GREENCOAT
UK WIND

Greencoat UK Wind PLC

Half Year Report

For the six months ended 30 June 2023

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All capitalised terms are defined in the list of defined terms on pages 30 to 31 unless separately defined.

Summary

Greencoat UK Wind PLC is the leading listed renewable infrastructure fund, invested in 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.

The Company provides investors with the opportunity to participate directly in the ownership of UK wind farms, so increasing the resources and capital dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

Highlights

- The Group's investments generated 2,088GWh of renewable electricity.
- Net cash generation (Group and wind farm SPVs) was £204.0 million.
- Acquisition of Dalquhandy wind farm increased the portfolio to 46 operating wind farm investments and net generating capacity to 1,652MW as at 30 June 2023.
- Agreed to acquire a net 13.7 per cent stake in London Array offshore wind farm, with the transaction expected to complete on 31 July 2023.
- The Company declared total dividends of 4.38 pence per share with respect to the period.
- Aggregate Group Debt was £2,000 million as at 30 June 2023, equivalent to 34 per cent of GAV.

Key Metrics

	As at 30 June 2023
Market capitalisation	£3,345.6 million
Share price	144.3 pence
Dividends with respect to the period	£101.6 million
Dividends with respect to the period per share	4.38 pence
GAV*	£5,843.9 million
NAV*	£3,843.9 million
NAV per share*	165.8 pence

* Alternative Performance Measures as defined on page 32.

Chairman's Statement

I am pleased to present the Half Year Report of Greencoat UK Wind PLC for the six months ended 30 June 2023.

Performance

Portfolio generation for the period was 2,088GWh, 18 per cent below budget owing to low wind. Net cash generated by the Group and wind farm SPVs was £204.0 million and dividend cover for the period was 2.1x.

The portfolio provides renewable electricity for 1.8 million homes and avoided the emission of 0.8 million tonnes of CO_2 in the period.

Dividends and Returns

The Company's aim is to provide investors with an attractive and sustainable dividend that increases in line with RPI while preserving capital on a real basis. In line with this aim, in every one of the last 10 years since listing, the Company increased its stated dividend target for 2023 by RPI to 8.76 pence. It has paid a quarterly dividend of 2.19 pence per share with respect to Q1 2023 and has declared a dividend of the same amount per share with respect to Q2 2023, giving a total of 4.38 pence per share for the period (compared to 3.86 pence per share for the first half of 2022).

NAV per share decreased in the period from 167.1 pence per share on 31 December 2022 to 165.8 pence per share on 30 June 2023, reflecting an increase in discount rates and lower short term power prices offset by higher short term inflation and valuation gains from recent and committed investments.

In line with the higher interest rate environment, the Company has continued to increase its discount rate and thus returns to investors. The forecast 10 per cent return to investors (net of all costs) includes reinvestment of excess cash generation (dividend cover) in addition to the dividend yield. Since listing, the Company has reinvested £806 million of excess cash generation (dividend cover) and paid £836 million of dividends (aggregate historical dividend cover being 2.0x).

Investment

During the period, the Group invested £51.5 million to acquire Dalquhandy wind farm from BayWa, increasing net generating capacity to 1,652MW. During the period, the Group also provided a further £4.5 million of construction finance to the Kype Muir Extension wind farm project (target commissioning in Q3 2023).

In Q3 2023, the Group will invest £444 million into London Array offshore wind farm and £320 million into South Kyle wind farm, which the Group are acquiring from Orsted and Vattenfall respectively. Along with Kype Muir Extension completion, 355MW of net generating capacity will be added to the portfolio.

Outlook

The Company is investing in a mature and growing market, and the Board believes that there should continue to be further opportunities for investments that are beneficial to shareholders. The Company will continue to maintain a strictly disciplined approach to acquisitions, only investing when it is considered to be in the interests of shareholders to do so. At the same time, we will also look at opportunistic disposals, given the current environment we are operating in.

The principal risk and uncertainties of the Group and its investee companies are unchanged from those detailed in the Company's Annual Report to 31 December 2022 and remain the most likely to affect the Group and its investee companies in the second half of the year. A summary of these may be found on page 33.

The Board and Governance

At the AGM on 28 April 2023, Nick Winser assumed the role of Senior Independent Director. Shonaid Jemmett-Page also retired and I, on behalf of the whole Board, would like to thank her for the excellent job she has done chairing the Company. I am delighted to have taken over as Chairman, and look forward to working with the rest of the Board and the Investment Manager to deliver continued shareholder value.

On 1 May 2023 Jim Smith joined the Board and has extensive experience in the electricity industry, including in offshore wind asset management.

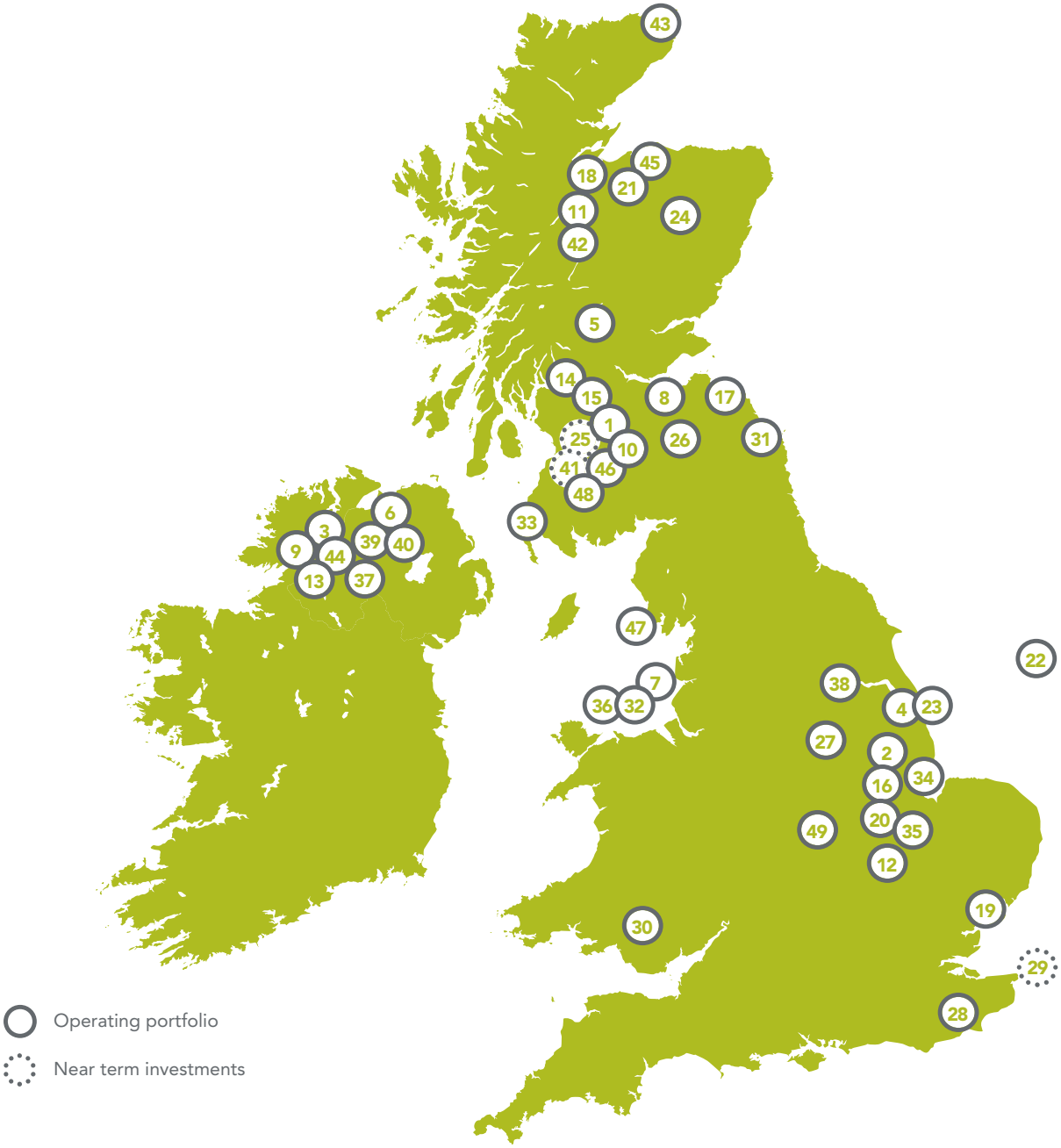
Lucinda Riches C.B.E.
Chairman

26 July 2023

Investment Manager's Report

Investment Portfolio

As at 30 June 2023, the Group owned investments in a diversified portfolio of 46 operating UK wind farms totalling 1,652MW, powering 1.8 million homes and avoiding the emission of 2.1 million tonnes of CO_2 per annum. A further 355MW of investments are due to complete in Q3 2023, which will increase the portfolio to over 2GW.



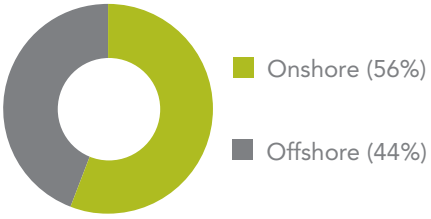
1 Andershaw
2 Bicker Fen
3 Bin Mountain
4 Bishopthorpe
5 Braes of Doune
6 Brockaghboy
7 Burbo Bank Extension
8 Carcant
9 Church Hill
10 Clyde
11 Corriegarth
12 Cotton Farm
13 Crighshane
14 Dalquhandy
15 Douglas West
16 Deeping St. Nicholas
17 Drone Hill
18 Dunmaglass
19 Earl's Hall Farm
20 Glass Moor
21 Glen Kyllachy
22 Hornsea 1
23 Humber Gateway
24 Kildrummy
25 Kype Muir Extension
26 Langhope Rig
27 Lindhurst
28 Little Cheyne Court
29 London Array
30 Maerdy
31 Middlemoor
32 North Hoyle
33 North Rhins
34 Red House
35 Red Tile
36 Rhyl Flats
37 Screggagh
38 Sixpenny Wood
39 Slieve Divena
40 Slieve Divena 2
41 South Kyle
42 Stronelairg
43 Stroupster
44 Tappaghan
45 Tom nan Clach
46 Twentyshilling
47 Walney
48 Windy Rig
49 Yelvertoft

Investment Manager's Report continued

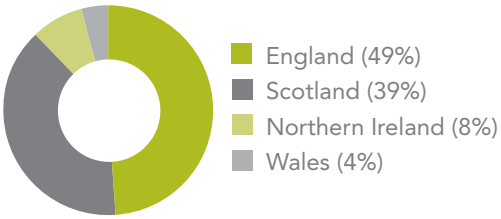
Investment Portfolio continued

Breakdown of operating portfolio (excludes construction portfolio and near term investments) by value as at 30 June 2023:

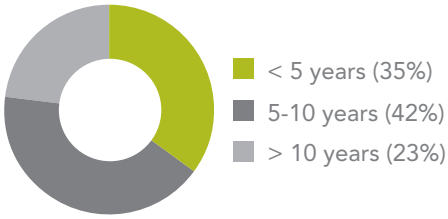
Onshore/Offshore



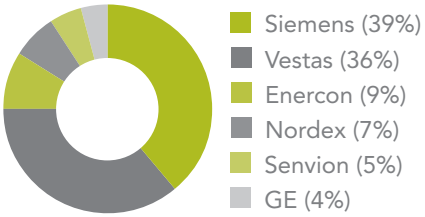
Geography



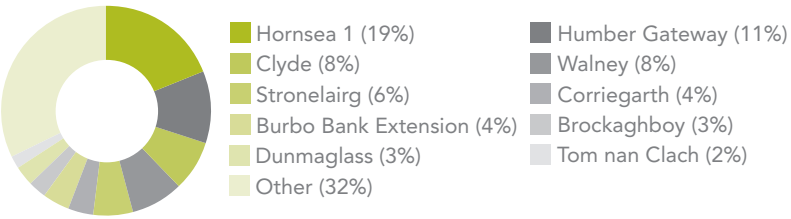
Asset Age



Turbine Manufacturer



Assets



Operating and Financial Performance

Portfolio generation in the period was 2,088GWh, 18 per cent below budget owing to low wind. Portfolio availability was above budget.

Net cash generated by the Group and wind farm SPVs was £204.0 million and dividend cover for the period was 2.1x.

Group and wind farm SPV cash flows	For the six months ended 30 June 2023 £'000
Net cash generation[1]	204,020
Dividends paid	(95,517)
Acquisitions	(55,936)
Acquisition costs	(226)
Equity issuance	—
Equity issuance costs	—
Net amounts drawn under debt facilities	290,000
Upfront finance costs	(4,609)
Movement in cash (Group and wind farm SPVs)	**337,732**
Opening cash balance (Group and wind farm SPVs)	160,851
Closing cash balance (Group and wind farm SPVs)	**498,583**
Net cash generation	204,020
Dividends	95,517
Dividend cover	2.1x

[1] Alternative Performance Measure as defined on page 32.

Investment Manager's Report continued

Operating and Financial Performance continued

The following tables provide further detail in relation to net cash generation of £204.0 million:

Net Cash Generation – Breakdown	For the six months ended 30 June 2023 £'000
Revenue	400,591
Operating expenses	(90,100)
Tax	(36,670)
SPV level debt interest	(9,148)
SPV level debt amortisation	(26,595)
Other	(197)
Wind farm cash flow	**237,881**
Management fee	(17,141)
Operating expenses	(1,237)
Ongoing finance costs	(17,675)
Other	1,623
Group cash flow	**(34,430)**
VAT (Group and wind farm SPVs)	569
Net cash generation	**204,020**

Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities	For the six months ended 30 June 2023 £'000
Net cash flows from operating activities[1]	220,152
Movement in cash balances of wind farm SPVs	(9,845)
Repayment of shareholder loan investment[1]	11,388
Finance costs[1]	(22,284)
Upfront finance costs[2]	4,609
Net cash generation	**204,020**

[1] Condensed Consolidated Statement of Cash Flows.

[2] £4,350k facility arrangement fees plus £467k professional fees per note 12 to the financial statements less £208k movement in other finance costs payable per note 11 to the financial statements.

Investment and Gearing

On 6 June 2023, the Group acquired Dalquhandy wind farm from BayWa for consideration of £51.5 million.

During the period, the Group provided a further £4.5 million of construction finance to the Kype Muir Extension wind farm project (target commissioning Q3 2023). As at 30 June 2023, the Group's total investment in Kype Muir Extension (including accrued interest) was £44.9 million. The Group has entered into arrangements to acquire a 49.9 per cent stake in Kype Muir Extension, once fully commissioned, for a headline consideration of £51.4 million. The construction loan will be repaid in full upon acquisition.

On 24 July 2023, the Group announced that, together with other funds managed by the Investment Manager, it would acquire a 25 per cent stake in London Array offshore wind farm from Orsted. Other owners are RWE (30 per cent), CDPQ (25 per cent) and Masdar (20 per cent). The investment is scheduled to complete on 31 July 2023 and the Group's total investment in London Array is expected to be £444 million, comprising an equity investment of £394 million (13.7 per cent net stake) and £50 million loan investment.

On 31 August 2023, the Group will acquire South Kyle wind farm from Vattenfall for consideration of £320 million (commitment made in 2020). South Kyle was officially opened on 13 June by Laurence Fumagalli, on behalf of the Company and Anna Borg, Vattenfall CEO.

Investment Manager's Report continued

Investment and Gearing continued

All of the above investments are materially accretive to NAV, with committed investments (South Kyle and Kype Muir Extension) valued at £132.5 million as at 30 June 2023, above the investment consideration.

On 29 June 2023, the Company utilised £640 million of new term loan commitments from new and existing lenders and on 30 June 2023, prepaid £150 million of term loans maturing in November and December 2023 and £200 million drawn under the RCF.

The Group is very well capitalised to complete on its near term investments. Cash balances (Group and wind farm SPVs) as at 30 June 2023 were £499 million with zero drawn under the £600 million RCF.

Gearing as at 30 June 2023 was 34 per cent of GAV, with a weighted cost of debt of 4.08 per cent across a spread of maturities (November 2024 to March 2036):

Facility	Maturity date	Loan principal £'000	Loan margin %	Swap rate/SONIA %	All-in rate %
RCF	29 Oct 24	—	1.7500	5.0000[1]	6.7500
NAB	4 Nov 24	50,000	1.1500	1.0610	2.2110
CBA	14 Nov 24	50,000	1.3500	0.8075	2.1575
CBA	6 Mar 25	50,000	1.5500	1.5265	3.0765
CIBC	3 Nov 25	100,000	1.5000	1.5103	3.0103
ANZ	3 May 26	75,000	1.4500	5.9240	7.3740
NAB	1 Nov 26	75,000	1.5000	1.5980	3.0980
NAB	1 Nov 26	25,000	1.5000	0.8425	2.3425
CIBC	14 Nov 26	100,000	1.4000	0.8132	2.2132
Lloyds	9 May 27	150,000	1.6000	5.6510	7.2510
CBA	4 Nov 27	100,000	1.6000	1.3680	2.9680
ABN AMRO	2 May 28	100,000	1.7500	5.0430	6.7930
ANZ	3 May 28	75,000	1.7500	5.3790	7.1290
Barclays	3 May 28	100,000	1.7500	4.9880	6.7380
AXA	31 Jan 30	125,000	—	—	3.0300
AXA	31 Jan 30	75,000	1.7000	1.4450	3.1450
AXA	28 Apr 31	25,000	—	—	6.4340
AXA	28 Apr 31	115,000	1.8000	5.0000[1]	6.8000
Hornsea 1	31 Mar 36	610,000	—	—	2.6000
		2,000,000		**Weighted average**	**4.0800**

[1] Facility pays SONIA as variable rate.

Given the leading market position of the Group and the Investment Manager, there is no shortage of investment opportunities, further fuelled by the challenging fundraising environment affecting all buyers (in both public and private markets). Thus the Investment Manager regularly reviews the portfolio for potential disposals, with a view to recycling capital into NAV accretive investments.

Investment Manager's Report continued

Net Asset Value

The following table sets out the movement in NAV from 31 December 2022 to 30 June 2023. The key components are discussed in detail below.

	£'000	Pence per share
NAV as at 31 December 2022	**3,873,228**	**167.1**
Net cash generation	204,020	8.8
Dividend	(95,517)	(4.1)
Power price	(158,595)	(6.8)
Inflation	188,224	8.1
Discount rate	(263,252)	(11.4)
Committed investments	132,507	5.7
Depreciation and other	(36,669)	(1.6)
NAV as at 30 June 2023	**3,843,947**	**165.8**

Reconciliation of Statutory Net Assets to Reported NAV

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Operating portfolio	5,172,618	5,458,334
Construction portfolio	44,938	39,414
Committed investments	132,507	—
Cash (wind farm SPVs)	131,223	141,068
Fair value of investments[1]	**5,481,286**	**5,638,816**
Cash (Group)	367,360	19,783
Other relevant liabilities	(4,699)	(5,867)
GAV	**5,843,947**	**5,652,732**
Aggregate Group Debt[1]	(2,000,000)	(1,779,504)
NAV	**3,843,947**	**3,873,228**
Reconciling items	—	—
Statutory net assets	**3,843,947**	**3,873,228**
Shares in issue	2,318,483,353	2,318,089,989
NAV per share (pence)	**165.8**	**167.1**

[1] Includes limited recourse debt at Hornsea 1, not included in the Condensed Consolidated Statement of Financial Position.

Investment Manager's Report continued

Power Price

Long term power price forecasts are provided by a leading market consultant, updated quarterly, and may be adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Short term power price assumptions reflect the forward curve as at 3 July 2023.

A conservative 20 per cent discount (10 per cent for offshore) is applied to power price assumptions in all years to reflect that wind generation typically earns a lower price than the base load power price. This compares to the 4 per cent discount to the base load power price achieved by the portfolio in the period (£104.06/MWh average achieved price versus £108.40/MWh average N2EX index price).

In addition to the 20 per cent discount, a further discount is applied to reflect the terms of each PPA. The price of some PPAs is expressed as a percentage of a given price index, whereas other PPAs include a fixed £/MWh discount to the price index. Other PPAs pay a fixed £/MWh price for power. The table below sets out the terms of each PPA:

				Power			ROC					
Wind Farm	Ownership Stake	Net MW	Net GWh	Offtaker	Price	Expiry	ROC/ MWh	ROC end date	Offtaker	Price (Buy Out)	Price (Recycle)	Expiry
Andershaw	100%	35.0	105.8	Statkraft	£4.20/MWh fee	31 Dec 36	0.9	28 Feb 37	Statkraft	96.0%	100.0%	31 Dec 36
Bicker Fen	80%	21.3	44.3	EDF	93.5%	31 Mar 27	1.0	31 Jul 28	EDF	93.0%	100.0%	31 Mar 27
Bin Mountain	100%	9.0	23.4	SSE	95% + £3.00/MWh fee	31 Dec 27	1.0	31 Mar 27	SSE / E.On	90.0%	93.8%	31 Dec 27
Bishopthorpe	100%	16.4	50.6	Axpo	95.0%	31 May 37	1.0	28 Feb 37	Axpo	95.0%	95.0%	31 May 37
Braes of Doune	100%	72.0	167.8	Erova	98.8%	11 Jul 37	1.0	31 Mar 27	Total	98.5%	100.0%	31 Mar 27
Brockaghboy	100%	47.5	156.0	SSE	96% + £3.00/MWh fee	28 Feb 33	0.9	31 Jul 37	SSE / E.On	95.0%	95.0%	28 Feb 33
Burbo Bank Extension	15.7%	40.4	155.0	CFD	£209.32/MWh + CPI	31 Mar 36	n/a	n/a	n/a	n/a	n/a	n/a
Carcant	100%	6.0	17.1	Axpo	95.0%	31 Oct 30	1.0	30 Jun 30	Total / E.On	90.0%	98.8%	31 Mar 27
Church Hill	100%	18.4	37.1	Energia	86.0%	31 Jul 30	1.0	30 Apr 32	Energia	90.0%	90.0%	31 Jul 30
Clyde	28.2%	147.3	452.3	SSE	94.0%	31 Dec 31	1.0	10 Sep 33	SSE	93.0%	94.0%	31 Dec 31
Corriegarth	100%	69.5	216.2	Centrica	£3.79/MWh fee	14 May 32	0.9	30 Sep 36	Centrica	95.0%	75.0%	14 May 32
Cotton Farm	100%	16.4	51.0	Sainsbury's	£60/MWh fixed	08 Mar 28	1.0	31 Jan 33	Sainsbury's	94.0%	100.0%	08 Mar 28
Crighshane	100%	32.2	59.7	Energia	86.0%	31 Jul 30	1.0	31 May 32	Energia	90.0%	90.0%	31 Jul 30
Dalquhandy	100%	42.0	109.6	BT	£65.60/MWh fixed for 80% volume 95.0% for 20% volume	31 Dec 31	n/a	n/a	n/a	n/a	n/a	n/a
Deeping St. Nicholas	80%	13.1	29.8	EDF	93.5%	31 Mar 27	1.0	31 Mar 27	EDF	93.0%	100.0%	31 Mar 27
Douglas West	100%	45.0	129.2	BT	£60/MWh fixed	31 Dec 33	n/a	n/a	n/a	n/a	n/a	n/a
Drone Hill	51.6%	14.8	30.3	Statkraft	£4.55/MWh fee	31 Dec 38	1.0	29 Feb 32	Statkraft	90.0%	90.0%	31 Dec 38
Dunmaglass	35.5%	33.4	129.9	SSE	95.0%	31 Mar 24	0.9	30 Sep 36	SSE	95.0%	95.0%	31 Mar 24
Earl's Hall Farm	100%	10.3	31.9	Sainsbury's	£60/MWh fixed	20 Mar 28	1.0	31 Jan 33	Sainsbury's	94.0%	100.0%	20 Mar 28
Glass Moor	80%	13.1	28.9	EDF	93.5%	31 Mar 27	1.0	31 Mar 27	EDF	93.0%	100.0%	31 Mar 27
Glen Kyllachy	80%	48.5	145.7	Tesco	£42.49/MWh + CPI for 50% volume £1.50/MWh fee for 50% volume	31 Dec 37	n/a	n/a	n/a	n/a	n/a	n/a
Hornsea 1	12.5%	150.0	657.5	CFD	£195.86/MWh + CPI	31 Mar 36	n/a	n/a	n/a	n/a	n/a	n/a
Humber Gateway	37.8%	82.8	320.4	E.On	96.0%	31 Mar 35	2.0	30 Apr 35	E.On	98.5%	100.0%	31 Mar 35
Kildrummy	100%	18.4	55.6	Sainsbury's	£60/MWh fixed	10 May 28	1.0	28 Feb 33	Sainsbury's	94.0%	100.0%	10 May 28
Langhope Rig	100%	16.0	47.1	Centrica	£3.23/MWh fee	06 Jan 31	0.9	31 Mar 35	Centrica	95.0%	75.0%	06 Jan 31
Lindhurst	49%	4.4	11.5	RWE	90.0%	08 Nov 28	1.0	30 Sep 30	RWE	90.0%	90.0%	08 Nov 28
Little Cheyne Court	41%	24.5	61.0	RWE	90.0%	31 Dec 27	1.0	30 Nov 28	RWE	90.0%	90.0%	31 Dec 27
Maerdy	100%	24.0	63.1	Statkraft	£4.55/MWh fee	31 Dec 38	1.0	29 Feb 32	Statkraft	90.0%	90.0%	31 Dec 38
Middlemoor	49%	26.5	68.3	RWE	90.0%	08 Nov 28	1.0	30 Sep 30	RWE	90.0%	90.0%	08 Nov 28
North Hoyle	100%	60.0	185.8	Erova	99.0%	31 Dec 35	1.0	30 Jun 34	Total	98.5%	100.0%	31 Mar 27
North Rhins	51.6%	11.4	37.8	E.On	90.0%	31 Dec 24	1.0	31 Dec 29	E.On	90.0%	90.0%	31 Dec 24
Red House	80%	9.8	22.5	EDF	93.5%	31 Mar 27	1.0	31 Jul 28	EDF	93.0%	100.0%	31 Mar 27
Red Tile	80%	19.7	42.4	EDF	93.5%	31 Mar 27	1.0	31 Jul 28	EDF	93.0%	100.0%	31 Mar 27
Rhyl Flats	24.95%	22.5	70.3	RWE	90.0%	31 Dec 27	1.5	31 Jul 29	RWE	90.0%	90.0%	31 Dec 27
Screggagh	100%	20.0	44.4	Energia	80.0%	19 Oct 29	1.0	31 Jan 31	Energia	85.0%	85.0%	19 Oct 29
Sixpenny Wood	51.6%	10.6	28.5	Statkraft	£4.55/MWh fee	31 Dec 38	1.0	29 Feb 32	Statkraft	90.0%	90.0%	31 Dec 38
Slieve Divena	100%	30.0	54.9	SSE	95% + £3.00/MWh fee	31 Dec 28	1.0	30 Nov 28	SSE / EDF	95.0%	95.0%	31 Dec 28
Slieve Divena 2	100%	18.8	48.7	SSE	95% + £3.00/MWh fee	31 Mar 37	0.9	28 Feb 37	SSE	95.0%	95.0%	31 Mar 37
Stronelairg	35.5%	80.9	302.6	SSE	95.0%	31 Mar 24	0.9	31 Jul 34	SSE	95.0%	95.0%	31 Mar 24
Stroupster	100%	29.9	94.9	BT	87.0%	31 Oct 30	0.9	31 Aug 35	BT	92.0%	100.0%	31 Oct 30
Tappaghan	100%	28.5	68.6	SSE	95% + £3.00/MWh fee	31 Dec 27	1.0	15 Dec 27	SSE / E.On	90.0%	93.8%	31 Dec 27
Tom nan Clach	75%	30.0	122.9	CFD	£110.35/MWh + CPI	31 Dec 34	n/a	n/a	n/a	n/a	n/a	n/a
Twentyshilling	100%	37.8	125.6	Statkraft	£2.25/MWh fee	31 Dec 39	n/a	n/a	n/a	n/a	n/a	n/a
Walney	25.1%	92.2	355.6	Total	Annual fix 2023: £174.50/MWh	30 Jun 26	2.0	31 Aug 31	Total	98.5%	100.0%	30 Jun 26
Windy Rig	100%	43.2	138.5	Statkraft	£2.25/MWh fee	31 Dec 39	n/a	n/a	n/a	n/a	n/a	n/a
Yelvertoft	51.6%	8.5	21.7	Statkraft	£4.55/MWh fee	31 Dec 38	1.0	29 Feb 32	Statkraft	90.0%	90.0%	31 Dec 38
		1,651.8	**5,221.7**									

Investment Manager's Report continued

Power Price continued

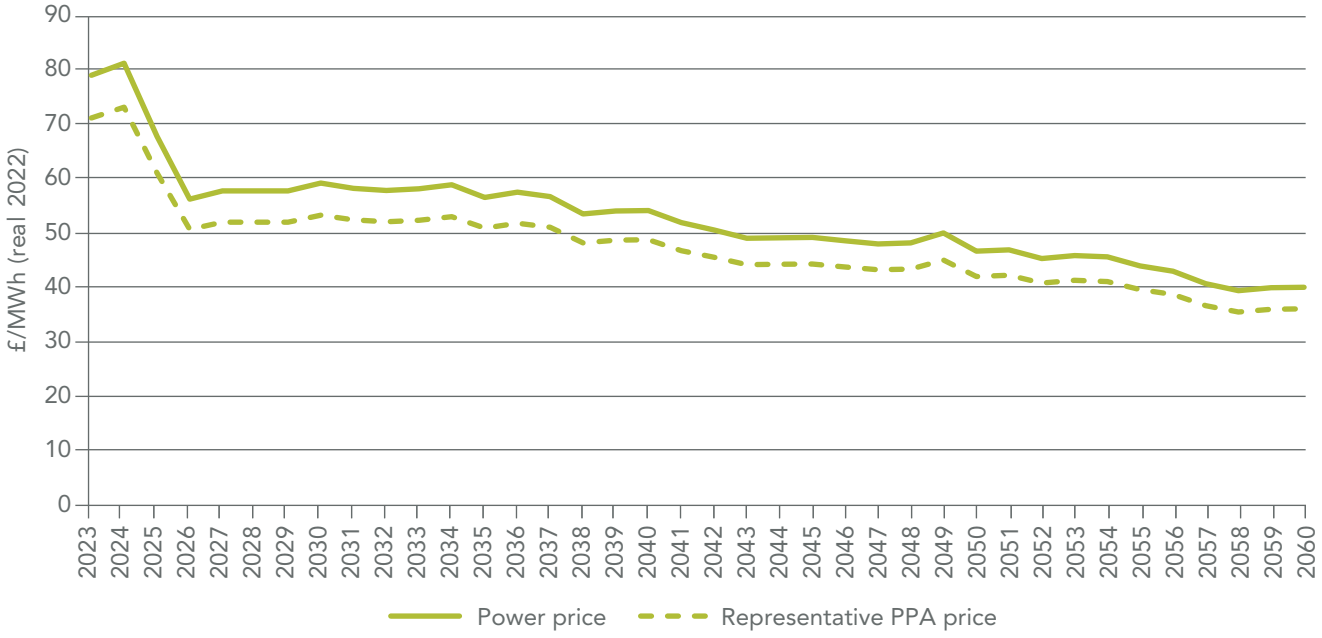
The following table and chart show the assumed power price (post 20 per cent discount pre PPA discount) and also the price post a representative PPA discount (90 per cent x index price).

£/MWh (real 2022)	2023	2024	2025	2026	2027	2028	2029	2030
Pre PPA discount	78.93	81.14	67.67	56.10	57.60	57.60	57.60	59.04
Post representative PPA discount	71.04	73.03	60.90	50.49	51.84	51.84	51.84	53.14

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Pre PPA discount	58.08	57.68	58.00	58.72	56.40	57.36	56.56	53.36	53.92	54.00
Post representative PPA discount	52.27	51.91	52.20	52.85	50.76	51.62	50.90	48.02	48.53	48.60

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Pre PPA discount	51.76	50.40	48.88	48.96	49.04	48.40	47.84	48.00	49.84	46.48
Post representative PPA discount	46.58	45.36	43.99	44.06	44.14	43.56	43.06	43.20	44.86	41.83

	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
Pre PPA discount	46.72	45.12	45.68	45.44	43.76	42.80	40.48	39.20	39.76	39.84
Post representative PPA discount	42.05	40.61	41.11	40.90	39.38	38.52	36.43	35.28	35.78	35.86



Investment Manager's Report continued

Power Price continued

The portfolio benefits from a substantial fixed revenue base. Furthermore, most fixed revenues are index linked (RPI in the case of ROCs, CPI in the case of CFDs etc).

The fixed revenue base means that dividend cover is robust in the face of extreme downside power price sensitivities. A dividend that continues to increase with RPI is covered down to £10/MWh over the next 5 years.

	2024	2025	2026	2027	2028
RPI increase (%)	7.0	3.5	3.5	3.5	3.5
Dividend (pence/share)	9.37	9.70	10.04	10.39	10.76
Dividend (£ 000)	217,316	224,922	232,794	240,942	249,375
Dividend cover (x)					
Base case	2.3	2.4	2.3	2.4	2.4
£50/MWh	1.8	1.9	2.0	2.0	2.1
£40/MWh	1.6	1.7	1.8	1.8	1.8
£30/MWh	1.4	1.5	1.5	1.5	1.5
£20/MWh	1.2	1.3	1.3	1.2	1.2
£10/MWh	1.0	1.1	1.0	1.0	0.9

All numbers illustrative. Power prices real 2022, pre PPA discounts.

The Group's strategy remains to maintain an appropriate balance between fixed and merchant revenue. To the extent that merchant revenues were to increase as a proportion of total revenues then new fixed price PPAs would be entered into. However, it is likely that an appropriate revenue balance would be maintained through the acquisition of new fixed revenue streams (for example, offshore wind CFD assets).

Inflation

The base case assumes the following values for December inflation each year:

	2023	2024-2030	2031 onwards
RPI	7 per cent	3.5 per cent	2.5 per cent
CPI	5 per cent	2.5 per cent	2.5 per cent

If December 2023 RPI is 7 per cent this implies average RPI over 2023 of 10 per cent (13 per cent falling to 7 per cent over the course of the year). Similarly, 2024 RPI starting at 7 per cent and falling to 3.5 per cent by year end implies average RPI over 2024 of 5 per cent. Average RPI over 2025 is 3.5 per cent etc.

Average RPI over a year is important as this figure drives ROC prices. The ROC price is inflated annually from 1 April each year based on the previous year's average RPI. For example, based on the assumptions in the table above, we assume a 10 per cent increase in the ROC price from 1 April 2024.

CFD prices are also inflated annually from 1 April each year. However, in the case of CFDs, the price is inflated based on January CPI.

Investment Manager's Report continued

Inflation continued

Given the explicit inflation linkage of a substantial proportion of portfolio revenue (ROCs, CFDs, certain PPAs) and the implicit inflation linkage inherent in power prices, there is a strong link between inflation and portfolio return.

Over the long term, 1 per cent higher inflation means 1 per cent higher IRR (all else being equal).

In the short term, a one off increase in inflation (for example, a 10 per cent increase in the ROC price) leads to a ratchet-like increase in portfolio cash flows that lock in for all future years.

Interest rates (and therefore discount rates) are correlated with inflation. It is important to appreciate the inflation linked nature of the portfolio cash flows and that changes in discount rates (associated with changes in interest rates) are broadly offset by changes in inflation.

Returns

Discount rates must increase to reflect the higher interest rate environment.

For the 30 June 2023 NAV, the discount rate was increased by a further 1 per cent. The levered portfolio IRR now stands at 11 per cent. This is now materially higher than at IPO over a decade ago.

Given that the Company's ongoing charges ratio is less than 1 per cent, the net return to investors (assuming investment at NAV) is thus 10 per cent.

The 10 per cent net return is also inflation linked, as described above.

A 10 per cent inflation linked return should be very attractive versus other investment opportunities. The Company's 10 year track record demonstrates relatively low volatility and the historical and projected dividend cover is robust. By investing in operating UK wind farms (higher returning than European or solar generation assets, and lower risk than batteries or development assets), the Company aims to continue to generate consistent superior risk adjusted returns.

A total return of 10 per cent and a dividend yield of 5 per cent would imply NAV growth of 5 per cent. The total return is more important than the dividend yield, which depends on the chosen dividend policy (the Company could have chosen a different combination of dividend yield and NAV growth).

Excess cash generation (dividend cover) is reinvested to drive NAV growth. Therefore the size of dividend cover is important; it is not just a question of "covered or not covered". The business model is self funding and does not rely on further equity issuance.

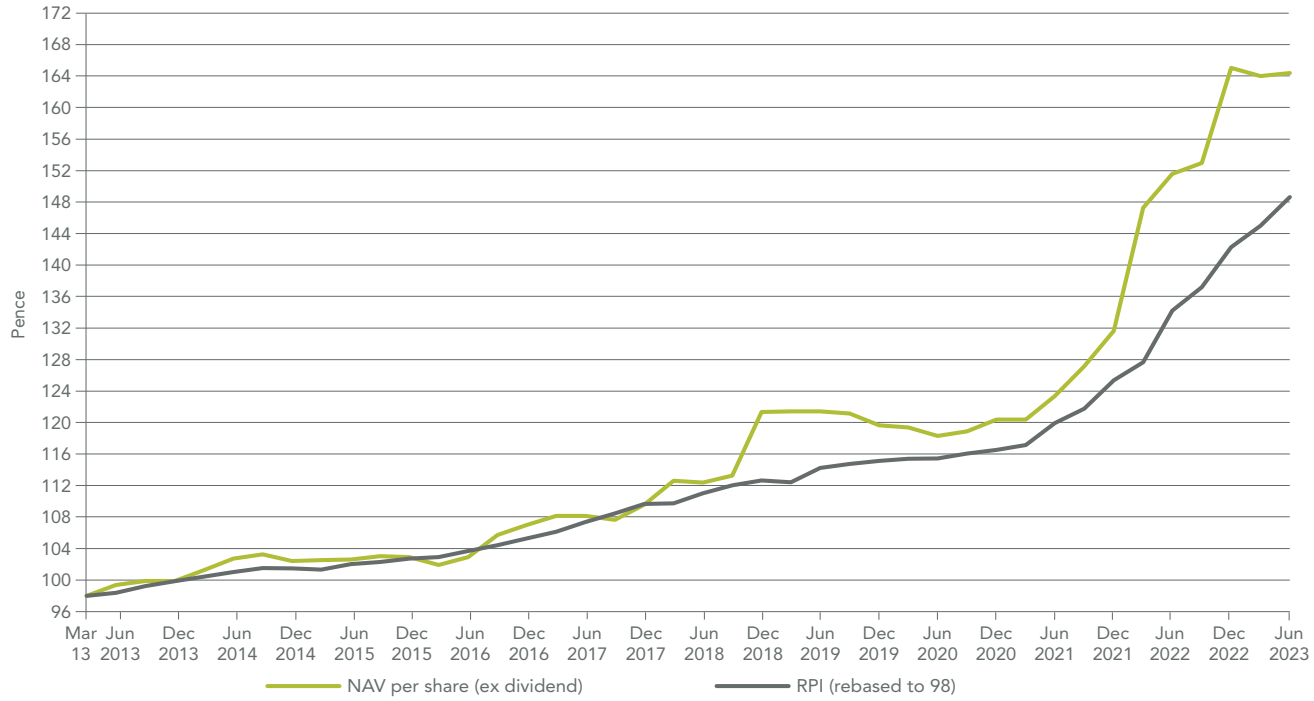
Since IPO, aggregate historical dividend cover has been 2.0x and the Group has reinvested £806 million and has delivered NAV growth significantly in excess of RPI.

Investment Manager's Report continued

Returns continued

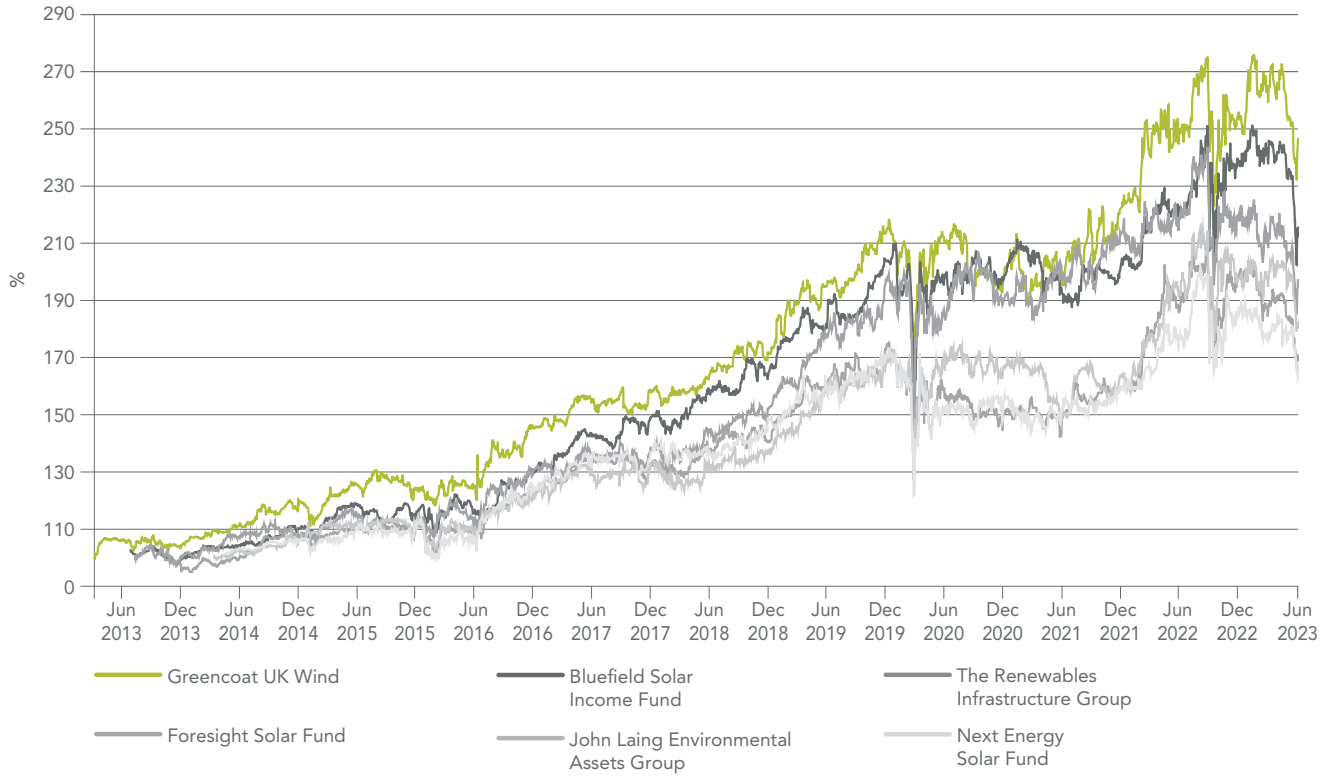
The chart below shows NAV per share versus RPI:

NAV vs RPI



The chart below shows TSR versus market peers:

Total Shareholder Return vs Market Peers *(Bloomberg)*



Investment Manager's Report continued

Outlook

There are currently approximately 29GW of operating UK wind farms (15GW onshore plus 14GW offshore). In monetary terms, the 29GW of operating UK wind farms amounts to approximately £100 billion. The Group's market share is approximately 6 per cent. As at 30 June 2023, the average age of the portfolio was 7 years (versus 5 years at IPO in March 2013).

Given the leading market position of the Group and the Investment Manager, there is no shortage of investment opportunities, further fuelled by the challenging fundraising environment affecting all buyers (in both public and private markets). The Group is very well capitalised and the business model is self funding.

The assumptions underpinning NAV are conservative. The portfolio is robust in the face of downside power price sensitivities and remains exposed to significant upside (power prices, inflation, asset life extension, asset optimisation, new revenue streams, interest rate cycle etc).

The levered portfolio IRR of 11 per cent and net return to investors of 10 per cent should be very attractive versus other investment opportunities. Directors and senior management of the Investment Manager invested £1,645,680 over the period.

In general, the outlook for the Group is extremely encouraging.

Statement of Directors' Responsibilities

The Directors acknowledge responsibility for the interim results and approve this Half Year 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.

Lucinda Riches C.B.E.
Chairman

26 July 2023

Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 June 2023

	Note	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Investment income	3	238,031	323,438
Unrealised movement in fair value of investments	8	(132,574)	258,752
Other income		864	990
Total income and unrealised movement		**106,321**	**583,180**
Operating expenses	4	(18,751)	(16,509)
Investment acquisition costs		(226)	(577)
Operating profit		**87,344**	**566,094**
Finance expense	12	(21,858)	(14,497)
Profit for the period before tax		**65,486**	**551,597**
Tax	5	—	—
Profit for the period after tax		**65,486**	**551,597**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**65,486**	**551,597**
Earnings per share			
Basic and diluted earnings from continuing operations in the period (pence)	6	**2.82**	**23.80**

The accompanying notes on pages 19 to 28 form an integral part of the financial statements.

Condensed Consolidated Statement of Financial Position (unaudited)

As at 30 June 2023

	Note	30 June 2023 £'000	31 December 2022 £'000
Non current assets			
Investments at fair value through profit or loss	8	4,871,286	4,959,312
		4,871,286	**4,959,312**
Current assets			
Receivables	10	2,040	2,487
Cash and cash equivalents		367,360	19,783
		369,400	**22,270**
Current liabilities			
Loans and borrowings	12	—	(150,000)
Payables	11	(6,739)	(8,354)
Net current assets/(liabilities)		**362,661**	**(136,084)**
Non current liabilities			
Loans and borrowings	12	(1,390,000)	(950,000)
Net assets		**3,843,947**	**3,873,228**
Capital and reserves			
Called up share capital	14	23,185	23,181
Share premium account	14	2,471,142	2,470,396
Retained earnings		1,349,620	1,379,651
Total shareholders' funds		**3,843,947**	**3,873,228**
Net assets per share (pence)	15	**165.8**	**167.1**

Authorised for issue by the Board of Greencoat UK Wind PLC (registered number 08318092) on 26 July 2023 and signed on its behalf by:

Lucinda Riches C.B.E.
Chairman

Caoimhe Giblin
Director

The accompanying notes on pages 19 to 28 form an integral part of the financial statements.

Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 June 2023

For the six months ended 30 June 2023	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2023)		23,181	2,470,396	1,379,651	**3,873,228**
Issue of share capital	14	4	746	—	**750**
Profit and total comprehensive income for the period		—	—	65,486	**65,486**
Interim dividends paid in the period	7	—	—	(95,517)	**(95,517)**
Closing net assets attributable to shareholders		**23,185**	**2,471,142**	**1,349,620**	**3,843,947**

The total reserves distributable by way of a dividend as at 30 June 2023 were £768,751,535.

For the six months ended 30 June 2022	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2023)	23,171	2,468,940	601,588	**3,093,699**
Issue of share capital	6	744	—	**750**
Share issue costs	—	(34)	—	**(34)**
Profit and total comprehensive income for the period	—	—	551,597	**551,597**
Interim dividends paid in the period	—	—	(86,326)	**(86,326)**
Closing net assets attributable to shareholders	**23,177**	**2,469,650**	**1,066,859**	**3,559,686**

The total reserves distributable by way of a dividend as at 30 June 2022 were £540,760,772.

The accompanying notes on pages 19 to 28 form an integral part of the financial statements.

Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 June 2023

	Note	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Net cash flows from operating activities	16	**220,152**	**309,426**
Cash flows from investing activities			
Acquisition of investments	8	(55,936)	(70,386)
Investment acquisition costs		(226)	(1,953)
Repayment of shareholder loan investments	8	11,388	5,272
Net cash flows from investing activities		**(44,774)**	**(67,067)**
Cash flows from financing activities			
Payment of issue costs		—	(42)
Amounts drawn down on loan facilities	12	640,000	200,000
Amounts repaid on loan facilities	12	(350,000)	(250,000)
Net finance costs		(22,284)	(11,621)
Dividends paid	7	(95,517)	(86,326)
Net cash flows from financing activities		**172,199**	**(147,989)**
Net increase in cash and cash equivalents during the period		347,577	94,370
Cash and cash equivalents at the beginning of the period		19,783	4,801
Cash and cash equivalents at the end of the period		**367,360**	**99,171**

The accompanying notes on pages 19 to 28 form an integral part of the financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

1. Significant accounting policies

Basis of accounting

The condensed consolidated financial statements included in this Half Year 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 2022 and are expected to continue to apply in the Group's consolidated financial statements for the year ended 31 December 2023.

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 UK adopted international accounting standards.

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 for the year ended 31 December 2022. The audited annual accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies. The audit report thereon was unmodified.

Review

This Half Year 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

As at 30 June 2023, the Group had net current assets of £362.7 million (31 December 2022: net current liabilities of £136.1 million) and cash balances of £367.4 million (31 December 2022: £19.8 million) which are sufficient to meet current obligations as they fall due.

The Directors have reviewed Group forecasts and projections which cover a period of at least 12 months from the date of approval of this report, taking into account foreseeable changes in investment and trading performance, which show that the Group has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this report.

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence until at least July 2024. Accordingly, they continue to adopt the going concern basis in preparing the 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, 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 2023

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 74 of the Company's Annual Report for the year ended 31 December 2022.

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

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Cash Fee	15,777	13,718
Equity Element	750	750
	16,527	**14,468**

As at 30 June 2023, total amounts payable to the Investment Manager were £nil (31 December 2022: £1,364,170).

3. Investment Income

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Dividends received (note 17)	208,286	297,483
Interest on shareholder loan investment received	29,745	25,955
	238,031	**323,438**

4. Operating expenses

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Management fees (note 2)	16,527	14,468
Group and SPV administration fees	608	439
Non-executive Directors' fees	160	178
Other expenses	1,328	1,309
Fees to the Company's Auditor:		
for audit of the statutory financial statements	124	111
for other audit related services	4	4
	18,751	**16,509**

The fees to the Company's Auditor for the period ended 30 June 2023 include £4,290 (30 June 2022: £4,173) payable in relation to a limited review of the Half Year Report and estimated accruals proportioned across the year for the audit of the statutory financial statements.

5. Taxation

Taxable income during the period was offset by management expenses and the tax charge for the period ended 30 June 2023 is £nil (30 June 2022: £nil).

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

6. Earnings per share

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Profit attributable to equity holders of the Company – £'000	65,486	551,597
Weighted average number of ordinary shares in issue	2,318,296,118	2,317,381,121
Basic and diluted earnings from continuing operations in the period (pence)	**2.82**	**23.80**

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 2023	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2022	1.93	44,742
With respect to the quarter ended 31 March 2023	2.19	50,775
	4.12	**95,517**

Interim dividends declared after 30 June 2023 and not accrued in the period	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 30 June 2023	2.19	50,780
	2.19	**50,780**

As disclosed in note 18, on 26 July 2023, the Board approved a dividend of 2.19 pence per share with respect to the quarter ended 30 June 2023, bringing the total dividends declared with respect to the period to 4.38 pence per share. The record date for the dividend is 11 August 2023 and the payment date is 25 August 2023.

8. Investments at fair value through profit or loss

For the period ended 30 June 2023	Loans £'000	Equity interest £'000	Total £'000
Opening balance	1,087,081	3,872,231	**4,959,312**
Additions	45,356	10,580	**55,936**
Repayment of shareholder loan investments (note 17)	(11,388)	—	**(11,388)**
Unrealised movement in fair value of investments	2,521	(135,095)	**(132,574)**
	1,123,570	**3,747,716**	**4,871,286**

For the period ended 30 June 2022	Loans £'000	Equity interest £'000	Total £'000
Opening balance	924,748	3,117,797	**4,042,545**
Additions[1]	50,397	19,831	**70,228**
Repayment of shareholder loan investments	(5,272)	—	**(5,272)**
Unrealised movement in fair value of investments	1,018	257,734	**258,752**
	970,891	**3,395,362**	**4,366,253**

[1] Includes a true-up receivable at Glen Kyllachy of £158k.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

8. Investments at fair value through profit or loss continued

Fair value measurements

As disclosed on pages 78 and 79 of the Company's Annual Report for the year ended 31 December 2022, 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 net present 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 period.

Sensitivity analysis

The fair value of the Group's investments is £4,871,286,111 (31 December 2022: £4,959,311,361). The analysis below is provided 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	Change in input	Change in fair value of investments £'000	Change in NAV per share pence
Discount rate	+ 0.5 per cent	(167,189)	(7.2)
	– 0.5 per cent	176,917	7.6
Inflation	– 0.5 per cent	(166,598)	(7.2)
	+ 0.5 per cent	175,538	7.6
Energy yield	10 year P90	(334,251)	(14.4)
	10 year P10	333,854	14.4
Power price	– 10 per cent	(311,587)	(13.4)
	+ 10 per cent	300,530	13.0
Asset life	– 5 years	(285,671)	(12.3)
	+ 5 years	185,783	8.0

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

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

9. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group acquired during the period. As the Company is regarded as an investment entity under IFRS, this subsidiary has not been consolidated in the preparation of the financial statements:

Investment	Place of business	Ownership interest as at 30 June 2023
Dalquhandy	Scotland	100%

There are no other changes to the unconsolidated subsidiaries or the associates and joint ventures of the Group as disclosed on pages 80 and 81 of the Company's Annual Report for the year ended 31 December 2022.

Guarantees and counter-indemnities provided by the Group during the period on behalf of its investments are as follows:

Provider of security	Investment	Beneficiary	Nature	Purpose	Amount £'000
The Company	Dalquhandy	BT	Guarantee	PPA	5,897
Holdco	Dalquhandy	BayWa	Counter-indemnity	Decommissioning	2,525
					8,422

There were no other material changes to guarantees and counter-indemnities provided by the Group, as disclosed on page 82 of the Company's Annual Report for the year ended 31 December 2022. The fair value of these guarantees and counter-indemnities provided by the Group are considered to be £nil (30 June 2022: £nil).

10. Receivables

	30 June 2023 £'000	31 December 2022 £'000
Amounts due from SPVs	1,222	1,648
VAT receivable	370	527
Prepayments	199	122
Other receivables	249	190
	2,040	**2,487**

11. Payables

	30 June 2023 £'000	31 December 2022 £'000
Loan interest payable	4,905	5,490
Commitment fee payable	564	402
Letter of credit fees payable (note 12)	103	324
Other finance costs payable	208	—
Investment management fee payable	—	1,364
Other payables	959	774
	6,739	**8,354**

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

12. Loans and borrowings

	30 June 2023 £'000	31 December 2022 £'000
Opening balance	1,100,000	950,000
Revolving credit facility		
Drawdowns	—	260,000
Repayments	(200,000)	(310,000)
Term debt facilities		
Drawdowns	640,000	200,000
Repayments	(150,000)	—
Closing balance	**1,390,000**	**1,100,000**
Reconciled as:		
Current liabilities	—	150,000
Non current liabilities	**1,390,000**	950,000

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Loan interest	15,046	11,586
Facility arrangement fees	4,350	—
Commitment fees	1,390	1,748
Letter of credit fees	471	—
Professional fees	467	1,076
Other facility fees	134	87
Finance expense	**21,858**	**14,497**

The loan balance as at 30 June 2023 has not been adjusted to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

There are no changes to the terms of the Company's revolving credit facility as disclosed on page 84 of the Company's Annual Report for the year ended 31 December 2022. As at 30 June 2023, the balance of this facility was £nil (31 December 2022: £200 million), accrued interest was £nil (31 December 2022: £52,675) and the outstanding commitment fee payable was £466,575 (31 December 2022: £401,753).

The Company also has a £100 million letter of credit facility in place with Lloyds, of which £81.2 million was utilised as at 30 June 2023 (31 December 2022: £72.8 million). The fee for this facility is 1.25 per cent of utilised amounts and the fee payable, as at 30 June 2023 was £102,935 (31 December 2022: £324,221).

During the period, the Company entered into new term debt arrangements with ABN AMRO, ANZ, AXA, Barclays and Lloyds, totalling £640 million. Details of the new facilities are outlined in the table below.

On 30 June 2023, the Company prepaid £150 million of term loans maturing in November and December 2023.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

12. Loans and borrowings continued

The Company's term debt facilities and associated interest rate swaps, with various maturity dates, are set out in the below table:

Provider	Maturity date	Loan principal £'000	Loan margin %	Swap rate/SONIA %	All-in rate %
NAB	4 Nov 24	50,000	1.15	1.0610	2.2110
CBA	14 Nov 24	50,000	1.35	0.8075	2.1575
CBA	6 Mar 25	50,000	1.55	1.5265	3.0765
CIBC	3 Nov 25	100,000	1.50	1.5103	3.0103
ANZ	3 May 26	75,000	1.45	5.9240	7.3740
NAB	1 Nov 26	75,000	1.50	1.5980	3.0980
NAB	1 Nov 26	25,000	1.50	0.8425	2.3425
CIBC	14 Nov 26	100,000	1.40	0.8133	2.2133
Lloyds	9 May 27	150,000	1.60	5.6510	7.2510
CBA	4 Nov 27	100,000	1.60	1.3680	2.9680
ABN AMRO	2 May 28	100,000	1.75	5.0430	6.7930
ANZ	3 May 28	75,000	1.75	5.3790	7.1290
Barclays	3 May 28	100,000	1.75	4.9880	6.7380
AXA	31 Jan 30	125,000	—	—	3.0300
AXA	31 Jan 30	75,000	1.70	1.4450	3.1450
AXA	28 Apr 31	25,000	—	—	6.4430
AXA	28 Apr 31	115,000	1.80	5.0000[1]	6.8000
		1,390,000			

[1] Facility pays SONIA as variable rate.

13. Contingencies and commitments

In April 2020, the Group announced that it had agreed to acquire South Kyle wind farm project for a headline consideration of £320 million. The investment is scheduled to complete on 31 August 2023.

In December 2020, the Group entered into an agreement to acquire 49.9 per cent of the Kype Muir Extension wind farm project for a headline consideration of £51.4 million, to be paid once the wind farm is fully operational (target Q3 2023). The Group also agreed to provide construction finance of up to £47 million, of which £44.9 million had been utilised as at 30 June 2023.

The committed investments of South Kyle and Kype Muir Extension were valued at £132.5 million above the investment consideration as at 30 June 2023.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

14. Share capital – ordinary shares of £0.01

Six months to 30 June 2023

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2023		**2,318,089,989**	**23,181**	**2,470,396**	**2,493,577**
Shares issued to the Investment Manager					
3 February 2023	True-up of 2022 and Q1 2023 Equity Element	167,923	2	373	**375**
5 May 2023	Q2 2023 Equity Element	225,441	2	373	**375**
		393,364	4	746	**750**
30 June 2023		**2,318,483,353**	**23,185**	**2,471,142**	**2,494,327**

15. Net assets per share

	30 June 2023	31 December 2022
Net assets – £'000	3,843,947	3,873,228
Number of ordinary shares issued	2,318,483,353	2,318,089,989
Total net assets – pence	**165.8**	**167.1**

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

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Operating profit for the period	87,344	566,094
Adjustments for:		
Unrealised movement in fair value of investments (note 8)	132,574	(258,752)
Investment acquisition costs	226	577
Decrease in receivables	470	1,534
Decrease in payables	(1,212)	(777)
Equity Element of Investment Manager's fee (note 2)	750	750
Net cash flows from operating activities	**220,152**	**309,426**

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

17. Related party transactions

During the period, the Company increased its loan to Holdco by £400,000 (30 June 2022: £411,425) and Holdco settled amounts of £150,647,425 (30 June 2022: £163,866,761). The amount outstanding at the period end was £2,193,467,789 (31 December 2022: £2,343,715,214).

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

	For the six months ended 30 June 2023 £'000	For the six months ended 30 June 2022 £'000
Humber Holdco[1]	30,239	29,722
Clyde	27,038	38,556
Hornsea 1 Holdco[2]	17,921	—
Walney Holdco[3]	11,383	9,366
Stronelairg Holdco[4]	11,189	24,640
Brockaghboy	9,045	9,791
Hoylake[5]	8,156	2,961
ML Wind[6]	7,595	10,241
North Hoyle	7,547	14,186
SYND Holdco[7]	6,969	11,670
Braes of Doune	6,735	14,380
Rhyl Flats	6,237	8,184
Dunmaglass Holdco[8]	5,688	9,362
Little Cheyne Court	4,264	5,412
Fenlands[9]	3,954	11,300
Andershaw	3,482	6,913
Windy Rig	3,244	7,093
Douglas West	3,040	8,644
Tappaghan	2,966	5,933
Maerdy	2,789	5,427
Twentyshilling	2,734	—
Slieve Divena	2,727	4,602
Corriegarth	2,484	17,054
Bishopthorpe	2,395	4,721
Bicker Fen	2,326	4,550
Glen Kyllachy	2,131	2,500
Slieve Divena 2	2,040	3,991
Screggagh	1,930	3,871
Stroupster	1,862	1,000
Crighshane	1,655	4,020
Langhope Rig	1,621	4,924
Cotton Farm	966	1,913
Church Hill	940	3,124
Bin Mountain	908	2,202
Carcant	866	1,909
Kildrummy	616	2,221
Earl's Hall Farm	604	1,100
	208,286	**297,483**

(1) The Group's investment in Humber Gateway is held through Humber Holdco.
(2) The Group's investment in Hornsea 1 is held through Hornsea 1 Holdco.
(3) The Group's investment in Walney is held through Walney Holdco.
(4) The Group's investment in Stronelairg is held through Stronelairg Holdco.
(5) The Group's investment in Burbo Bank Extension is held through Hoylake.
(6) The Group's investments in Middlemoor and Lindhurst are held through ML Wind.
(7) The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.
(8) The Group's investment in Dunmaglass is held through Dunmaglass Holdco.
(9) The Group's investments in Deeping St. Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands.

Notes to the Unaudited Condensed Consolidated Financial Statements continued

For the six months ended 30 June 2023

17. Related party transactions continued

The table below shows the Group's shareholder loans with the wind farm investments.

Windfarm	Loans at 1 January 2023[1] £'000	Loans advanced in the period[2] £'000	Loan repayments in the period £'000	Loans at 30 June 2023 £'000	Accrued interest at 30 June 2023 £'000	Total £'000
Andershaw	32,641	—	(1,466)	31,175	470	**31,645**
Church Hill	13,830	—	(803)	13,027	132	**13,159**
Clyde	71,503	—	—	71,503	965	**72,468**
Corriegarth	42,553	—	—	42,553	420	**42,973**
Crighshane	20,497	—	(662)	19,835	204	**20,039**
Dalquhandy	—	40,878	—	40,878	168	**41,046**
Douglas West	43,248	—	(1,177)	42,071	410	**42,481**
Dunmaglass Holdco[3]	56,864	—	—	56,864	851	**57,715**
Glen Kyllachy	48,776	—	(1,132)	47,644	456	**48,100**
Hornsea 1 Holdco[4]	109,475	—	—	109,475	39	**109,514**
Hoylake[5]	178,120	—	—	178,120	—	**178,120**
Kype Muir Extension	39,415	5,523	—	44,938	—	**44,938**
Slieve Divena 2	21,378	—	(706)	20,672	209	**20,881**
Stronelairg	86,619	—	—	86,619	1,296	**87,915**
Tom nan Clach	73,709	—	(5,442)	68,267	218	**68,485**
Twentyshilling	32,190	—	—	32,190	313	**32,503**
Walney Holdco[6]	172,727	—	—	172,727	1,732	**174,459**
Windy Rig	36,772	—	—	36,772	357	**37,129**
	1,080,317	**46,401**	**(11,388)**	**1,115,330**	**8,240**	**1,123,570**

(1) Excludes accrued interest at 31 December 2022 of £6,763,541.

(2) Includes capitalised interest of £1.05 million for Kype Muir Extension.

(3) The Group's investment in Dunmaglass is held through Dunmaglass Holdco.

(4) The Group's investment in Hornsea 1 is held through Hornsea 1 Holdco.

(5) The Group's investment in Burbo Bank Extension is held through Hoylake.

(6) The Group's investment in Walney is held through Walney Holdco.

18. Subsequent events

On 24 July 2023, the Group announced that, together with other funds managed by the Investment Manager, it would acquire a net 13.7 per cent stake in London Array offshore wind farm for £394 million plus an associated loan investment of £50 million. The transaction is expected to complete on 31 July 2023.

On 26 July 2023, the Board approved a dividend of 2.19 pence per share with respect to the quarter ended June 2023. The record date for the dividend is 11 August 2023 and the payment date is 25 August 2023.

Company Information

Directors (all non-executive)
Lucinda Riches C.B.E *(Chairman)*
Martin McAdam
Caoimhe Giblin
Nick Winser C.B.E.
Jim Smith[1]
Shonaid Jemmett-Page[2]

Investment Manager
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SW1V 1AN

Administrator and Company Secretary
Ocorian Administration (UK) Limited
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Belfast
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Depositary
Ocorian Depositary (UK) Limited
Unit 4, The Legacy Building
Northern Ireland Science Park
Queen's Road
Belfast
BT3 9DT

Registrar
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Registered Company Number
08318092

Registered Office
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EC3M 3BY

Registered Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Joint Broker
RBC Capital Markets
100 Bishopsgate
London
EC2N 4AA

Joint Broker
Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

[1] Appointed to the Board with effect from 1 May 2023.
[2] Retired from the Board with effect from 28 April 2023.

Defined Terms

ABN AMRO means ABN AMRO Bank N.V.

Aggregate Group Debt means the Group's proportionate share of outstanding third party borrowings

AGM means Annual General Meeting of the Company

Alternative Performance Measure means a financial measure other than those defined or specified in the applicable financial reporting framework

Andershaw means Andershaw Wind Power Limited

ANZ means Australia and New Zealand Banking Group Limited

AXA means funds managed by AXA Investment Managers UK Limited

Barclays means Barclays Bank PLC

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

Bicker Fen means Bicker Fen Windfarm Limited

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

Breeze Bidco means Breeze Bidco (TNC) Limited

Brockaghboy means Brockaghboy Windfarm Limited

Burbo Bank Extension means Hoylake Wind Limited, Greencoat Burbo Extension Holding (UK) Limited, Burbo Extension Holding Limited and Burbo Extension 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

CBA means Commonwealth Bank of Australia

CFD means Contract For Difference

Church Hill means Church Hill Wind Farm Limited

CIBC means Canadian Imperial Bank of Commerce

Clyde means Clyde Wind Farm (Scotland) Limited

CO_2 means carbon dioxide

Company means Greencoat UK Wind PLC

Corriegarth means Corriegarth Wind Energy Limited

Cotton Farm means Cotton Farm Wind Farm Limited

CPI means the Consumer Price Index

Crighshane means Crighshane Wind Farm Limited

Dalquhandy means Dalquhandy Wind Farm Limited

Deeping St. Nicholas means Deeping St. Nicholas wind farm

Douglas West means Douglas West Wind Farm Limited

Drone Hill means Drone Hill Wind Farm Limited

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

Dunmaglass means Dunmaglass Holdco and Dunmaglass Wind Farm

Dunmaglass Holdco means Greencoat Dunmaglass Holdco Limited

Dunmaglass Wind Farm means Dunmaglass Wind Farm Limited

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

Fenlands means Fenland Windfarms Limited

GAV means Gross Asset Value

GB means Great Britain consisting of England, Scotland and Wales

Glass Moor means Glass Moor wind farm

Glen Kyllachy means Glen Kyllachy Wind Farm Limited

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

Holdco means Greencoat UK Wind Holdco Limited

Hornsea 1 means Hornsea 1 Holdco and Hornsea 1 Limited

Hornsea 1 Holdco means Jupiter Investor TopCo Limited

Hoylake means Hoylake Wind Limited

Humber Gateway means Humber Holdco and Humber Wind Farm

Humber Holdco means Greencoat Humber Limited

Defined Terms continued

Humber Wind Farm means RWE Renewables UK Humber Wind 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 Schroders Greencoat LLP

IPO means Initial Public Offering

IRR means Internal Rate of Return

Kildrummy means Kildrummy Wind Farm Limited

Kype Muir Extension means Kype Muir Extension Wind Farm

Langhope Rig means Langhope Rig Wind Farm Limited

Lindhurst means Lindhurst Wind Farm

Little Cheyne Court means Little Cheyne Court Wind Farm Limited

London Array means London Array Limited

Lloyds means Lloyds Bank PLC

Maerdy means Maerdy Wind Farm Limited

Middlemoor means Middlemoor Wind Farm

ML Wind means ML Wind LLP

NAB means National Australia Bank

Nanclach means Nanclach Limited

NAV means Net Asset Value

NAV per Share means the Net Asset Value per Ordinary Share

North Hoyle means North Hoyle Wind Farm Limited

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

RBS International means the Royal Bank of Scotland International Limited

Red House means Red House wind farm

Red Tile means Red Tile wind farm

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

ROC means Renewable Obligation Certificate

RPI means the Retail Price Index

Santander means Santander Global Banking and Markets

Screggagh means Screggagh Wind Farm Limited

Sixpenny Wood means Sixpenny Wood Wind Farm Limited

Slieve Divena means Slieve Divena Wind Farm Limited

Slieve Divena 2 means Slieve Divena Wind Farm No. 2 Limited

SONIA means the Sterling Overnight Index Average

South Kyle means South Kyle Wind Farm Limited

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

Stronelairg means Stronelairg Holdco and Stronelairg Wind Farm

Stronelairg Holdco means Greencoat Stronelairg Holdco Limited

Stronelairg Wind Farm means Stronelairg Wind Farm Limited

Stroupster means Stroupster Caithness Wind Farm Limited

SYND Holdco means SYND Holdco Limited

Tappaghan means Tappaghan Wind Farm (NI) Limited

Tom nan Clach means Breeze Bidco and Nanclach

TSR means Total Shareholder Return

Twentyshilling means Twentyshilling Limited

UK means the United Kingdom of Great Britain and Northern Ireland

Walney means Walney Holdco and Walney Wind Farm

Walney Holdco means Greencoat Walney Holdco Limited

Walney Wind Farm means Walney (UK) Offshore Windfarms Limited

Windy Rig means Windy Rig Wind Farm Limited

Yelvertoft means Yelvertoft Wind Farm Limited

Alternative Performance Measures

Performance Measure	Definition
Aggregate Group Debt	The Group's proportionate share of outstanding third party borrowings
GAV	Gross Asset Value
NAV	Net Asset Value
NAV per share	The Net Asset Value per ordinary share
Net cash generation	The operating cash flow of the Group and wind farm SPVs
Total Shareholder Return	The movement in share price, combined with dividends paid, on the assumption that these dividends have been reinvested

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Group were identified in detail in the Company's Annual Report to 31 December 2022, summarised as follows:

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

Also, the principal risks and uncertainties affecting the investee companies were identified in detail in the Company's Annual Report to 31 December 2022, summarised 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 asset life; and
- health and safety and the environment.

The principal risks outlined above remain the most likely to affect the Group and its investee companies in the second half of the year.

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 Year 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.