Decrease/(increase) in receivables	2,505	(347)
Decrease in payables	(3,034)	(1,189)
Equity Element of Investment Manager's fee	652	520
Consideration for investee company tax losses	1,073	1,561
Net cash flows from operating activities	**26,917**	**31,407**

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

17. Related party transactions

On 24 March 2017, the Company increased its loan to Holdco by £37,000,000 relating to the acquisition of Langhope Rig and on 29 June 2017, the Company increased its loan to Holdco by £38,000,000 relating to the acquisition of Bishopthorpe. During the period, Holdco repaid £35,746,585 of the loan and the amount outstanding at the period end was £285,787,790 (31 December 2016: £246,534,375).

Holdco has provided a loan to Clyde which accrues interest at a rate of 5.8 per cent. per annum. During the period, the Group received loan capital repayments of £8,403,600 (30 June 2016: £nil) and loan interest repayments of £1,533,723 (30 June 2016: £1,873,729) during the period from Clyde in relation to this shareholder loan. The balance of the loan receivable from Clyde at 30 June 2017 was £99,252,264 (31 December 2016: £107,655,864) and interest receivable at 30 June 2017 was £1,466,618 (31 December 2016: £17,107).

During the period, £176,000 (30 June 2016: £602,937) was received from Little Cheyne Court and £897,321 (30 June 2016: £958,392) was received from Braes of Doune, as compensation for corporation tax losses surrendered by way of consortium relief by the Group.

The below table shows dividends received in the period from the Group's investments.

	For the six months ended 30 June 2017 £'000	For the six months ended 30 June 2016 £'000
SYND Holdco[(1)]	3,792	4,132
Stroupster	3,717	3,947
Rhyl Flats	2,994	2,779
ML Wind[(2)]	2,764	2,538
Braes of Doune	2,214	2,465
Tappaghan	2,052	2,576
Kildrummy	2,013	2,863
Little Cheyne Court	1,960	1,952
Maerdy	1,930	3,093
Cotton Farm	1,725	2,682
Screggagh	1,500	—
Earl's Hall Farm	920	1,978
Bin Mountain	757	1,008
Carcant	639	710
Langhope Rig	168	—
	29,145	**32,723**

(1) The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.

(2) The Group's investments in Middlemoor and Lindhurst are held through ML Wind.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2017

18. Subsequent events

Group payables as at 30 June 2017 include £277,000 deferred consideration payable to the sellers of Bishopthorpe which comprises a working capital balance that was agreed on 20 July 2017 and settled on 24 July 2017.

On 26 July 2017, the Board approved a dividend of £11,967,845, equivalent to 1.6225 pence per share. The record date for the dividend is 11 August 2017 and the payment date is 25 August 2017.

Defined Terms

BDO LLP means the Company's Auditor as at the reporting date

Bin Mountain means Bin Mountain Wind Farm (NI) Limited

Bishopthorpe means Bishopthorpe Wind Farm Limited

Board means the Directors of the Company

Braes of Doune means Braes of Doune Wind Farm (Scotland) Limited

Carcant means Carcant Wind Farm (Scotland) Limited

Cash Fee means the cash fee that the Investment Manager is entitled to under the Investment Management Agreement

Clyde means Clyde Wind Farm (Scotland) Limited

Clyde Extension means the Clyde extension wind farm currently being developed by SSE adjacent to the operational Clyde wind farm

Company means Greencoat UK Wind PLC

Cotton Farm means Cotton Farm Wind Farm Limited

DCF means Discounted Cash Flow

Drone Hill means Drone Hill Wind Farm Limited

DTR means the Disclosure Guidance and Transparency Rules sourcebook issued by the Financial Conduct Authority

Earl's Hall Farm means Earl's Hall Farm Wind Farm Limited

Equity Element means the ordinary shares issued to the Investment Manager under the Investment Management Agreement

EU means the European Union

GAV means Gross Asset Value as defined in the prospectus

Group means Greencoat UK Wind PLC and Greencoat UK Wind Holdco Limited

Holdco means Greencoat UK Wind Holdco Limited

IAS means International Accounting Standard

IFRS means International Financial Reporting Standards

Investment Management Agreement means the agreement between the Company and the Investment Manager

Investment Manager means Greencoat Capital LLP

Kildrummy means Kildrummy Wind Farm Limited

Langhope Rig means Langhope Rig Wind Farm Limited

Lindhurst means Lindhurst Wind Farm

Little Cheyne Court means Little Cheyne Court Wind Farm Limited

Maerdy means Maerdy Wind Farm Limited

Middlemoor means Middlemoor Wind Farm

ML Wind means ML Wind LLP

NAV means Net Asset Value as defined in the prospectus

NAV per Share means the Net Asset Value per Ordinary Share

North Rhins means North Rhins Wind Farm Limited

PPA means Power Purchase Agreement entered into by the Group's wind farms

RBC means the Royal Bank of Canada

Review Section means the front end review section of this report (including but not limited to the Chairman's Statement and the Investment Manager's Report)

Rhyl Flats means Rhyl Flats Wind Farm Limited

RPI means the Retail Price Index

Screggagh means Screggagh Wind Farm Limited

Sixpenny Wood means Sixpenny Wood Wind Farm Limited

SPVs means the Special Purpose Vehicles which hold the Group's investment portfolio of underlying operating wind farms

Stroupster means Stroupster Caithness Wind Farm (Scotland) Limited

Defined Terms continued

SYND Holdco means SYND Holdco Limited

Tappaghan means Tappaghan Wind Farm (NI) Limited

TSR means Total Shareholder Return

UK means the United Kingdom of Great Britain and Northern Ireland

Yelvertoft means Yelvertoft Wind Farm Limited

Cautionary Statement

The Review Section of this report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This half-yearly report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant in respect of Greencoat UK Wind PLC and its subsidiary undertakings when viewed as a whole.