GREENCOAT
UK WIND

# Greencoat UK Wind PLC
## Annual Report
For the year ended 31 December 2024

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*All capitalised terms are defined in the list of defined terms on pages 123 to 125 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 5,484GWh of renewable electricity.
- Net cash generation (Group and wind farm SPVs) was £278.7 million.
- The Group's portfolio consists of 49 operating wind farm investments and net generating capacity of 2GW as at 31 December 2024.
- Accretive acquisition of a further 15.6 per cent interest in Kype Muir Extension wind farm for £14.25 million from available cash and divestment of 40 per cent interests in Douglas West and Dalquhandy wind farms for £41 million.
- Oversubscribed debt refinancing with existing lenders, which reduced the Company's RCF to £400 million, and refinanced £325 million of near maturing term debt with £425 million of term debt on 5-7 year tenors.
- The Company declared total dividends of 10 pence per share with respect to the year and is targeting a dividend of 10.35 pence per share for 2025 (increased in line with December 2024 RPI).
- The Company bought back 59.2 million of its own shares at an average cost of 137 pence per share.
- Aggregate Group Debt was £2,244 million as at 31 December 2024, equivalent to 39.7 per cent of GAV.

## Key Metrics

| | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|
| Market capitalisation | £2,878.5 million | £3,502.9 million |
| Share price | 127.7 pence | 151.5 pence |
| Dividends with respect to the year | £226.8 million | £231.4 million |
| Dividends with respect to the year per share | 10 pence | 10 pence |
| GAV* | £5,652.7 million | £6,169.0 million |
| NAV* | £3,409.1 million | £3,794.0 million |
| NAV per share* | 151.2 pence | 164.1 pence |
| Total Shareholder Return* | (8.6) per cent | 5.4 per cent |
| Discount to NAV | 15.6 per cent | 7.7 per cent |
| $CO_2$ emissions avoided during the year* | 2.2 million tonnes | 1.9 million tonnes |
| Homes powered during the year* | 2.0 million homes | 1.8 million homes |
| Funds invested in community projects in the year | £5.7 million | £4.4 million |

* Alternative Performance Measures as defined on page 126.

## Defining Characteristics

Greencoat UK Wind PLC was designed for investors from first principles to be simple, transparent and low risk.

- The Group is invested solely in UK wind farms.
- Wind is the most mature and largest scale renewable technology in the UK.
- The UK has a long established regulatory regime, high wind resource and over £100 billion worth of wind farms in operation.
- The Group is wholly independent and thus avoids conflicts of interests in its investment decisions.
- The independent Board is actively involved in key investment decisions and in monitoring the efficient operation of the assets, and works in conjunction with the most experienced investment management team in the sector.
- Low gearing is important to ensure a high level of cash flow stability and higher tolerance to downside sensitivities.
- The Group invests in sterling assets and thus does not incur material currency risk.

# Chairman's Statement

I am pleased to present the Annual Report of Greencoat UK Wind PLC for the year ended 31 December 2024.

The Board and the Investment Manager recognise that this has been a challenging year for shareholders and have been working hard to continue to maximise value for shareholders.

In July we saw the election of a government that is committed to delivering a net zero electricity grid by 2030, which requires the sector to grow two to threefold over the next decade. As the leading financial owner of operational UK wind farms, we are well positioned to be a part of this transformation.

Our net generating capacity is 2GW and last year we generated 5.5TWh of renewable electricity, approximately 2 per cent of the UK's electricity demand.

During 2024, the portfolio generated sufficient electricity to power 2.0 million homes and avoided $CO_2$ emissions of approximately 2.2 million tonnes through the displacement of thermal generation.

## Performance

Portfolio generation for the year was 5,484GWh, 13 per cent below budget owing to low wind and lower availability, with a notable export cable failure at Hornsea 1 in the first half of the year.

Despite lower than budgeted output, net cash generated by the Group and wind farm SPVs was £279 million and underlying dividend cover for the period was 1.3x on £221 million of dividends paid in the year, normalised for the additional dividend of 1.23 pence per share paid in early 2024 for 2023.

With the final dividend for the year, our investors will have received £1,215 million of dividends since listing and reinvested £935 million of excess cash flow generation.

## Dividends and Returns

Declared dividends for the year total 10 pence per share, with the fourth and final quarterly dividend of 2.50 pence per share to be paid on 28 February 2025.

With our continuing strong cash flow and dividend cover we can confidently target a dividend of 10.35 pence per share with respect to 2025, increased in line with December's RPI of 3.5 per cent.

NAV decreased by 12.9 pence per share to 151.2 pence per share, with the most significant movements from power price forecasts, largely seen in the first half, and the results of wind yield analysis, announced with the Q4 NAV on 29 January 2025. As a result of the decrease in the Company's NAV, its TSR for the year ending 31 December 2024 was -8.6 per cent.

Equity markets have continued to be challenging throughout the year, with particular difficulties for investment trusts. Whilst interest rates have started to fall, longer term gilt rates have risen towards the end of year and outflows from the UK stock market have continued, resulting in a reduction in the share price during the year. Some progress has been made to address cost disclosure rules, which have served as an investment disincentive for wealth and retail investors in alternative investment trusts, but a final resolution and implementation has yet to arrive.

The Company has maintained its discount rates at higher levels, with the forecast return to investors being 10 per cent return on NAV (net of all costs). This includes reinvestment of excess cash generation (dividend cover) in addition to the dividends paid. At the share price on 31 December 2024, the return to shareholders is 12.5 per cent. Given the nature of the Company's business, we believe that this return compares well with the 10 year gilt rate, which was 4.5 per cent immediately prior to the date of this report.

Since listing, aggregate historical dividend cover of 1.8x, emanating from a higher return, has enabled the Company to reinvest and grow its NAV considerably more than its peers in addition to generating a higher dividend yield.

## Investment and divestment

During the year, we invested £14.25 million into a further 15.6 per cent interest in Kype Muir Extension from free cash flow, increasing the Group's stake in the wind farm to 65.5 per cent. In December, we completed our first disposals, generating £41 million from the sale of 40 per cent interests in Dalquhandy and Douglas West wind farms. These divestments were made at their prevailing NAVs. Proceeds were used to buy back shares and reduce the Company's drawn Revolving Credit Facility (RCF).

# Chairman's Statement continued

## Investment and divestment continued

The Company has, and will continue, to deliver on its objectives by allocating its capital wisely and to the advantage of its shareholders. The Company has bought back over £100 million of its shares at a discount to NAV since October 2023. Over the next five years, the Company expects that its excess cash generation will exceed £1 billion, and that additional capital will be available through further disposals. The Company has initiated a further share buy back programme of £100 million. Remaining excess capital will be applied dynamically and allocated between further, or accelerated, share buy backs and repaying debt to reduce the Company's gearing level.

## Outlook and Strategy

Wind continues to be the most mature and widely deployed renewable energy technology in the UK (30 per cent of GB electricity generation in 2024).

The change in government during the year has resulted in a significant increase in aspirations for the wind sector and for renewable generation in general. Were the government's targets of doubling onshore and triple offshore wind capacity to be realised by 2030, we estimate an additional £175 billion of investment would be needed.

The Company continues to support the UK Government's commitment to achieve Net Zero by 2050 through acquiring operational wind farms and thereby allowing developers and utilities to recycle their capital into further renewable energy projects, and by demonstrating the attractive long term returns in the industry through our prudent management of wind farms, thereby reducing the cost of capital.

Demand for green electrons continues to strengthen further. The continuing decarbonisation of transport and heating through electrification, as well as green hydrogen production, will require a further 30TWh of renewable electricity per annum by 2030. This represents approximately one tenth of the UK's current annual electrical demand and approximately five times the Group's current annual electrical output.

Our Investment Objective has remained unchanged over the last 12 years since listing: to provide shareholders with an annual dividend that increases in line with RPI inflation while preserving the capital value of the investment portfolio in real terms. Since listing, the dividend has been increased by more than RPI, given the 14.2 per cent increase in 2024, although currently NAV has grown by slightly less than RPI.

Our objective has been achieved through a focused strategy of investing only in wind farms and only in the UK while maintaining a balanced exposure to power prices. Our intention remains to adhere to this core strategy, which we believe will continue to generate market leading returns for investors.

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 regularly reviews its capital allocation policy by considering a range of options to optimise returns to shareholders. In addition to increasing the dividend by more than RPI, and making an additional dividend payment of £29 million in early 2024, the Company has been buying back shares since October 2023. During 2024, the Company bought back 59.2 million shares and at the date of this report has bought back 73.5 million shares at an average cost of 136.8 pence per share.

The Company maintains a disciplined approach to acquisitions, only investing when it is considered to be in the interests of shareholders to do so. During 2024, the Company made an accretive £14.25m follow-on investment in Kype Muir Extension, which offered shareholders better value than an additional buyback of the Company's shares. We continue to pursue opportunistic disposals with a view to generating further capital for allocation to the advantage of the Company's shareholders.

Through strong cash flow and dividend cover, coupled with our disciplined approach to capital allocation, we are confident in our ability to continue to meet the objectives of dividend growth in line with RPI and long term capital preservation in real terms.

## Health and Safety and the Environment

As a responsible investor in operating wind farms, the Company takes its health and safety responsibilities very seriously. We work with our Investment Manager to promote the highest standard of health, safety and environmental management practices in managing our portfolio of investments. Detailed key performance indicators and the results of audits are regularly reviewed by the Board and action taken where necessary. We continue to monitor the standards maintained by the operators of our wind farm investments, to ensure that these are at least in line with the wider industry, while seeking continuous improvement.

# Chairman's Statement continued

## Climate Change and Sustainability

As a Company investing in wind farms, our strategy and activities naturally make a positive contribution towards the worldwide goal of achieving a net zero carbon emissions economy and limiting global warming to 1.5°C. The Company also considers the recommendations of the Taskforce for Climate-related Financial Disclosures ("TCFD"). Detailed disclosures can be found in the Strategic Report on pages 30 to 36.

The Company is an Article 9 fund under the EU Sustainable Financial Disclosure Regulation ("SFDR"). The Company's Investment Policy supports the environmental objective of climate change mitigation that helps to facilitate the transition to a low carbon economy. The Company will continue to provide periodic reporting as required under Article 9 of the SFDR in its Annual Report.

In 2024, following an assessment of the final FCA Sustainability Disclosure Requirement ("SDR") rules by the Investment Manager, the Board approved the adoption of the Sustainability Focus label, reflecting the Company's Investment Objective to invest mostly in operating wind farms. Through investing in wind farms, the Company generates renewable electricity that helps to facilitate the transition to a low carbon economy and contributes to the environmental objective of climate change mitigation.

## The Board, Governance and Executive Management

On 1 March 2024, Abigail Rotheroe joined the Board. Abigail brought with her extensive experience in the investment and asset management industry, with a focus on ESG.

On 1 February 2025, Taraneh Azad joined the Board. Taraneh brings with her experience in global energy markets and strategic insight into sustainability and energy transition.

Both Abigail and Taraneh bring experience that complements and broadens the skillset of the Board.

At the Company's AGM on 24 April 2024, Martin McAdam retired from the Company and on behalf of the Board, I would like to thank him for his services as a non-executive Director since his appointment in 2015 and for his wisdom and insight.

The annual internal evaluation of the Board raised no significant issues. The Group's governance is further described in the Corporate Governance Report on pages 49 to 54.

We have also announced that Stephen Lilley will be stepping down from leading the Investment Manager after the AGM on 24 April 2025. At that point, Matt Ridley will be joined by Steve Packwood, as investment managers of the Company. The Board would like to thank Stephen for his vision, judgement and unwavering commitment to list, manage and grow the Company over the last 12 years and look forward to continuing to work alongside Matt and Steve as the Company continues to develop.

We also recently announced that we have agreed a change in the way that we remunerate the Investment Manager. Given that the shares have traded at a discount for some time now, we believed that it was appropriate that the Investment Management fee was linked to the value of the shares managed, so we changed the basis of remuneration to the lower of market capitalisation and NAV. This change took effect at the beginning of 2025. In addition to fostering even stronger alignment with the Company's shareholders, the revision in fee structure demonstrates sector leadership and strong corporate governance.

The Board and Investment Manager are keen to demonstrate their commitment to making the right decisions for shareholders.

## Annual General Meeting

At the AGM on 24 April 2024, the Company held a Continuation Vote as a consequence of trading at an average discount to NAV of 10.5 per cent over the 12 month period ending 31 December 2023, with 11 per cent of shareholders voting in favour of discontinuation, therefore, the resolution confirmed continuation. I reiterate my gratitude to shareholders for their continued support of the Company on behalf of the Board and the Investment Manager.

Given the shares have traded at a discount greater than 10 per cent on average during 2024, a continuation vote with also be held at the AGM, which will take place at 4pm on 24 April 2025 at the office of the Investment Manager.

Details of the formal business of the meeting are set out in a separate circular which is sent to shareholders with the Annual Report.

**Lucinda Riches C.B.E.**
*Chairman*

26 February 2025

# Investment Manager's Report

## The Investment Manager

The investment management team covers all the skills and experience required to manage the Group: investment, ownership, finance and operation. The Investment Manager is authorised and regulated by the Financial Conduct Authority and is a full scope UK AIFM.

The team is led by Stephen Lilley and Matt Ridley.

As part of a phased succession process from the Company's founders, Stephen Lilley will be stepping down after the AGM on 24 April 2025. Matt Ridley will be joined by Steve Packwood as investment managers of the business.

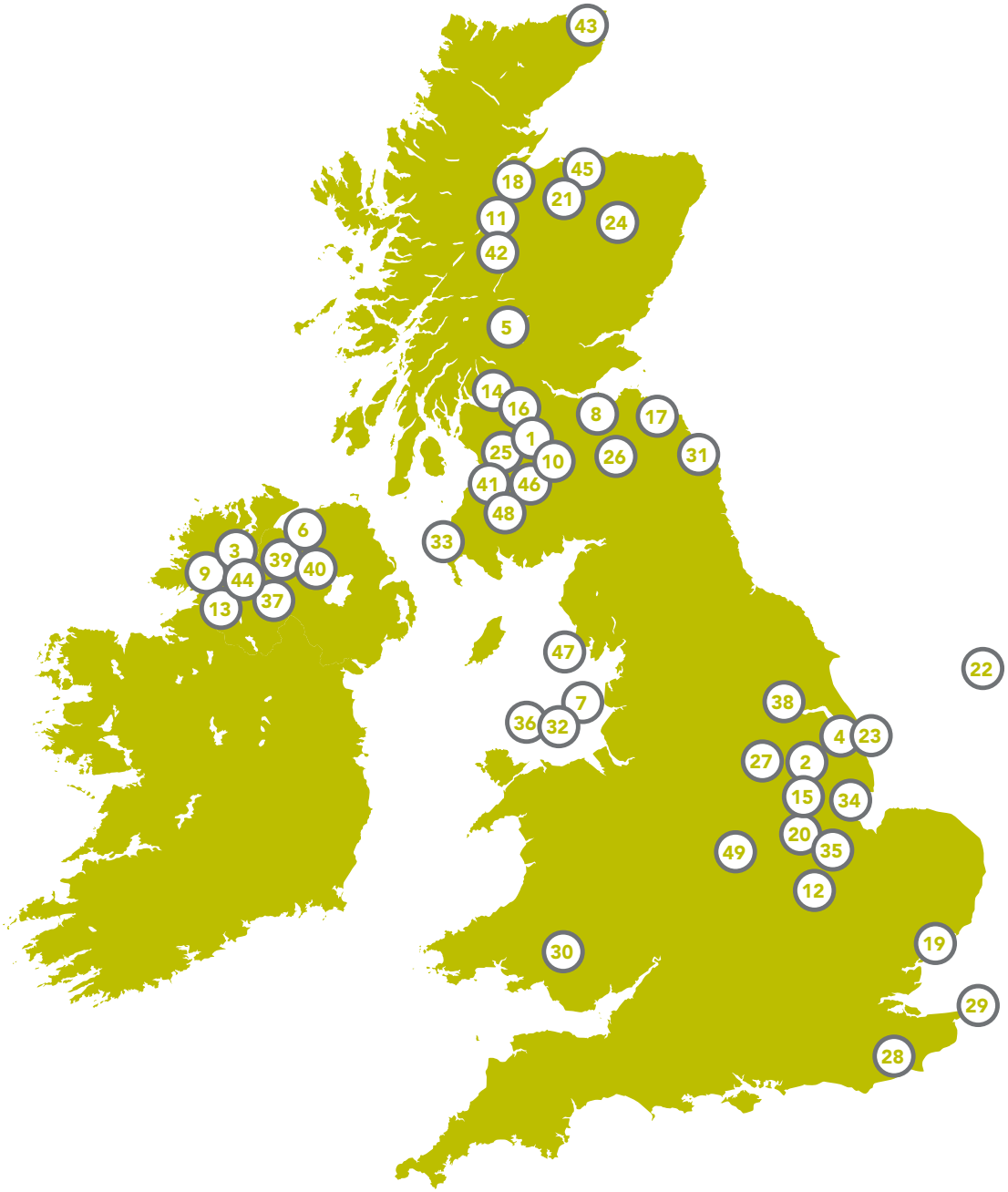
Steve brings a broad experience in the renewables industry including the development, construction, financing and operations of wind farms across Europe.

The other key figures in the Investment Manager's team dedicated to managing the Company remain unchanged, and the majority of the team have been involved in the management of the Group for over 6 years. The investment management team has breadth and depth, with core competencies across investment, asset management and finance, and is supported by the 120 strong wider team within the Investment Manager.

# Investment Manager's Report continued

## Investment Portfolio

As at 31 December 2024, the Group owned investments in a diversified portfolio of 49 operating UK wind farms totalling 1,983MW.



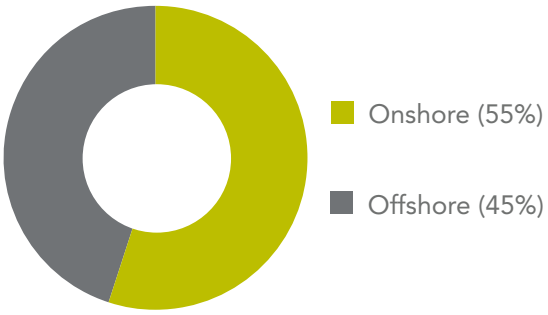

1 Andershaw
2 Bicker Fen
3 Bin Mountain
4 Bishopthorpe
5 Braes of Doune
6 Brockaghboy
7 Burbo Bank Extension
8 Carcant
9 Church Hill
10 Clyde
11 Corriegarth
12 Cotton Farm
13 Crighshane
14 Dalquhandy
15 Deeping St. Nicholas
16 Douglas West
17 Drone Hill
18 Dunmaglass
19 Earl's Hall Farm
20 Glass Moor
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

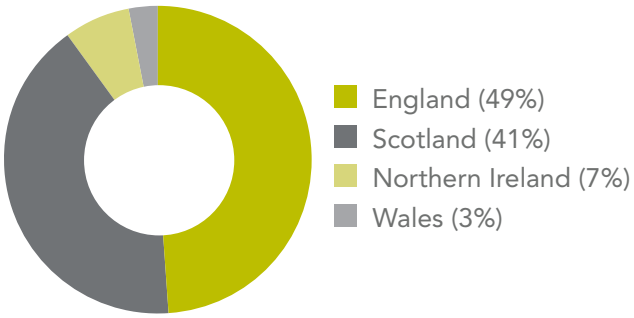
## Investment Portfolio continued

Breakdown of operating portfolio by value as at 31 December 2024:

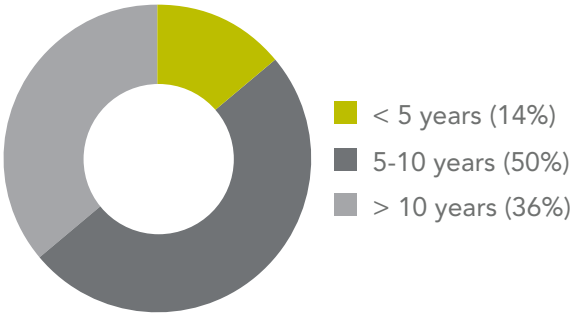
### Onshore/Offshore



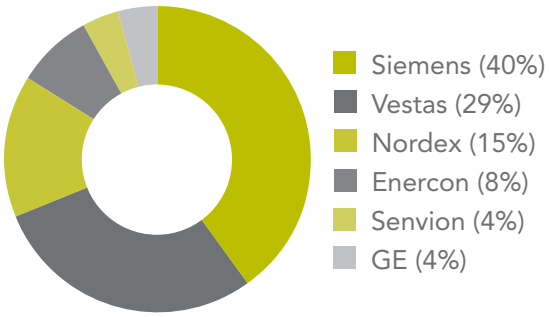

### Geography



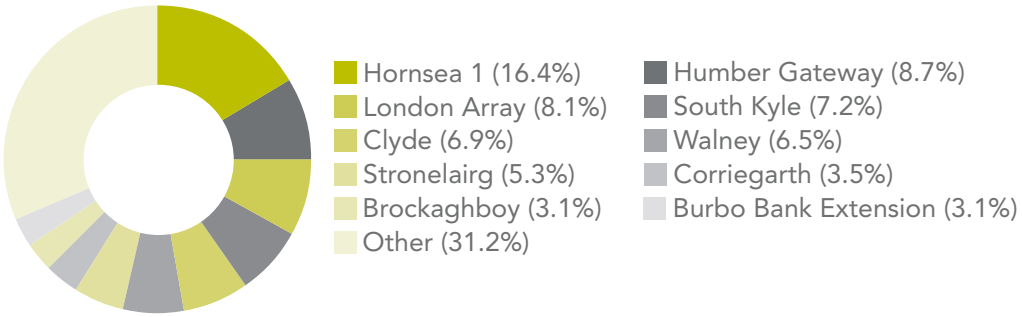

### Asset Age




### Turbine Manufacturer




### Assets




## Asset Management

The Group operates a sizeable and diverse portfolio of 49 assets with net generating capacity of 2GW. The Investment Manager has an experienced and specialist asset management team, which has expanded considerably as the portfolio has grown. The team focuses on the safe and optimal performance of the Group's assets, as well as ensuring the delivery of the Company's long term investment case. The team continues to move forward several key initiatives to optimise the performance of the Group's assets, creating long term value for shareholders. Initiatives include, for instance, lease extensions, turbine performance upgrades, and revenue and operating cost optimisation. Together these initiatives have, since 2016, added approximately £143 million to NAV.

# Investment Manager's Report continued

## Operating and Financial Performance

Portfolio generation in the year was 5,484GWh, 13 per cent below budget owing to low wind.

The following table shows wind speed and portfolio generation since IPO:

| | UK weighted average wind speed (variation to long term mean)[1] | Generation (variation to budget)[2] |
|---|---|---|
| 2013 (adjusted) | +3% | +12% |
| 2014 | -2% | 1% |
| 2015 | +5% | +15% |
| 2016 | -4% | -2% |
| 2017 | 1% | -1% |
| 2018 | -2% | -2% |
| 2019 | -6% | -7% |
| 2020 | +4% | -1% |
| 2021 | -10% | -19% |
| 2022 | -3% | -3% |
| 2023 | -5% | -11% |
| 2024 | -3% | -11% |

(1) Current year and historical figures updated against an updated 20 year average long term mean.

(2) Current year and historical budget figures adjusted to reflect current P50 estimates.

The portfolio's generating budget is a long term (30 years) estimation. The annual standard deviation of wind speed is 6 per cent and the annual standard deviation of generation is 10 per cent (less than 2 per cent over 30 years).

The Company periodically reviews the portfolio's energy yield estimates and decided to harmonise the data set used in long term wind speed correlation in conjunction with an expert third party. This has also added a number of recent years to the correlation data which, as can been seen in the table above, are lower than long term average UK wind speeds. This has served to lower the long term average, resulting in a 2.4 per cent reduction in long term generation expectations.

Net cash generated by the Group and wind farm SPVs was £278.7 million and dividend cover for the year was 1.3x.

| Group and wind farm SPV cash flows | For the year ended 31 December 2024 £'000 |
|---|---|
| Net cash generation[1] | 278,724 |
| Dividends paid | (249,777) |
| Net disposals[2] | 25,045 |
| Transaction costs | (522) |
| Share buybacks | (80,418) |
| Share buyback costs | (521) |
| Net amounts drawn under debt facilities | (30,000) |
| Upfront finance costs | (8,721) |
| **Movement in cash (Group and wind farm SPVs)** | **(66,190)** |
| Opening cash balance (Group and wind farm SPVs) | 221,217 |
| **Closing cash balance (Group and wind farm SPVs)** | **155,027** |
| Net cash generation | 278,724 |
| Dividends[3] | 221,176 |
| Dividend cover | 1.3x |

(1) Alternative Performance Measure defined with comparative information on page 126.

(2) Includes net cash acquired and disposed.

(3) Dividends adjusted by £28,601k for additional dividends paid to bring the 2023 dividend to 10 pence per share.

# Investment Manager's Report continued

## Operating and Financial Performance continued

The following tables provide further detail in relation to net cash generation of £278.7 million:

| Net Cash Generation – Breakdown [1] | For the year ended 31 December 2024 £'000 |
|---|---|
| Revenue | 771,106 |
| Operating expenses | (216,436) |
| Tax | (66,690) |
| SPV level debt interest | (17,758) |
| SPV level debt amortisation | (62,726) |
| Other | (8,116) |
| **Wind farm cash flow** | **399,380** |
| Management fee | (30,522) |
| Operating expenses | (3,169) |
| Ongoing finance costs | (92,224) |
| Other | 6,582 |
| **Group cash flow** | **(119,333)** |
| VAT (Group and wind farm SPVs) | (1,323) |
| **Net cash generation** | **278,724** |

[1] Alternative Performance Measure defined with comparative information on page 126.

| Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities [1] | For the year ended 31 December 2024 £'000 |
|---|---|
| Net cash flows from operating activities [2] | 391,011 |
| Movement in cash balances of wind farm SPVs [3] | (21,722) |
| Movement in security cash deposits [4] | (26,779) |
| Repayment of shareholder loan investment [2] | 28,439 |
| Finance costs [2] | (100,946) |
| Upfront finance costs [5] | 8,721 |
| **Net cash generation** | **278,724** |

[1] Alternative Performance Measure defined with comparative information on page 126.
[2] Consolidated Statement of Cash Flows.
[3] Includes net cash acquired and disposed.
[4] Note 11 to the Consolidated Financial Statements.
[5] £7,725k facility arrangement fees plus £1,216k professional fees plus £3,374k swap termination fees less £3,594k income on swap termination per Note 13 to the Consolidated Financial Statements.

*South Kyle*

# Investment Manager's Report continued

## Investment and Gearing

The Investment Manager believes that there should continue to be further opportunities for investments that are beneficial to shareholders in the medium and long term. The Company will maintain its disciplined approach to acquisitions, and, at present, expects only to invest in further assets when it is considered to be more accretive than buying back shares, or repaying debt.

The Company continued its £100 million share buyback programme, having now repurchased 65.8 million shares as of 31 December 2024, at an average cost of 138 pence per share. The Company will initiate a further share buyback programme of at least £100 million. Remaining excess capital will be applied dynamically and allocated between further, or accelerated, share buybacks and repaying debt to reduce the Company's gearing level.

The Company recently announced its first disposal of a 40 per cent stake in Dalquhandy and Douglas West, and continues to progress further disposals, with the aim of generating further capital to deploy to the advantage of its shareholders. In the near term, any disposal proceeds would be expected to repay the Company's RCF.

As at 31 December 2024, Aggregate Group Debt was £2,244 million, comprising £1,464 million[1] of term debt at Company level, £270 million drawn under the Company's RCF plus £510 million being the Group's share of limited recourse debt in Hornsea 1. Cash balances (Group and wind farm SPVs) as at 31 December 2024 were £155 million.

Gearing as at 31 December 2024 was 39.7 per cent of GAV, with a weighted cost of debt of 4.68 per cent across a spread of maturities (November 2026 to March 2036):

| Facility | Maturity date | Loan principal £'000 | Loan margin % | Swap rate/SONIA % | All-in rate % | Fair Value of Swap £'000 |
|---|---|---|---|---|---|---|
| RCF | 26 Sep 27 | 270,000 | 1.5000 | 4.8500[2] | 6.3500 | — |
| NAB | 1 Nov 26 | 75,000 | 1.5000 | 1.5980 | 3.0980 | (4,050) |
| NAB | 1 Nov 26 | 25,000 | 1.5000 | 0.8425 | 2.3425 | (1,711) |
| CIBC | 14 Nov 26 | 100,000 | 1.4000 | 0.8133 | 2.2133 | (6,937) |
| Lloyds | 9 May 27 | 150,000 | 1.6000 | 5.7360 | 7.3360 | 5,165 |
| CBA | 4 Nov 27 | 100,000 | 1.6000 | 1.3680 | 2.9680 | (8,204) |
| ABN AMRO | 2 May 28 | 100,000 | 1.7500 | 5.1330 | 6.8830 | 3,214 |
| Virgin Money | 3 May 28 | 50,000 | 1.7500 | 5.0880 | 6.8380 | 1,531[3] |
| Barclays | 3 May 28 | 25,000 | 1.7500 | 5.0880 | 6.8380 | 766 |
| ANZ | 3 May 28 | 75,000 | 1.7500 | 5.4750 | 7.2250 | 3,106 |
| NAB | 26 Sep 29 | 100,000 | 1.5500 | 3.6660 | 5.2160 | (1,991) |
| ANZ | 26 Sep 29 | 75,000 | 1.6000 | 3.6412 | 5.2412 | (1,601) |
| AXA | 31 Jan 30 | 125,000 | — | — | 3.0300 | — |
| AXA | 31 Jan 30 | 75,000 | 1.7000 | 1.4450 | 3.1450 | (9,938)[4] |
| CBA | 26 Sep 30 | 150,000 | 1.6500 | 3.6300 | 5.2800 | (3,290) |
| AXA | 28 Apr 31 | 25,000 | — | — | 6.4300 | — |
| AXA | 28 Apr 31 | 115,000 | 1.8000 | 4.8500[2] | 6.5000 | — |
| AXA | 26 Sep 31 | 25,000 | — | — | 5.4420 | — |
| CIBC | 26 Sep 31 | 100,000 | 1.7500 | 3.6545 | 5.4045 | (2,276) |
| Hornsea 1[5] | 31 Mar 36 | 509,849 | — | — | 2.6000 | — |
| | | **2,269,849** | | **Weighted average** | **4.6770** | **(26,217)** |

(1) Term debt comprises £1,490 million of loan facilities less £26 million relating to the fair value of interest rate swaps held at Group level.

(2) Facility pays SONIA as variable rate.

(3) Virgin Money debt tranche with Barclays swap.

(4) AXA debt tranche with an NAB swap.

(5) Reflecting the fair value of debt at SPV level, which is not included in the Consolidated Statement of Financial Position.

# Investment Manager's Report continued

## Investment and Gearing continued

The Group completed a £725 million refinancing of its RCF and near maturing term loans in September 2024 with its existing set of lenders. The process also involved migrating all lenders to a Common Terms Agreement, which provides the Group with a consistent set of terms across its facilities.

The Company reduced the size of its RCF to £400 million (down from £600 million), of which £270 million was drawn at 31 December 2024 and refinanced £325 million of term loans that were due to expire between November 2024 and May 2026. The Company's next maturing term facility expires in November 2026.

As part of the debt refinancing, the Company migrated its interest rate swaps to Holdco. As a result, the Company is no longer required to cash collateralise against any unfavourable positions of its interest rates swaps, which was beneficial to the Company's use of capital. A further consequence is that the Group must now reflect the fair value of its interest rate swaps in its Aggregate Group Debt for its NAV calculation as well as within its loans and borrowings on its Consolidated Statement of Financial Position.

## Net Asset Value

The following table sets out the movement in NAV from 31 December 2023 to 31 December 2024:

| | £'000 | Pence per share |
|---|---|---|
| **NAV as at 31 December 2023** | **3,793,997** | **164.1** |
| Net cash generation | 278,724 | 12.4 |
| Dividend | (249,777) | (11.1) |
| Depreciation | (58,484) | (2.6) |
| Power price | (116,616) | (5.2) |
| Inflation | (31,765) | (1.4) |
| Energy yield | (146,844) | (6.5) |
| Movements in fair value of debt | 26,217 | 1.2 |
| Share buybacks | (80,939) | 0.6 |
| Accretive investment | 5,494 | 0.2 |
| Other [1] | (10,903) | (0.5) |
| **NAV as at 31 December 2024** | **3,409,104** | **151.2** |

[1] Includes annual budget updates and debt refinancing cashflows.

## Reconciliation of Statutory Net Assets to Reported NAV

| | As at 31 December 2024 £'000 | As at 31 December 2023 £'000 |
|---|---|---|
| Operating portfolio | 5,516,201 | 5,964,343 |
| Cash (wind farm SPVs) | 135,892 | 159,293 |
| **Fair value of investments** [1] | **5,652,093** | **6,123,636** |
| Cash (Group) | 19,135 | 21,805 |
| Other relevant assets/(liabilities) | (18,492) | 23,556 |
| **GAV** | **5,652,736** | **6,168,997** |
| Aggregate Group Debt [1] | (2,243,632) | (2,375,000) |
| **NAV** | **3,409,104** | **3,793,997** |
| Reconciling items | — | — |
| **Statutory net assets** | **3,409,104** | **3,793,997** |
| Shares in issue | 2,254,109,306 | 2,312,131,799 |
| **NAV per share (pence)** | **151.2** | **164.1** |

[1] Includes limited recourse debt of £510 million at Hornsea 1, not included in the Consolidated Statement of Financial Position.

# Investment Manager's Report continued

### Health and Safety and the Environment

Health and safety is of key importance to both the Company and the Investment Manager.

The Investment Manager is an active member of SafetyOn, the UK's leading health and safety focused organisation for the onshore wind industry. The Investment Manager also has its own health and safety forum, chaired by Stephen Lilley, where best practice is discussed and key learnings from incidents across the industry are shared.

During the year, routine health and safety audits were conducted across 13 sites by an independent consultant. In addition, the Investment Manager undertook 44 safety walks. No material areas of concern were identified from all audits and safety walks performed in the year.

The Company has continued to contribute to local community funds and to invest in a range of local environmental and social projects. In addition, the Company has funded a £250,000 programme to advance knowledge on blade recycling and repurposing. During the year, the 'Added Value Coatings' research project concluded and identified that successful grinding of recycled materials could be added to new turbine materials without compromising the physical properties of the blades.

During 2024, the portfolio powered approximately 2.0 million homes and avoided the emission of approximately 2.2 million tonnes of $CO_2$.

### 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 31 December 2024.

A discount of 10-20 per cent is applied to power price assumptions in all years to reflect the fact that wind generation typically captures a lower price than the base load power price. During the year, the portfolio captured an average price of £64.64/MWh versus an average N2EX index price of £72.45/MWh (11 per cent discount).

In addition to the above capture 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 on the following page sets out the terms of each PPA.

*Stronelairg*

# Investment Manager's Report continued

## Power Price continued

| | | | | Power | | | ROC | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Wind Farm | Ownership Stake | Net MW | Net GWh | Offtaker | Price | Expiry | ROC/ MWh | ROC end date | Offtaker (Buy Out) | Price | Price (Recycle) | Expiry |
| Andershaw | 100% | 35.0 | 97.8 | Statkraft | £5.23/MWh fee | 28-Feb-37 | 0.9 | 28-Feb-37 | Statkraft | 93.0% | 95.0% | 28-Feb-37 |
| Bicker Fen | 80% | 21.3 | 42.9 | EDF | 93.5% | 31-Mar-27 | 1.0 | 31-Jul-28 | EDF | 93.0% | 100.0% | 31-Mar-27 |
| Bin Mountain | 100% | 9.0 | 20.3 | SSE | 95% + £2.80/MWh fee | 18-Jan-28 | 1.0 | 31-Mar-27 | SSE/E.On | 90.0% | 90.0% | 18-Jan-28 |
| Bishopthorpe | 100% | 16.4 | 46.4 | Axpo | 95.0% | 31-May-37 | 0.9 | 28-Feb-37 | Axpo | 95.0% | 95.0% | 31-May-37 |
| Braes of Doune | 100% | 72.0 | 160.2 | Erova | 98.75% | 11-Jul-37 | 1.0 | 31-Mar-27 | Total | 98.5% | 100.0% | 31-Mar-27 |
| Brockaghboy | 100% | 47.5 | 160.6 | SSE | 96% + £2.80/MWh fee | 28-Feb-28 | 0.9 | 31-Jul-37 | SSE | 95.0% | 95.0% | 28-Feb-33 |
| Burbo Bank Extension | 15.7% | 40.4 | 146.3 | CFD | £208.35/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 | 98.5% | 100.0% | 31-Mar-27 |
| Church Hill | 100% | 18.4 | 35.4 | Energia | 91.0% | 31-Jul-30 | 1.0 | 30-Apr-32 | Energia | 90.0% | 90.0% | 31-Jul-30 |
| Clyde | 28.2% | 147.3 | 457.3 | SSE | 94.0% | 31-Dec-31 | 1.0 | 10-Sep-33 | SSE | 93.0% | 94.0% | 31-Dec-31 |
| Corriegarth | 100% | 69.5 | 209.0 | Centrica | £4.29/MWh fee | 14-May-32 | 0.9 | 30-Sep-36 | Centrica | 95.0% | 75.0% | 14-May-32 |
| Cotton Farm | 100% | 16.4 | 48.0 | Sainsbury's | £60/MWh fixed | 01-Mar-28 | 1.0 | 31-Jan-33 | Sainsbury's | 94.0% | 100.0% | 01-May-28 |
| Crighshane | 100% | 32.2 | 59.1 | Energia | 91.0% | 31-Jul-30 | 1.0 | 31-May-32 | Energia | 90.0% | 90.0% | 31-Jul-30 |
| Dalquhandy | 60% | 25.2 | 61.2 | BT | £65.60/MWh fixed for 80% volume £4.15/MWh fee for 20% volume | 31-Dec-32 | n/a | n/a | n/a | n/a | n/a | n/a |
| Deeping St. Nicholas | 80% | 13.1 | 30.0 | EDF | 93.5% | 31-Mar-27 | 1.0 | 31-Mar-27 | EDF | 93.0% | 100.0% | 31-Mar-27 |
| Douglas West | 60% | 27.0 | 68.9 | 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 | 27.0 | Statkraft | £6.08/MWh fee | 31-Dec-38 | 1.0 | 29-Feb-32 | Statkraft | 90.0% | 92.0% | 31-Dec-38 |
| Dunmaglass | 35.5% | 33.4 | 129.9 | SSE | 95.0% | 28-Mar-24 | 0.9 | 30-Sep-36 | SSE | 95.0% | 95.0% | 28-Mar-34 |
| Earl's Hall Farm | 100% | 10.3 | 29.8 | Sainsbury's | £60/MWh fixed | 31-Mar-28 | 1.0 | 31-Jan-33 | Sainsbury's | 94.0% | 100.0% | 31-Mar-28 |
| Glass Moor | 80% | 13.1 | 27.0 | EDF | 93.5% | 31-Mar-27 | 1.0 | 31-Mar-27 | EDF | 93.0% | 100.0% | 31-Mar-27 |
| Glen Kyllachy | 100% | 48.5 | 138.3 | Tesco | £42.49/MWh + CPI for 50% volume £1.50/MWh+ CPI fee for 50% volume | 31-Dec-36 | n/a | n/a | n/a | n/a | n/a | n/a |
| Hornsea 1 | 12.5% | 150.0 | 661.9 | CFD | £194.31/MWh + CPI | 31-Mar-36 | n/a | n/a | n/a | n/a | n/a | n/a |
| Humber Gateway | 37.8% | 82.8 | 310.8 | E.On | 96.0% +£13.70/MWh fee | 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-Jun-28 | 1.0 | 28-Feb-33 | Sainsbury's | 94.0% | 100.0% | 10-Jun-28 |
| Kype Muir Extension | 65.5% | 44.0 | 145.7 | SSE | £55.17/MWh fixed + CPI for 200GWh | 31-Dec-37 | n/a | n/a | n/a | n/a | n/a | n/a |
| Langhope Rig | 100% | 16.0 | 47.0 | Centrica | £4.05/MWh fee | 06-Jan-31 | 0.9 | 31-Mar-35 | Centrica | 95.0% | 75.0% | 06-Jan-31 |
| Lindhurst | 49% | 4.4 | 10.9 | RWE | 94.0% | 08-Nov-28 | 1.0 | 30-Sep-30 | RWE | 90.0% | 90.0% | 08-Nov-28 |
| Little Cheyne Court | 41% | 24.5 | 58.7 | RWE | 94.0% | 31-Dec-27 | 1.0 | 30-Nov-28 | RWE | 90.0% | 90.0% | 31-Dec-27 |
| London Array | 13.7% | 86.4 | 307.8 | Orsted | £75/MWh fixed | 31-Dec-25 | 2.0 | 31-Dec-32 | Orsted | 95.0% | 100.0% | 31-Dec-25 |
| Maerdy | 100% | 24.0 | 57.2 | Statkraft | £6.08/MWh fee | 31-Dec-38 | 1.0 | 31-Mar-33 | Statkraft | 90.0% | 92.0% | 31-Dec-38 |
| Middlemoor | 49% | 26.5 | 66.1 | RWE | 94.0% | 08-Nov-28 | 1.0 | 30-Jun-33 | RWE | 90.0% | 90.0% | 08-Nov-28 |
| North Hoyle | 100% | 60.0 | 172.3 | 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 | 37.5 | Constellation | 97.5% | 31-Dec-29 | 1.0 | 31-Dec-29 | Total | 98.5% | 100.0% | 31-Mar-27 |
| Red House | 80% | 9.8 | 21.8 | EDF | 93.5% | 31-Mar-27 | 1.0 | 31-Jul-28 | EDF | 93.0% | 100.0% | 31-Mar-27 |
| Red Tile | 80% | 19.7 | 41.1 | 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 | 70.5 | RWE | 90.0% | 31-Dec-27 | 1.5 | 31-Jul-29 | RWE | 90.0% | 90.0% | 31-Dec-27 |
| Screggagh | 100% | 20.0 | 42.3 | Energia | 85.0% | 31-May-29 | 1.0 | 31-Jan-31 | Energia | 85.0% | 85.0% | 31-May-29 |
| Sixpenny Wood | 51.6% | 10.6 | 25.3 | Statkraft | £6.08/MWh fee | 31-Dec-38 | 1.0 | 31-Mar-33 | Statkraft | 90.0% | 90.0% | 31-Dec-38 |
| Slieve Divena | 100% | 30.0 | 50.2 | SSE | 90% + £2.80/MWh fee | 17-Nov-28 | 1.0 | 30-Nov-28 | SSE/EDF | 90.0% | 90.0% | 17-Nov-28 |
| Slieve Divena 2 | 100% | 18.8 | 47.7 | SSE | 95% + £2.80/MWh fee | 31-Mar-37 | 0.9 | 28-Feb-37 | SSE | 95.0% | 95.0% | 31-Mar-37 |
| South Kyle | 100% | 235.0 | 665.6 | Vattenfall | 100% + £1.90/MWh fee + CPI | 01-Nov-38 | n/a | n/a | n/a | n/a | n/a | n/a |
| Stronelairg | 35.5% | 80.9 | 294.1 | SSE | 95.0% | 31-Jul-37 | 0.9 | 31-Mar-38 | SSE | 95.0% | 95.0% | 28-Mar-34 |
| Stroupster | 100% | 29.9 | 88.4 | BT | 87.0% | 31-Oct-30 | 0.9 | 31-Aug-35 | BT | 92.0% | 100.0% | 31-Oct-30 |
| Tappaghan | 100% | 28.5 | 61.4 | SSE | 95% + £2.80/MWh fee | 18-Jan-28 | 1.0 | 30-Jun-29 | SSE/E.On | 90.0% | 90.0% | 18-Jan-28 |
| Tom nan Clach | 75% | 30.0 | 121.1 | 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 | 357.6 | Total | 97.0% | 30-Jun-26 | 2.0 | 31-Aug-31 | Total | 98.5% | 100.0% | 30-Jun-26 |
| Windy Rig | 100% | 43.2 | 141.1 | 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 | 20.6 | Statkraft | £6.08/MWh fee | 31-Dec-38 | 1.0 | 31-Mar-33 | Statkraft | 90.0% | 90.0% | 31-Dec-38 |
| | | **1,982.4** | **6,118.1** | | | | | | | | | |

# Investment Manager's Report continued

## Power Price continued

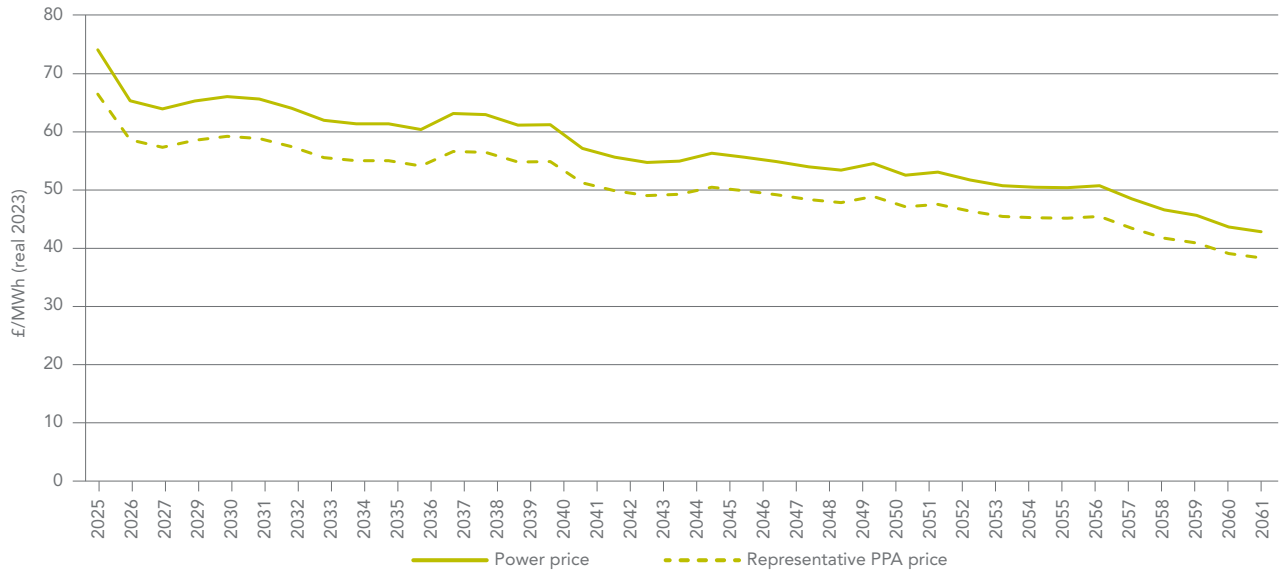
The following table and chart show the assumed power price (post capture discount, pre PPA discount) and also the price post a representative PPA discount (90 per cent x index price).

| £/MWh (real 2023) | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| Pre PPA discount | 73.26 | 64.86 | 63.50 | 64.80 | 65.52 | 65.12 | 63.60 |
| Post representative PPA discount | 65.93 | 58.37 | 57.15 | 58.32 | 58.97 | 58.61 | 57.24 |

| | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|---|---|---|---|---|---|---|---|---|---|---|
| Pre PPA discount | 61.60 | 61.04 | 61.04 | 60.08 | 62.72 | 62.56 | 60.80 | 60.88 | 56.96 | 55.52 |
| Post representative PPA discount | 55.44 | 54.94 | 54.94 | 54.07 | 56.45 | 56.30 | 54.72 | 54.79 | 51.26 | 49.97 |

| | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 |
|---|---|---|---|---|---|---|---|---|---|---|
| Pre PPA discount | 54.64 | 54.88 | 56.16 | 55.52 | 54.80 | 53.92 | 53.36 | 54.48 | 52.56 | 53.04 |
| Post representative PPA discount | 49.18 | 49.39 | 50.54 | 49.97 | 49.32 | 48.53 | 48.02 | 49.03 | 47.30 | 47.74 |

| | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 |
|---|---|---|---|---|---|---|---|---|---|---|
| Pre PPA discount | 51.76 | 50.80 | 50.56 | 50.48 | 50.80 | 48.64 | 46.80 | 45.92 | 44.00 | 43.20 |
| Post representative PPA discount | 46.58 | 45.72 | 45.50 | 45.43 | 45.72 | 43.78 | 42.12 | 41.33 | 39.60 | 38.88 |




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).

The fixed revenue base means that dividend cover is robust in the face of extreme downside power price sensitivities:

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| RPI increase (%) | | 3.5 | 3.5 | 3.5 | 3.5 |
| Dividend (pence/share) | 10.35 | 10.71 | 11.09 | 11.48 | 11.88 |
| Dividend (£ 000) | 233,300 | 241,466 | 249,917 | 258,664 | 267,717 |
| Dividend cover (x) | | | | | |
| Base case | 1.8 | 1.9 | 1.9 | 2.0 | 2.1 |
| £50/MWh | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 |
| £40/MWh | 1.3 | 1.5 | 1.4 | 1.4 | 1.4 |
| £30/MWh | 1.2 | 1.3 | 1.2 | 1.2 | 1.2 |
| £20/MWh | 1.0 | 1.1 | 1.0 | 1.0 | 0.9 |
| £10/MWh | 0.9 | 0.9 | 0.8 | 0.8 | 0.7 |

All numbers illustrative. Power prices real 2023, pre PPA discount.

# Investment Manager's Report continued

## Power Price continued

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) or divestment of merchant assets.

The Company notes that in December, the Government published an Autumn Update on REMA. Policy choices are expected to be made by mid-2025, and the central issue is whether to adopt either a zonal electricity market design, or to re-design the current national market. The Government has previously stated that the implementation of either choice would take up to 5 years and there is continued recognition that investor confidence must be maintained through any reforms.

The Company has successfully navigated changes to the electricity market, including the introduction of the CFD regime, the Capacity Market and the Electricity Generation Levy and continues to be an active participant in reform discussions. The Company, and other leading investors in the sector, continue to reinforce to the Government the importance of investor confidence in the sector.

## Inflation

Base case assumptions in relation to inflation are:

- CPI: 2.5 per cent (all years)
- RPI: 3.5 per cent (2025-2030), 2.5 per cent (2031 onwards)

The ROC price is inflated annually from 1 April each year based on the previous year's average RPI. For example, on 1 April 2025, the ROC price will increase by 3.6 per cent (average RPI over 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. For example, on 1 April 2025, CFD prices will increase by 3.0 per cent (January 2025 CPI).

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.

*Clyde*

# Investment Manager's Report continued

## Returns

The levered portfolio IRR stands at 11 per cent. Given that the Company's ongoing charges ratio is less than 1 per cent, the net return to investors is thus 10 per cent (assuming investment at a share price equal to NAV, the return is greater assuming investment at a share price below NAV).

A 10 per cent inflation linked return should be very attractive versus other investment opportunities. The Company's 12 year track record demonstrates relatively low volatility and the historical and projected dividend cover is robust. By investing in operating UK wind farms (that are 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 6 per cent would imply NAV growth of 4 per cent. The total return is more important than the dividend yield, which depends on the chosen dividend policy (the Company could choose 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.

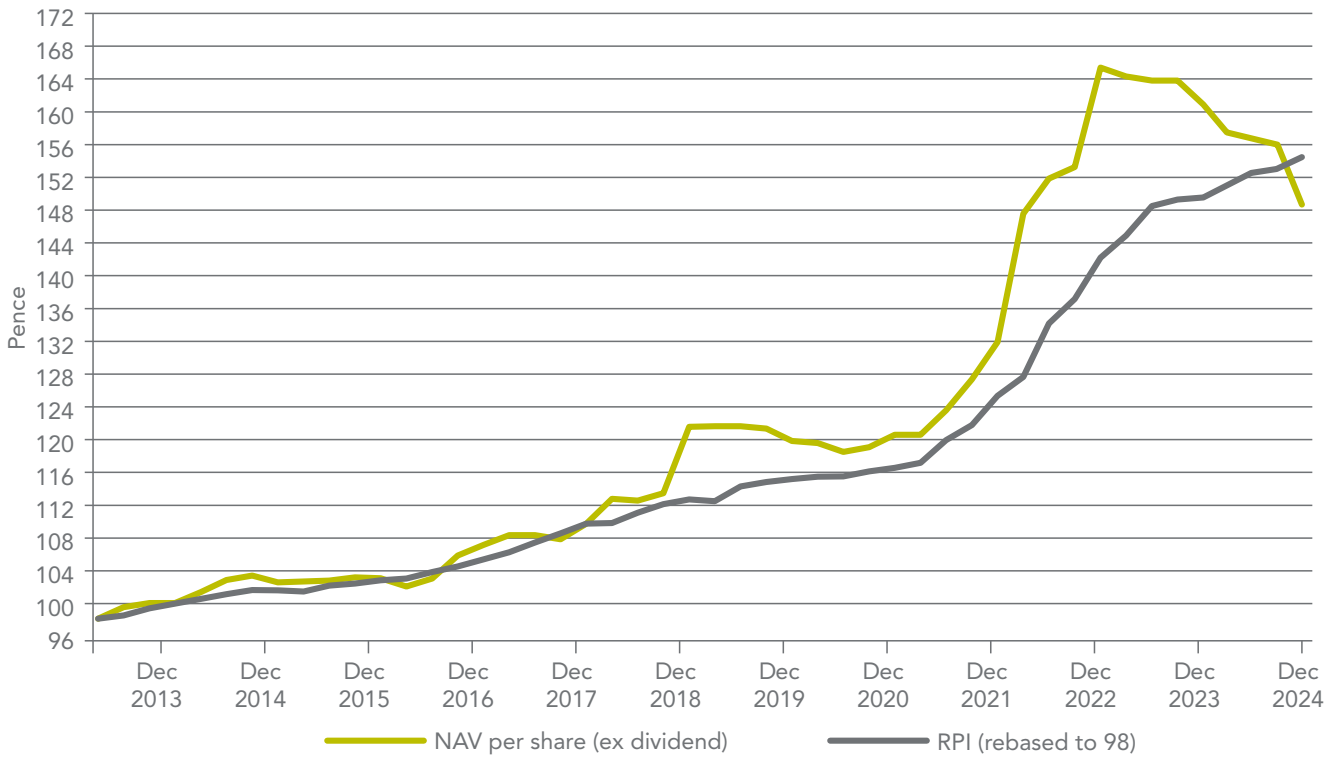
Since IPO, aggregate historical dividend cover has been 1.8x and the Group has reinvested £935 million to deliver long term growth in NAV on a real basis.

*Humber Gateway*

# Investment Manager's Report continued

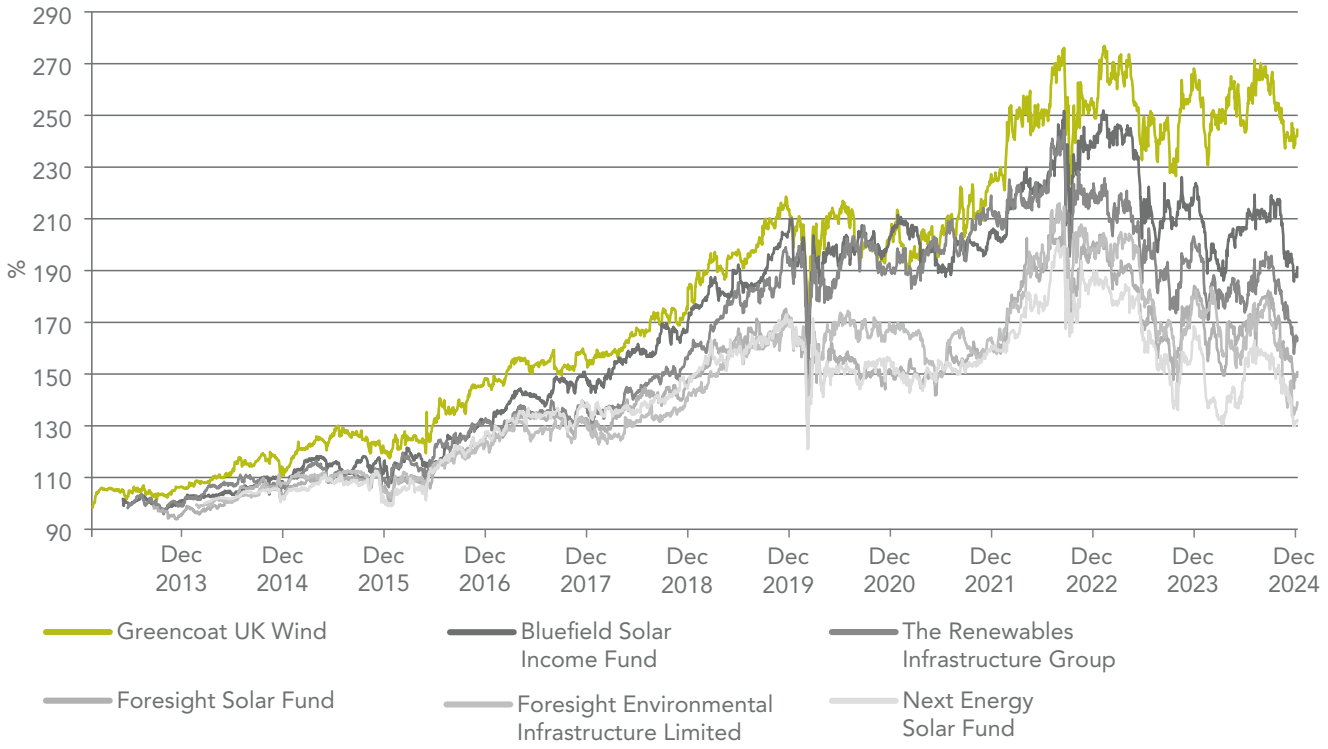
The chart below shows NAV per share versus RPI:

**NAV vs RPI**




The chart below shows TSR versus market peers:

**Total Shareholder Return vs Market Peers (*Bloomberg*)**



# Investment Manager's Report continued

## Outlook

The Group expects to continue generating strong cashflow and dividend cover. In addition to further disposals, the Group expects to have over £1 billion of capital to allocate over the next five years to enable it to grow its dividend in line with RPI and to provide long term capital preservation in real terms.

Whilst the Group maintains a disciplined approach to acquisitions, the size of the market it operates in is expected to continue to grow. There are currently approximately 31GW (over £100 billion) of operating UK wind farms (16GW onshore plus 15GW offshore). The Group's market share is approximately 6 per cent.

In December the Government published the Clean Power 2030 Action Plan, which sets out its delivery plan to accelerate to a clean electricity grid by 2030. One of the stated goals is a twofold increase in onshore wind capacity and a fourfold increase in offshore wind capacity by 2030. The market opportunity therefore remains vast.

The portfolio is robust in the face of downside power price sensitivities and remains exposed to significant upside (power prices, 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 (at NAV) should be very attractive versus other investment opportunities.

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 Company will continue to review its capital allocation policy and will assess new acquisitions in this light.

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

*Glen Kyllachy*

# Strategic Report

## Introduction

The Directors present their Strategic Report for the year ended 31 December 2024. Details of the Directors who held office during the year and as at the date of this report are given on pages 37 to 39.

## Investment Objective

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.

The target return to investors is an IRR, net of fees and expenses, of 10 per cent. As a result of the Company's prospects, strong balance sheet and cash flow generation, the Board decided to increase the 2025 target dividend to 10.35 pence per share, which represents a 3.5 per cent increase above the target dividend for 2024 and is in line with than December 2024 RPI. The Board also decided to pay a 2.5 pence per share dividend for Q4 2024, bringing the 2024 full year dividend to 10 pence per share.

Progress on the objectives is measured by reference to the key metrics on page 1.

## Investment Policy

The Group invests in UK wind farms predominantly with a capacity of over 10MW.

Low gearing ensures that the annual dividend is sufficiently protected against lower power prices. This means that the Group also has the ability to benefit from higher power prices as it is not required to enter into long term fixed price contracts.

The Group generally uses debt to make additional investments and intends to continue to use short term debt facilities to make further investments, where appropriate. The Group will look to repay its short term debt facilities by refinancing them with longer term debt facilities or in the equity markets in order to refresh its debt capacity. The Group will look to repay its short term debt facilities with proceeds from disposing of investments. While debt facilities are drawn, the Group benefits from an increase in investor returns because borrowing costs are below the underlying return on investments.

The Board believes that there is a significant market in which the Group can continue to grow over the next few years.

## Capital Allocation

The Company regularly reviews its capital allocation policy by considering a range of options to optimise returns to shareholders. In January 2025, as part of this consideration, the Company announced an increase in its annual dividend target for 2025 to 10.35 pence per share, in line with December's RPI of 3.5 per cent. The dividend with respect to the final quarter of the year will be 2.5 pence per share, taking the annual dividend for 2024 to 10 pence per share.

Through its share buyback programme, the Company bought back 59.2 million shares during the year at an average cost of 137 pence per share.

In September 2024, the Company refinanced £725 million of its debt facilities and reduced its RCF to £400 million, with a lower margin of 1.5 per cent. Additionally, the Company refinanced £325 million of near maturing term loans in addition to placing £100 million of new term debt, resulting in a weighted average cost of debt 4.68 per cent across all facilities.

The Company maintains a disciplined approach to acquisitions and disposals, only transacting when it is considered to be in the interests of shareholders to do so. With the Company's share price continuing to trade at a discount to NAV, the alternatives for capital allocation warrant significant consideration.

## Structure

The Company is a UK registered investment company with a premium listing on the London Stock Exchange. The Group comprises the Company and Holdco. Holdco invests in SPVs which hold the underlying wind farm assets. The Group employs Schroders Greencoat LLP as its Investment Manager.

## Discount Control

The Articles of Association require a continuation vote by shareholders if the share price were to trade at an average discount to NAV of 10 per cent or more over a 12 month period. This vote was put to shareholders at the AGM on 24 April 2024 and the Company received 88.69 per cent support in continuing in its current form.

During the year, the Company's shares have traded at an average discount to NAV of 14 per cent. In accordance with the Company's Articles of Association, a continuation vote will be proposed at the 2025 AGM.

It is the intention of the Board for the Company to buy back its own shares in the market through its £100 million share buyback programme if the share price continues to trade at a material discount to NAV, providing that it is in the interests of shareholders to do so.

# Strategic Report continued

## Review of Business and Future Outlook

A detailed discussion of individual asset performance and a review of the business in the year together with future outlook are covered in the Investment Manager's Report on pages 5 to 18.

## Key Performance Indicators

The Board believes that the key metrics detailed on page 1, which are typical for investment entities, will provide shareholders with sufficient information to assess how effectively the Group is meeting its objectives.

## Ongoing Charges

The ongoing charges ratio of the Company is 0.95 per cent of the weighted average NAV for the year to 31 December 2024. This is made up as follows and has been calculated using the AIC recommended methodology.

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | £'000 | % | £'000 | % |
| Total management fee | 31,043 | 0.87% | 32,844 | 0.86% |
| Directors' fees | 415 | 0.01% | 385 | 0.01% |
| Other ongoing expenses [1] | 2,336 | 0.07% | 2,058 | 0.05% |
| **Total** | **33,794** | **0.95%** | **35,287** | **0.92%** |
| Weighted average NAV | **3,579,180** | | 3,834,654 | |

[1] Other ongoing expenses do not include £1,907k of management and administration fees relating to the wind farm SPVs that is recharged to them, £1,153k of broken deal and project costs, and £386k of other non recurring costs.

If the Company's share price trades at 20 per cent discount to its reported NAV, the 2025 ongoing charges ratio is expected to be 0.81 per cent.

The Investment Manager is not paid any performance or acquisition fees.

## Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required. The Directors of the Company are listed on pages 37 to 39.

## Principal Risks and Uncertainties

In the normal course of business, each investee company has a rigorous risk management framework with a comprehensive risk register that is reviewed and updated regularly and approved by its board. The principal risks identified by the Board to the performance of the Group are detailed below.

The Board maintains a risk matrix setting out the risks affecting both the Group and the investee companies. This risk matrix is reviewed and updated at least annually to ensure that procedures are in place to identify principal risks and to mitigate and minimise the impact of those risks should they crystallise. This risk matrix is also reviewed and updated to identify emerging risks, such as climate related risks, and to determine whether any actions are required. This enables the Board to carry out a robust assessment of the risks facing the Group, including those risks that would threaten its business model, future performance, solvency or liquidity.

The risk appetite of the Group is considered in light of the principal risks and their alignment with the Company's Investment Objective. The Board considers the risk appetite of the Group and the Company's adherence to the Investment Policy in the context of the regulatory environment taking into account, inter alia, gearing and financing risk, wind resource risk, the level of exposure to power prices and environmental and health and safety risks.

As it is not possible to eliminate risks completely, the purpose of the Group's risk management policies and procedures is to reduce risks and to ensure the Group is adequately prepared to respond to such risks and minimise any impact should they materialise.

The spread of assets within the portfolio ensures that the portfolio benefits from a diversified wind resource and spreads the exposure to a number of potential technical risks associated with grid connections and with local distribution and national transmission networks. In addition, the portfolio includes 6 different turbine manufacturers, which diversifies technology and maintenance risks. Finally, each site contains a number of individual turbines, the performance of which is largely independent of other turbines.

### *Risks Affecting the Group*

#### *Investment Manager*

The ability of the Group to achieve the Company's Investment Objective depends heavily on the experience of the management team within the Investment Manager and more generally on the Investment Manager's ability to attract and retain suitable staff. The sustained growth of the Group depends upon the ability of the Investment Manager to identify, select and execute further investments which offer the potential for satisfactory returns.

The Investment Management Agreement includes key man provisions which would require the Investment Manager to employ alternative staff with similar experience relating to investment, ownership, financing and management of wind farms should any key man cease to be employed by the Investment Manager. The Investment Management Agreement ensures that no investments are made following the loss of key men until suitable replacements are found and there are provisions for a reduction in the investment management fee during the loss period. It also outlines the process for key man replacement with the Board's approval. In addition, the key men are shareholders in the Company.

## Principal Risks and Uncertainties continued

### *Risks Affecting the Group* continued

#### *Investment Manager* continued

The Investment Manager is one of Europe's leading renewable investment managers, which employs over 120 professionals and has c.£10 billion of assets under management. The Investment Manager is 75 per cent owned by Schroders Group PLC, founded over 200 years ago, and managing over £777 billion of assets (as of 30 September 2024) with over 6,000 staff globally.

#### *Financing Risk*

The Group will finance further investments either by borrowing or by issuing further shares in addition to its cash resources. The ability of the Group to deliver expected real NAV growth is dependent on access to debt facilities and equity capital markets, the latter has become increasingly challenging given the share price is trading at a discount to NAV. There can be no assurance that the Group will be able to borrow additional amounts or refinance on reasonable terms or that there will be a market for further raising of equity.

#### *Investment Returns Become Unattractive*

Higher interest rates could persist, making the listed infrastructure asset class relatively less attractive to investors. In such circumstances, it is likely that discount rates would be adjusted to maintain a suitable premium over increased risk free rates. The increasing equity flows out of the UK have contributed to the share price trading at an increasing discount to NAV, which is likely to make raising further equity more challenging.

### *Risks Affecting Investee Companies*

#### *Regulation*

If a change in Government renewable energy policy were applied retrospectively to current operating projects including those in the Group's portfolio, this could adversely impact the market price for renewable energy or the value of the green benefits earned from generating renewable energy. The Government has evolved the regulatory framework for new projects being developed but has consistently stood behind the framework that supports operating projects as it understands the need to ensure investors can trust regulation.

#### *Electricity Prices*

Other things being equal, a decline in the market price of electricity would reduce the investee companies' revenues.

The Group's dividend policy has been designed to withstand significant short term variability in power prices. A longer period of power price decline would materially affect the revenues of investee companies.

#### *Wind Resource*

The investee companies' revenues are dependent upon wind conditions, which will vary across seasons and years within statistical parameters. The standard deviation of energy production is 10 per cent over a 12 month period (less than 2 per cent over 30 years). Since long term variability is low, there is no significant diversification benefit to be gained from geographical diversification across weather systems.

The Group does not have any control over the wind resource but has designed its dividend policy such that it can withstand significant short term variability in production relating to wind. Before investment, the Group carries out extensive due diligence and relevant historical wind data is available over a substantial period of time. The other component of wind energy generation, a wind farm's ability to turn wind into electricity, is mitigated by purchasing wind farms, where possible, with a proven operating track record.

When acquiring wind farms that have only recently entered into operation, only limited operational data is available. In these instances, the acquisition agreements with the vendors of these wind farms will include a "wind energy true-up" or an appropriate discount to the purchase price.

*Glen Kyllachy*

# Strategic Report continued

## Principal Risks and Uncertainties continued

### *Risks Affecting Investee Companies* continued

#### *Asset Life*

In the event that the wind turbines do not operate for the period of time assumed by the Group or require higher than expected maintenance expenditure to do so, it could have a material adverse effect on investment returns.

The Group performs regular reviews and ensures that maintenance is performed on all wind turbines across the wind farm portfolio. Regular maintenance ensures the wind turbines are in good working order, consistent with their expected life-spans.

#### *Health and Safety and the Environment*

The physical location, operation and maintenance of wind farms may, if inadequately assessed and managed, pose health and safety risks to those involved. Inappropriate wind farm operation and maintenance may result in bodily injury, particularly if an individual were to fall from height, fall or be crushed in transit from a vessel to an offshore installation or be electrocuted. If an accident were to occur in relation to one or more of the Group's investments and if the Group were deemed to be at fault, the Group could be liable for damages or compensation to the extent such loss is not covered by insurance policies. In addition, adverse publicity or reputational damage could follow.

The Board reviews health and safety at each of its scheduled Board meetings and Jim Smith serves as the appointed Health and Safety Director. The Group also engages an independent health and safety consultant to ensure the ongoing appropriateness of its health and safety policies.

The investee companies comply with all regulatory and planning conditions relating to the environment, including in relation to noise emissions, habitat management and waste disposal.

## Going Concern

As further detailed in note 1 to the financial statements on page 74, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence from the date of approval of this report to at least February 2026.

The Board note that the Group's Consolidated Statement of Comprehensive Income showed a loss for the year after tax of £55 million (2023: £126 million profit). As the Company is an investment entity under IFRS 10, the loss after tax has been caused by a decrease in the Group's investments at fair value through profit and loss and the Company's reported NAV. This loss after tax does not reflect the trading performance Group or its portfolio during the year.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements

## Longer Term Viability

As further disclosed on page 49, the Company is a member of the AIC and complies with the AIC Code. In accordance with the AIC Code, the Directors are required to assess the prospects of the Group over a period longer than the 12 months associated with going concern. The Directors conducted this review for a period of 10 years, which is deemed appropriate, given the long term nature of the Group's investments which are modelled over 30 years, coupled with its long term strategic planning horizon.

In considering the prospects of the Group, the Directors looked at the key risks facing both the Group and the investee companies as detailed on pages 20 to 22, focusing on the likelihood and impact of each risk as well as any key contracts, future events or timescales that may be assigned to each key risk. The Directors also tested and are comfortable that the Company would continue to remain viable under several robust downside scenarios, including loss of government subsidies and a significant decline in long term power price forecasts, both considered principal risks and uncertainties affecting investee companies.

As a sector focused infrastructure fund, the Group aims to produce stable and inflating dividends while preserving the capital value of its investment portfolio on a real basis. The Directors believe that the Group is well placed to manage its business risks successfully over both the short and long term and accordingly, the Board has a reasonable expectation that the Group will be able to continue in operation and to meet its liabilities as they fall due for a period of at least 10 years.

The Board does not believe that the lower power prices projected in the high transition risk scenario, as discussed on page 33, will diminish the longer term viability of the Company.

The Directors have also considered the continuation vote to be proposed at the Company's AGM in April 2025, caused by the Company's shares trading at 14 per cent average discount to NAV in line with its Articles of Association. The Directors believe that the outcome of the shareholder continuation vote will not impact their opinion of the Company's longer term viability.

While the Directors have no reason to believe that the Group will not be viable over a longer period, they are of the opinion that it would be difficult to foresee the economic viability of any company with any degree of certainty for a period of time greater than 10 years.

# Strategic Report continued

## Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006

The Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its members. In doing so, they should have regard for the needs of stakeholders and the wider society. The Company's objective 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. The Board is also aware of its responsibility for the risk management of the Group's climate related risks and for transparent disclosure of these risks, appreciating how this is integral to the success of the Company.

Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders, as defined on pages 53 to 54. The Company's engagement with its key stakeholders, including the Investment Manager, is discussed further in the Corporate Governance Report. The key decisions and discussions detailed in the table below were made or approved by the Directors during the year, with the overall aim of promoting the success of the Company while considering the impact on its members and wider stakeholders.

| Topic | Stakeholder considerations and outcome |
|---|---|
| **Dividends** | Shareholders voted 99.87 per cent in favour to approve the Company's dividend policy at the AGM on 24 April 2024.<br>The Board has also announced a target dividend of 10.35 pence per share for 2025, an increase of 3.5 per cent from 2024's target dividend of 10 pence per share.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders and potential investors |
| **Investments** | During the year, the Company made a further investment into Kype Muir Extension.<br>Following recommendation from the Investment Manager, the Directors consider all investments in the context of the Company's Investment Policy, availability of financing and the potential returns to investors. They also consider each investment in the context of sustainability and its impact on the surrounding community.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors, local communities and Investment Manager. |
| **Divestments** | During the year, the Group partially divested two wind farms with the proceeds used to repay the Company's RCF and fund further share buybacks.<br>Following recommendation from the Investment Manager, the Board considered the divestments in the context of the Company's capital allocation strategy, its gearing levels and potential returns to investors.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors, local communities and Investment Manager. |
| **Share Capital** | On 26 October 2023, the Company announced the commencement of a share buyback programme of up to £100 million executed under the authority granted by shareholders at the 2023 AGM. The Board determined that buying back shares was in the best interests of shareholders and authority to continue purchasing shares was granted by shareholders at the 2024 AGM. As at 31 December 2024, 65.8 million shares were purchased under the above authority at a total cost of £90.4 million.<br>During the year, the Company allotted 1,165,019 Ordinary Shares to the Investment Manager to satisfy the Equity Element of the Investment Management Fee, in accordance with the Investment Management Agreement. No shares were issued through equity raisings during the year.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors and Investment Manager. |

# Strategic Report continued

## Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006 continued

| Topic | Stakeholder considerations and outcome |
|---|---|
| **Annual review of service providers** | The Board annually reviews the Company's external service providers and, in particular, the quality and costs of the services provided and organisational strength where appropriate. It has concluded that the interests of the Company's shareholders would be best served by the ongoing appointments of the Investment Manager, the Administrator and the Company's other key service providers on the existing terms.<br>***Stakeholders influencing and/or impacting considerations:***<br>Investment Manager, Administrator and other key service providers. |
| **Investment Management Agreement** | The Board annually reviews the Investment Manager's fee arrangements to ensure they remain competitive and fit for purpose. During the year, Company appointed a third party to conduct an external review of these arrangements in the context of wider market issues and shareholder feedback which resulted in a revised fee structure within the Investment Management Agreement.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors and Investment Manager. |
| **Strategy session** | The Board holds an annual strategy session with the Investment Manager, outside of the scheduled quarterly Board meetings, to consider the Company's strategic objectives. The Board believes that the strategy session helped to strengthen a clear and collaborative vision for the strategic direction of the Company, while taking into account the views and needs of stakeholders.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors and Investment Manager. |
| **FCA Sustainability Disclosure Requirements** | The FCA introduced the sustainability disclosure and labelling regime during the year and the Board has decided to adopt the Sustainability Focus label which will help shareholders and new investors identify the Company's investment strategy against sustainability objectives. The Board will regularly monitor and report against claims made under the Sustainability Focus label, engaging with stakeholders to ensure transparency.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders and potential investors. |
| **Recruitment of an additional non-executive Director** | Following the appointment of Abigail Rotheroe during the year, the Board made the decision to engage Heidrick & Struggles to commence a further non-executive director recruitment process to further enhance the Board's skillset, knowledge and diversity. Following the conclusion of this process, the Board approved the appointment of Taraneh Azad with effect from 1 February 2025.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders and potential investors. |
| **Debt Refinancing** | With the assistance of the Investment Manager, the Board conducted a £725 million refinancing of its debt facilities during the year with the Company's existing set of lenders. The process also involved migrating all lenders to a Common Terms Agreement, offering the Company a consistent set of terms and a strong platform for its future debt strategy.<br>The Company's RCF was also reduced to £400 million (down from £600 million) at a reduced margin which now matures in October 2027 and refinanced £325 million of term loans that were due to mature between November 2024 and May 2026. A further £100 million of term debt was placed with proceeds used to fund the reduction drawn in the RCF.<br>***Stakeholders influencing and/or impacting considerations:***<br>Shareholders, potential investors and lenders. |

# Strategic Report continued

## Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006 continued

### *Board Composition and Internal Evaluation*

During the year, Abigail Rotheroe was appointed as a non-executive Director of the Company with effect from 1 March 2024.

On 1 February 2025, Taraneh Azad joined the Board following the conclusion of an externally supported recruitment process with Heidrick & Struggles, who have no other connection with the Company or individual directors.

As disclosed on page 50, the Board undertakes a formal and rigorous internal evaluation of its performance each financial year to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. The reviews concluded that the overall performance of the Board and Audit Committee was satisfactory and the Board was confident in its ability to continue to govern the Company well.

## Environmental, Social and Governance

### *The Group's approach*

The Group invests in wind farms and the environmental benefits of renewable energy are proven and key to delivering the Government's climate change objectives. As the largest renewable infrastructure fund and one of the largest owners of wind farms in the UK, the Company continues to prove the viability of clean energy as a robust sector for investment.

The Group owns 2GW of installed capacity across 49 onshore and offshore operating wind farms. By dedicating resources to the deployment of renewable energy, the Group is playing an active role in reducing the UK's greenhouse gas emissions and accelerating a move towards Net Zero for the whole economy. Since listing, the Group's operating wind farms have produced 29.0TWh of clean energy, avoiding 11.6 million tonnes of $CO_2$.

During the year, the Group's wind farms generated 5,484GWh of renewable electricity, sufficient enough to power 2.0 million homes[1] and avoid 2.2 million tonnes of $CO_2$ emissions through the displacement of thermal generation[2].

Through acquiring operational wind farms from third parties, this allows capital to be recycled into further renewable energy projects.

Both generating renewable electricity and enabling capital recycling contribute to SDG 7 (ensure access to affordable, reliable, sustainable and modern energy for all) and SDG 13 (take urgent action to combat climate change and its impacts).

### *Responsible Investment*

To sustain the long term success of the business, the Board acknowledges and understands the importance of effective management of ESG matters for all of the Company's stakeholders.

The Company continues to have an important role to play in championing both responsible investment and the development of the renewable energy sector. This is achieved through continuous engagement with all industry stakeholders, including suppliers, O&M partners, industry associations, policy makers, peers and communities. The Company transparently shares its ESG approach and results with investors.

Responsible investing principles have been applied to each of the investments made, which require the Group to make reasonable endeavours to ensure the ongoing compliance of its investee companies with its policies on responsible investment and ESG matters.

Although the non-executive Board has overall responsibility for the activities of the Company and its investments, the day-to-day management of the business is delegated to the Investment Manager. This includes responsibility for ESG matters and applies as investments are being made and continuously during the life of each wind farm. The Investment Manager assesses how ESG should be managed and the Company has developed its ESG policy in accordance with the Investment Manager's ESG Policy. The ESG Policy of the Company is approved annually and overseen by the Company's Board.

The Group will continue to lead the way in encouraging responsible investment to accelerate the development of the UK's wind energy sector further and will do this in a way that maximises returns for our shareholders and creates benefits for the communities and the natural environment in which its wind farms operate.

The Investment Manager has representation on the boards of the operating wind farm companies, which oversee performance, including on ESG matters, and meet quarterly. From these ongoing reviews, the Investment Manager reports quarterly to the Company's Board, with data on production, wind farm availability, key events and health and safety performance.

[1] The number of homes powered is based on the average annual household energy consumption (2.7MWh/annum (Ofgem)), using the latest reported figures, and reflects the portfolio's actual electricity generation during the year.

[2] The portfolio's estimated $CO_2$ emissions avoided through the displacement of thermal generation, based on the portfolio's actual electricity generation during the year. The Group assumes that wind generation replaces CCGT in the UK and applies a carbon factor of $0.4tCO_2/MWh$ (Ofgem).

# Strategic Report continued

## Environmental, Social and Governance continued

### *Responsible Investment* continued

This robust management structure enables the Investment Manager to oversee ESG issues effectively throughout the lifecycle of the Group's wind farms:

***Screening***

- screening the investment against investment mandate and restrictions; and
- assessing the ability of the investment to comply with ESG standards.

***Due Diligence***

- rigorously assessing ESG risks and opportunities of the investment based on commitment, capacity, track record and features of the wind farm and key service providers; and
- identifying mitigation plans for ESG risks, where identified.

***Investment decision***

- identifying and addressing ESG issues in extracts of the Investment Manager's Investment Committee papers that inform investment decisions; and
- determining and costing plans to address ESG issues, and price into the investment decision process.

***Asset Management***

- establishing appropriate governance structures;
- complying with all relevant laws and regulations;
- ensuring ongoing monitoring and management of ESG issues;
- managing impacts on the natural habitat surrounding the wind farms under management;
- engaging with and supporting the local communities;
- performing due diligence on third parties and ensuring compliance with the Company's ESG policy; and
- ensuring business integrity with a focus on avoiding money laundering, negligent or corrupt practices.

### *Environment*

As one of the largest owners of wind farms in the UK, the Group is focused on taking actions to support climate change mitigation through the generation of renewable energy, whilst minimising the potential impacts that the operation of wind farms may have on local habitats and the environment.

The world continues to face a serious climate challenge, exemplified by the recent announcement that average global surface temperatures were 1.6°C above preindustrial levels in 2024, exceeding the target of limiting global to 1.5°C set by the Paris Agreement for the first time[1] and the new UK government is committed to acting as a global leader in greenhouse gas emissions reduction. The Company supports the UK Government's commitment to achieve Net Zero by 2050 and to achieve Clean Power by 2030[2] through acquiring operational wind farms and thereby allowing developers and utilities to recycle their capital into further renewable energy projects, and by demonstrating the attractive long term returns in the industry through our prudent management of wind farms, thereby reducing the cost of capital.

The Group is committed to protecting the local environment around its wind farms, recognising the potential impact that wind farms can have on local terrestrial and aquatic wildlife and landscape.

As such, the Group seeks to protect the local environment around its wind farms by using robust environmental management systems. These include policies, periodic risk assessments, monitoring and regular reporting to the Board and the boards of each of the wind farm companies. Through these measures, the Group also ensures compliance with all applicable laws, regulations and planning permissions as administered by the Environment Agency, Health Protection Agency, local authorities, Ofgem, UREGNI or any other relevant regulatory body, including the data reporting obligations under Renewable Obligation Order 2009.

The Group's core activities include:

- maintaining management systems to evaluate the potential risks and impacts of its activities and avoiding or mitigating environmental impacts on biodiversity, air quality, noise and waste management where relevant;
- overseeing implementation of habitat management plans at its wind farms;
- undertaking additional environmental impact assessments or undergoing regular monitoring as required;
- seeking to work with partners who uphold good industry standards – from operational managers whose management systems comply with the requirements of ISO 14001:2015 (environmental management systems) to the material contractors used; and
- reporting regularly to the Board and the boards of each of the wind farm companies.

[1] Copernicus Climate Change Service (C3S), January 2025

[2] UK Government, Clean Power 2030 Action Plan, December 2024

**Environmental, Social and Governance** continued

***Environment*** continued

The Company also recognises the importance of a circular economy in achieving Net Zero targets and in reducing the environmental impact associated with renewable energy generation. After setting up a grant making programme to fund and support academic research and non-profit projects last year, the first of two projects concluded during the year. The 'Added-value Coatings' research project, led by The University of Edinburgh, identified that successful grinding of recycled materials, notably carbon fibre and glass fibre, could be added to new turbine materials without compromising the physical properties of the blades. The second project is led by Imperial College, London and aims to develop an end-of-life decision making tool to predict how much damage a wind turbine blade has accumulated in its lifetime. The tool aims to support the industry in making informed and sustainable decisions about the optimal end-of-life route for turbine blades. This project is ongoing and is expected to conclude in the spring of 2027.

## CASE STUDY

**Wind turbine component repair at Humber Gateway**

The Humber Gateway O&M facility has successfully implemented a Self-Perform strategy, enabling its maintenance team to repair and overhaul various wind turbine components on site at Grimsby Fish Docks. This approach mitigates downtime caused by adverse weather by allowing technicians to enhance their skills and knowledge of component failure modes, while also upskilling apprentices through hands-on experience in a safe environment.

Technicians manage the on-site workshop as part of their annual objectives, collaborating with engineers to ensure the availability of appropriate tools and equipment, reflecting a culture of personal development. Since the project began in 2020, the maintenance team has:

- Refurbished 118 electric, mechanical, and hydraulic components;
- Overhauled 234 generator power-stop thyristor modules; and
- Retrofitted 219 UPS battery banks with new life cells.

This initiative contributes to reducing component waste and fosters a circular economy, as the site becomes less dependent on supply chain lead times by collaborating with local engineering firms. This localised maintenance process has also facilitated the installation of improved parts, enhancing turbine robustness.

In 2024, the workshop provided bespoke on site training, including refresher courses on electrical troubleshooting, hydraulic tooling, electrical torque guns, and welding. This training reduces the need for external travel, aligning with the operational lifespan of the wind farm and promoting similar initiatives at other sites in the future.

# Strategic Report continued

## Environmental, Social and Governance continued

### *Social*

***Supporting worker safety and fair employment on the Group's sites***

Worker safety is a top priority for the Group. The Group also recognises the need for people to be paid fairly for the work they do and to have appropriate working conditions. In prioritising these elements, it supports the local communities in which its wind farms operate, ensuring the long term viability of its operations.

The Group achieves this through a range of activities, including:

- complying with all applicable laws relating to employment, occupational health and safety, human rights, prevention of human trafficking and modern slavery, public safety and security and community matters, including the Wind Turbine Safety Rules;
- implementing health and safety best practices through wind farm specific health and safety policies, project management, contractual arrangements, staff training and stakeholder education;
- assessing and monitoring health and safety practices through wind farm specific risk identification and prevention activities; and
- reporting on key health and safety data regularly, with escalation and rapid response procedures in place in case of emergency.

During the year, these activities included:

- 571 regular safety checks carried out by the operations and maintenance service providers at all wind farms;
- safety walks by the Investment Manager's team at 44 wind farms;
- independent health and safety audits by accredited professionals at 13 wind farms and 3 O&M partners; and
- HV audits at 4 wind farms.

The Group's focus on prevention arises out of a culture of transparent reporting, collaboration, and best practice. Identifying both hazards and analysing the causes of incidents is a key risk mitigant.

As a member of Renewable UK, the UK's leading wind energy trade association, the Company is keen to work with other stakeholders to develop the industry further including on health and safety. In addition, the Investment Manager is an active member of SafetyOn, the UK's leading health and safety focused organisation for the onshore wind industry. With the increase in offshore wind capacity in the Company's portfolio, the Investment Manager also became a member of G+ in April 2023, to help ensure industry best practice for offshore wind assets.

***Supporting the communities around the Group's wind farms***

It is important that the wind farms are truly part of the community. The Group's approach aids long term support by local communities for wind farms in the UK, which ultimately enables the continued growth of the industry.

The Group cares about the communities around its wind farms and engages with local communities to ensure respect for land and access rights and that its wind farms are managed in accordance with planning permissions.

The Group holds regular dialogue with community funds and provides financial support to local groups through community benefit schemes that fund local projects.

These funds help deliver a range of services, from improving local amenities and infrastructure to aiding educational projects for local schools.

In 2024, the Group provided £5.7 million to community funds.

### *Governance*

The Board and Investment Manager believe in the value of embedding robust governance practices and oversight of ESG matters relevant to the Company. This is important for maintaining the confidence of investors and in continuing to deliver on our promise of long term returns. Material governance matters considered include the diversity and experience of its Board, the adherence of suppliers to responsible business standards, and the robust management of data integrity and security.

***Ensuring key service providers adhere to the Group's expectations of responsible business practices***

As the renewables sector expands, demand for raw materials, resources and labour to support this development also grow, and the sustainability risks present in this global supply chain evolve. The Group strives to ensure our high ESG standards and values are consistently applied across the supply chain supporting our investments.

## Environmental, Social and Governance continued

### *Governance* continued

In 2024, the Investment Manager updated its Supplier Code of Conduct to ensure that its suppliers adhere to its definition of good governance and align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Investment Manager's team is rolling out the updated Code of Conduct to key service providers to the Company or ensuring that they have their own Codes of Conduct that demonstrate equivalent commitments.

### *Diversity*

The Board has a policy to base appointments on merit and against objective criteria, with due regard for the benefits of diversity, including both gender and ethnic diversity. Its objective is to attract and maintain a Board that, as a whole, comprises an appropriate balance of skills and experience.

The Board consists of individuals from relevant and complementary backgrounds offering experience in the investment management of listed funds, as well as in the energy sector from both a public policy and a commercial perspective. As at the date of this report, the Board comprised 2 men and 4 women, all non-executive Directors who are considered to be independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Currently, the Chairman and Audit Committee Chairman positions are both held by women who represent 33 per cent of Directors on the Board.

The Board recognises the importance of an inclusive and diverse Board in facilitating a collaborative culture and enhancing the delivery of the Company's strategic objectives and is compliant with gender and ethnicity guidelines for UK companies.

In accordance with UK Listing Rule 6.6.6(9), as at the publication date of this report and as described above, the composition of the Board is as follows:

| | Number of Board members in scope | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair)[1] |
|---|---|---|---|
| Men | 2 | 33% | 1 |
| Women | 4 | 67% | 2 |
| Not specified/prefer not to say | — | — | — |

[1] The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund. Senior Board positions will continue to be reviewed.

| | Number of Board members in scope | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair)[1] |
|---|---|---|---|
| White British or other White (including minority-white groups) | 5 | 83% | 3 |
| Mixed/Multiple Ethnic Groups | — | — | — |
| Asian/Asian British | — | — | — |
| Black/African/Caribbean/Black British | — | — | — |
| Other ethnic group, including Arab | 1 | 17% | 0 |
| Not specified/prefer not to say | — | — | — |

[1] The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund. Senior Board positions will continue to be reviewed.

The above information is based on voluntary self declaration from the Directors in response to questions on gender identification and ethnicity groups (as outlined by the FCA) directors considered themselves to fall within.

The Investment Manager operates an equal opportunities policy and its partners and employees comprise 86 men and 36 women.

# Strategic Report continued

## Environmental, Social and Governance continued

### *Governance* continued

Detailed disclosure on the Company's governance structure and activities can be found in the Corporate Governance Report on pages 49 to 54 and in the TCFD Governance section below.

### Task Force on Climate-Related Financial Disclosures (TCFD)

The Company strives to maintain the highest standards of corporate governance and effective risk identification and management at both Group and wind farm level. The Company supports the recommendations of the TCFD and refers to them for guidance on addressing climate related risks and opportunities across the Group and enhancing our disclosure.

These disclosures are categorised between the 4 thematic areas as recommended by the TCFD.

### *Governance*

***Board oversight and the role of the Investment Manager***

The Board is responsible for the determination of the Company's Investment Objective and Investment Policy. It also oversees the management of the Company and its investments, including ESG and climate related risks and opportunities. The Board also delegates the day-to-day management of the business, including management of ESG matters, to the Investment Manager.

The Audit Committee also considers the Company's climate related disclosures in its Annual Report and Financial Statements.

As discussed in the Corporate Governance Report on pages 49 to 54, the Board and the Investment Manager meet regularly and discuss risk management. Climate related risks are covered during these discussions, as they naturally arise from the Group's underlying investments and the Company's significant role in the decarbonisation of the UK economy. A formal risk matrix is maintained by the Investment Manager and reviewed and approved by the Board on an annual basis.

In addition, the Investment Manager has its own ESG Committee that meets regularly to discuss ESG and climate related risks relating to the Group and other funds it manages. This committee has implemented an ESG Policy that looks to establish best practice in climate related risk management, reporting and transparency. Stephen Lilley sits on this ESG Committee and therefore remains well informed and involved with ESG and climate related discussions, which may impact the Company. Representatives from the Investment Manager also sit on all of the boards of the wind farm companies, which meet quarterly and discuss ESG and climate related risk management.

## CASE STUDY

**Golden Eagle conservation at Stronelairg and Dunmaglass**

The Golden Eagle Research, Conservation and Monitoring Project (RECMP) operates at the Stronelairg and Dunmaglass sites, primarily funded by the Dunmaglass wind farm development. The project, coordinated by various organisations including SSE Renewables and the Highland Raptor Study Group, focuses on monitoring the status of Golden Eagles and understanding their use of the upland landscape in the Central Highlands Natural Heritage Zone (NHZ10).

Between 2015 and 2020, satellite tagging was conducted on 20 Golden Eagles, revealing an increase in the number of occupied territories in NHZ10 from 19 to 25, alongside high productivity rates of fledged juveniles. This indicates that NHZ10 is a significant area for the expansion of Golden Eagle territories in Scotland. The tracking data has also supported several scientific publications aimed at enhancing understanding of Golden Eagle movements, noting that tagged eagles typically avoid wind turbines.

Funding from the project also supports a Golden Eagle Project Officer who collaborates with various stakeholders to carry out annual breeding censuses. This role addresses the concerns of landowners and gamekeepers regarding the potential risks Golden Eagles pose to livestock, while also considering the threats posed by estate activities like shooting parties.

The success of the RECMP suggests it will continue for the foreseeable future.

## Task Force on Climate-Related Financial Disclosures (TCFD) continued

### *Strategy*

The Board understands that climate change poses risks and opportunities to the Company.

As the leading listed renewable infrastructure fund, invested in UK wind farms, the Company plays a significant role in the UK renewables industry. Overall, the Board believes that the decarbonisation of the UK economy will continue to present a significant investment opportunity and the size of the Company's growth will be related to the success of the sector and the engagement of its stakeholders. The Company is committed to its strategy and Investment Policy of investing in operating wind assets to benefit from this opportunity. The Company also recognises, however, that there are short term and medium to long term risks that could impact its future financial performance. The Company seeks to manage these risks to mitigate potential impact.

The tables below summarise the principal opportunities and risks identified by the Company and details, where relevant, how it manages the risks or opportunities.

### *Opportunities*

| Category | Climate issue | Opportunities | Company consideration |
|---|---|---|---|
| Transition | Increased demand for renewable energy generation | Increasing ambition of corporate and Government Net Zero targets could lead to a material increase in the procurement of renewable energy by businesses and consumers. Moreover, companies are increasingly required to demonstrate their commitment to reducing their carbon footprints, which may increase the demand for corporate PPAs. | The Board considers that the decarbonisation of the UK economy will continue to present a significant investment opportunity in the short and medium term (0-15 years) and the size of the Company's growth will be related to the success of the sector and the engagement of its stakeholders. |

### *Risks*

| Category | Climate issue | Risk | Company consideration |
|---|---|---|---|
| Transition | Retrospective changes to policies providing financial support to renewable energy | There is a risk that the UK Government retrospectively changes its financial support for the renewable energy sector such as ROCs, network charges and carbon price floors. Retrospective changes to such financial support could decrease portfolio revenues and increase operating costs making the technology less commercially viable. | The Board considers the likelihood of any retrospective policy change to be low in the short term (less than 5 years). To manage any such risk, the Board and Investment Manager keep themselves abreast of developments in international support for renewable energy as well as their impact and, where possible, respond to changes when and if they happen. The Investment Manager is also actively engaged in discussion with both industry and the Government on the ongoing REMA consultation. |
| Transition | Increased renewable generation capacity reduces power prices | It is possible that the deployment of new renewable energy generation capacity, required to meet future UK and global emission reduction targets, could reduce the power prices captured by the Group's portfolio investments resulting in reduced revenues. | The Board considers there to be limited potential impact on the Company from fluctuating power prices due to the nature of the portfolio's cashflows, which are both fixed and merchant. The Group's dividend policy has also been designed to withstand significant short term variability in generation or power price capture. |

# Strategic Report continued

## Task Force on Climate Related Financial Disclosures (TCFD) continued

### *Strategy* *continued*

***Risks*** *continued*

| Category | Climate issue | Risk | Company consideration |
|---|---|---|---|
| Transition | Increased reputational risks associated with climate related disclosures and reporting obligations | There is an increase in reputational risk should incorrect or unclear statements be made in climate related disclosures that could result in investor dissatisfaction, fines linked to greenwashing or broader reputational damage to the Company and the Investment Manager. | The Company considers the potential impact of this risk to the Company to be low in the short and medium term. To manage this risk, the Investment Manager engages specialist consultants to measure and report on the Company's carbon emissions. The Investment Manager also uses internal processes to monitor emerging climate related disclosure regulations and disclosures that are made by the Company are reviewed by the Audit Committee as well as the Investment Manager's compliance and ESG teams. |
| Physical | Increase in extreme weather events | The UK has witnessed an increase in extreme weather events including flooding, heatwaves and storms including high wind speeds in recent years. Extreme weather events have the potential to disrupt portfolio operations impacting cash flows, and to damage assets resulting in increased operating costs or insurance premiums. | The Company considers the impact of such risks to its portfolio to be low. The current portfolio of wind farms is designed to withstand extreme weather conditions and to take advantage of weather systems such as increased wind speeds. In addition, wind turbines are designed to shut down in the event that wind speeds exceed very high speeds to protect them from damage.<br><br>The Investment Manager does not consider an increase in flooding to pose significant issues to the Company's portfolio as onshore wind turbines are not typically located in areas prone to flooding. To mitigate risk of damage from extreme weather events, the Company procures property damage and business interruption insurance should operations be disrupted, or assets be damaged. |

## Task Force on Climate Related Financial Disclosures (TCFD) continued

### *Strategy continued*

#### *Climate scenarios*

The Company recognises the requirement under the TCFD for considering the resilience of its strategy under different climate related scenarios, including a 2°C or lower increase scenario. The Board has also considered the potential impact of a high transition risk scenario on its strategy and sets out high level conclusions below. The scenarios were developed by a market leading consultant.

To meet the FCA's product level TCFD disclosure requirements, the Company will publish a separate report on its website before 30 June 2025. This will include information relating to an assessment of the potential impacts of specific transition scenarios as listed in the FCA Handbook.

*High transition risk scenario*

Transition risks are those associated with the pace and extent at which society adapts and mitigates the risk of climate change. Transition risks can occur when moving to a greener economy has adverse impacts on certain sectors, due to policy, legal, market or technological shifts. The Board and the Investment Manager continue to believe that the key factor that could impact the Company in the transition to a lower carbon economy is the variability of long term prices for wholesale electricity. In a lower carbon economy, where considerable build-out of renewable generation capacity will be required, there is a risk that the power price received by the Group's portfolio could be negatively impacted, depending on how successful the Government is in implementing its plan and depending on future electricity market design including the ongoing REMA consultation.

The Investment Manager has assessed the potential impact of a high transition risk scenario using a third party Net Zero model built by leading power market experts. The model sets out how electricity prices and the market may develop in line with meeting the legislated target of Net Zero emissions by 2050, including current and future policy implementation to achieve carbon neutrality, technological developments and commodity price forecasts for a global outlook.

In this high transition risk scenario where global temperature increases are limited to only 1.5°C to 2°C (most typically associated with Net Zero), it is assumed that the UK Government is successful in implementing its plan in its entirety and the REMA consultation does not conclude in significantly different market design. In this scenario, the long term power price is lower than the base case used to calculate the Company's NAV. The lower long term power price, provided by a leading market consultant, reflects the wider deployment of low marginal cost renewable generation capacity, partially offset by the expected deployment of electrolysers as part of a growing hydrogen economy, increased electrification of transport and heat and the build-out of data centres. Modelling the lower long term power price would equate to approximately a 21 pence reduction in NAV per share.

The base case long term power price assumes significant renewable generation and other measures to reduce carbon emissions and represents the independent consultant's best estimate of likely outturn. The high transition risk scenario assumes further measures. The precise effect on power price of any measures (in the base case and in the high transition risk scenario) is highly uncertain and is highly dependent on future electricity market design. The high transition risk scenario also assumes no other offsetting factors.

*High physical risk scenario*

Physical risks may consist of acute physical risk, which can refer to event driven perils including increased severity and frequency of extreme weather events, and chronic physical risk, which can refer to longer term shifts in climate patterns that cause sea level rises, heat waves, droughts and desertification.

The Board and the Investment Manager continue to believe that a scenario where global temperature increases are significantly higher than 2°C (a high physical risk scenario) would not lead to any significant physical risk to the Group's wind farms, which are designed to operate in extreme weather conditions and are typically not located in areas prone to flooding and insurance and business continuity plans are in place to manage such an event, should it occur.

In the medium to long term, the Board and the Investment Manager recognise that there is a risk that weather systems may change as a result of higher temperature change scenarios, but do not believe it is possible, at this time, to determine whether this would impact the Group positively or negatively. The Investment Manager is in the process of finalising the selection of a physical climate risk tool to support further assessment of the potential physical risks associated with the Group and wind farm portfolio.

# Strategic Report continued

## Task Force on Climate Related Financial Disclosures (TCFD) continued

### *Risk Management*

As a full scope UK AIFM, the Investment Manager has established a Risk Management Committee that meets on a quarterly basis to discuss, amongst other matters, the risk framework of the Group and investee companies including processes for identifying, assessing and managing climate related risks. The Company's risk matrix, reviewed and approved by the Board, includes climate related risks.

All risks identified, including climate related risks are assessed based on likelihood, impact and mitigation. The risk assessment is carried out on a qualitative basis by the Investment Manager, although consideration is given to how quantitative measures can be used to support climate related risk assessment. The risk matrix is then presented to the Board for discussion and approval on an annual basis.

As mentioned above, climate related risks can be classified into two broad categories: (i) risks associated with the transition to a decarbonised economy; and (ii) risks associated with the physical impacts of climate change. The table on pages 31 to 32 aims to summarise the most material transition and physical risks associated with climate change and the extent to which the Board considers the impact high or low, based on exposure and mitigation actions.

To ensure strong performance and risk mitigation, the Group has specific oversight on environmental and social issues including climate change. It reinforces this oversight with a range of activities, including:

- appointing at least one senior representative from the Investment Manager to the boards of the wind farm companies to ensure monitoring and influence of both financial and ESG performance, including climate related risks and opportunities; and
- carrying out due diligence during the acquisition of new wind farms in accordance with the Investment Manager's established procedures and ESG Policy, which requires an analysis of climate issues.

The Investment Manager's Investment Committee comprises experienced senior managers. Whilst making investment decisions, due consideration is given to climate related risks as well as to opportunities identified during due diligence.

### *Metrics and Targets*

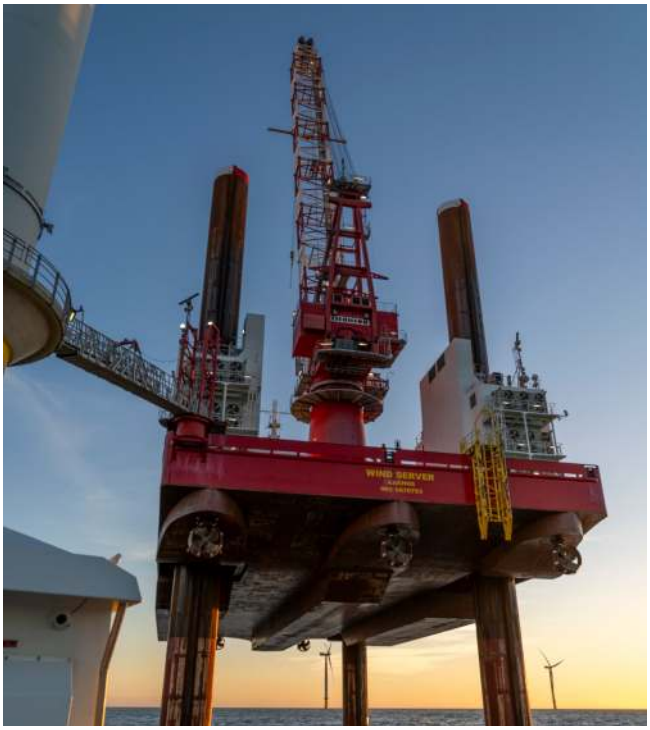
The world continues to face a serious climate challenge, and the UK is taking an active role as a global leader in greenhouse gas emissions reduction.

The Government's Net Zero strategy includes:

- complete decarbonisation of the electricity sector by 2035;
- 50GW of offshore wind capacity by 2030;
- 70GW of solar PV capacity by 2035;
- 10GW of low carbon hydrogen production capacity by 2030;
- 24GW of nuclear capacity by 2050;
- capture and store 20-30 $MtCO_2$ per year by 2030; and
- electrification of transportation (thus increasing demand for electricity).

The Group supports this strategy by allowing developers and utilities to recycle their capital, and by demonstrating the attractive long term returns in the industry through its prudent management of wind farms, thereby reducing the cost of capital and increasing the potential for further construction of renewable energay capacity and the decarbonisation of the economy.

Renewable energy generators avoid $CO_2$ emissions on a net basis at a rate of approximately 0.4t $CO_2$ per MWh. Given the size of the Group's investment portfolio on 31 December 2024, the portfolio's contribution to reducing $CO_2$ emissions is estimated to be approximately 2.4 million tonnes per annum. The portfolio is also generating sufficient electricity to power approximately 2.2 million homes per annum.



*London Array*

# Strategic Report continued

## Task Force on Climate Related Financial Disclosures (TCFD) continued

### *Metrics and Targets* *continued*

The portfolio's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are disclosed below.

| Metric | Definition | Scope | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|---|---|
| Total carbon emissions | The absolute greenhouse gas emissions of a portfolio, expressed in tonnes $CO_2e$ [1] | Scope 1 | 262 | 13 |
| | | Scope 2 (location based) | 1,969 | 2,162 |
| | | Scope 2 (market based) | 731 | 1,485 |
| | | Scope 3 | 19,047 | 261,138 |
| Carbon footprint | Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes $CO_2e$/£M invested [2] | Scope 1 & 2 | 0.2 | 0.2 |
| | | Scope 3 | 3.3 | 43 |
| | | **Total (1, 2 & 3)** | **3.5** | **43** |
| Weighted Average Carbon Intensity (WACI) | Portfolio exposure to carbon-intensive companies, expressed in tonnes $CO_2e$/£M revenue [2] | Scope 1 & 2 | 6 | 3 |
| | | Scope 3 | 67 | 1,190 |
| | | **Total (1, 2 & 3)** | **73** | **1,193** |
| Activity based carbon intensity | Total carbon emissions for a portfolio normalised by the renewable electricity generation of the portfolio, expressed in tonnes $CO_2e$/MWh | Scope 1 & 2 | 0.00023 | 0.00038 |
| | | Scope 3 | 0.00374 | 0.11977 |
| | | **Total (1, 2 & 3)** | **0.00397** | **0.12015** |

[1] Carbon emissions are measured in line with the industry standard Greenhouse Gas Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's proportionate ownership of its SPV investments. Scope 3 emissions are the result of activities from assets not owned or controlled by the Group, but that the Group indirectly impacts in its value chain. Scope 3 emissions include all sources not within the Group's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of each wind farm acquired in the year, including those emissions associated with the manufacturing and transport of all equipment and material, before the wind farm was commissioned, as well as the expected spare part provision throughout its lifetime.

[2] Calculations for metrics can be found in the EU SFDR disclosures on pages 121 to 122.

*Brockaghboy*

# Strategic Report continued

## Task Force on Climate Related Financial Disclosures (TCFD) continued

### *Metrics and Targets continued*

It is the Investment Manager's view that Scope 3 emissions are less meaningful given the Company's strategy of investing in UK wind farms for the duration of their asset lives. Furthermore, recognising a wind farm's construction and whole life operating emissions in the year the Group acquires it is potentially misleading as it both overestimates carbon emissions in the year of acquisition and underestimates carbon emissions generated in every other year.

The carbon payback of a wind turbine, how quickly it offsets the emissions generated during its manufacture, transportation and on-site construction, is an indicator of its contribution to accelerating energy transition. At current rates, carbon payback is typically around 5 months for onshore and offshore wind farms, which is approximately 3 per cent of the assumed asset life. Carbon footprint indicators are measured in line with the industry standard Greenhouse Gas Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's proportionate ownership of its SPV investments.

*Targets*

The Company has not set a carbon emissions reduction target. It commits to continuing to invest solely in operating wind power generation assets and to continue growing its renewable energy generation and generating capacity to support the transition to a Net Zero economy. The Investment Manager has been a signatory to the Net Zero Asset Managers initiative ('NZAM') since 2021. NZAM is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. The Investment Manager is aware of NZAM's internal review and held a meeting with the initiative to gain a clearer understanding of their next steps. There will be further engagement with NZAM to support the revision of its commitments in a manner that best reflects the interest of shareholders. In 2022, the Investment Manager formalised a commitment to cut the intensity of its Scope 1 and 2 emissions by 50 per cent by 2030. With support from the Investment Manager, the Company will work to develop a plan in line with evolving UK requirements in this regard, including how it intends to reduce its carbon footprint to support the Investment Manager's commitment whilst continuing to grow its portfolio and avoid carbon emissions as a result of its generation activities.

## UK Sustainability Disclosure Requirements (SDR)

In 2023, the FCA published its final rules regarding Sustainability Disclosure Requirements (SDR) which came into force in stages during 2024. During the year, the Company adopted the Sustainability Focus label which signifies the Company's commitment to investing in assets that prioritise sustainability for people and the planet. The Company is committed to providing transparent and accurate information about our sustainability practices and, with support from the Investment Manager, will ensure ongoing compliance with SDR criteria through regular reviews and updates to internal procedures.

## EU Sustainable Financial Disclosure Regulation (SFDR)

The Company became Article 9 qualified under EU SFDR in 2022. Through its Investment Policy of investing in UK wind farms predominately with a capacity over 10MW, the Company contributes to the environmental objective of climate change mitigation that helps to facilitate the transition to a low carbon economy. Detailed Annex V disclosures and the Company's principal adverse impacts statement can be found on pages 107 to 122.

## ESG Report

The Company publishes an annual standalone ESG Report. This provides further information on how the Group approaches responsible investment and ESG matters in addition to further case studies and ESG performance. The Company's ESG Report for 2024 will be published on its website in April 2025.

On behalf of the Board

**Lucinda Riches C.B.E.**
*Chairman*

26 February 2025

# Board of Directors

As at the date of this report, the Board comprises 6 individuals from relevant and complementary backgrounds.

The Directors are of the opinion that the Board as a whole comprises an appropriate balance of skills, experience and diversity. The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed below.

### Lucinda Riches C.B.E., Chairman of the Board (appointed 1 May 2019)

Lucinda Riches C.B.E. (Chairman) brings significant capital markets experience, having advised public companies on strategy, fundraising and investor relations for many years. She also brings extensive experience as a public company non-executive director across a variety of businesses, including two FTSE 100 companies.

Lucinda worked at UBS and its predecessor firms for 21 years until 2007 where she was a managing director, global head of Equity Capital Markets and a member of the board of the investment bank. She is Chairman of Peel Hunt Limited and a non-executive Director of Ashtead Group plc and Kingfisher PLC. Previously she was a non-executive Director of UK Financial Investments, a non-executive Director of The Diverse Income Trust plc, Senior Independent Director of The British Standards Institution and until 2021 she was a non-executive Director of CRH plc and Senior Independent Director of ICG Enterprise Trust plc. She was awarded a C.B.E. in 2017 for her services to financial services, British industry and to charity.

### Caoimhe Giblin, Chairman of the Audit Committee (appointed 1 September 2019)

Caoimhe Giblin (Director and Audit Committee Chairman) has extensive experience in the electricity industry sector and is currently Co Chief Executive Officer at ElectroRoute, an energy trading company which is part of the Mitsubishi Corporation group of companies.

Prior to that, Caoimhe was Director of Finance for SSE Renewables where she had responsibility for the financial activities of SSE's significant on and offshore wind development and construction portfolio. Prior to this, Caoimhe held various roles in the Corporate Finance department at Airtricity where she gained significant experience of corporate acquisitions and disposals, equity fundraising, project finance, debt financing and managed the company's corporate valuation process.

Caoimhe qualified as a Chartered Accountant with KPMG and spent the early part of her career focusing on providing corporate finance due diligence, internal audit and risk management services. Caoimhe is a Fellow of Chartered Accountants Ireland and has a BA in Accounting & Finance and an MBS in Accounting from Dublin City University. Caoimhe also holds a Diploma in Company Direction from the Institute of Directors, of which she is a member.

# Board of Directors continued

### Nick Winser C.B.E. Senior Independent Director (appointed 1 January 2022)

Nick Winser C.B.E. (Senior Independent Director) has a 30 year career in the energy sector which included being CEO of National Grid across UK and Europe, President of the European Network of Transmission System Operators for Electricity and CIGRE UK Chairman. Nick was previously the Chairman of Energy Systems Catapult and was appointed Chairman of the Advisory Board for the Energy Revolution ISCF programme in 2018. He was appointed Electricity Network Commissioner by the Government in summer 2022 and is Energy Commissioner at the National Infrastructure Commission. During 2024, Nick was appointed as a Commissioner of the Clean Power 2030 Commission and had taken an advisory role with the Gas and Electricity Markets Authority.

Nick is a Fellow of the Institute of Engineering and Technology, serving as its President in 2017/18 and is a Fellow of the Royal Academy of Engineering. Nick is also former Chairman of the MS Society and a former member of the Board of the Kier Group.

### Jim Smith (appointed 1 May 2023)

Jim Smith (Director) is the former Managing Director of SSE Renewables with 34 years experience within the electricity industry at SSE. Since retiring from full time employment in 2022 he has transitioned into a number of part time roles and is Chair of Noriker Power Ltd, Chair of Inverness & Cromarty Firth Green Freeport Ltd, Chair of Renewable Parts Ltd and non-executive Director of Reventus Power Ltd. Jim is a renewable energy ambassador for Cowi UK Ltd.

Jim's early career in SSE was in development, construction and operations in both hydro and gas fired generation where he became Station Manager at Peterhead Power Station. He then went on to be Director of Major Projects responsible for the group's major capital infrastructure investments in renewables, thermal generation, gas storage and transmission.

Following SSE's acquisition of Airtricity in 2008, he led offshore wind development and construction before taking responsibility for all wind development and construction. He subsequently was the Managing Director of the groups energy trading business before becoming Managing Director of Generation Operations. Following a restructuring in 2018 Jim became the Managing Director of SSE Renewables with responsibility for the 4GW operational fleet and the development pipeline, taking over 5GW (gross) of projects through financial close prior to his retirement.

Jim is a Mechanical Engineer, trained mediator and a mentor for the MCR Pathways charity.

# Board of Directors continued

### Abigail Rotheroe (with effect from 1 March 2024)

Abigail Rotheroe (Director) is a CFA Charterholder with over 25 years' experience in the investment industry. She brings a recent investment background in ESG and sustainable investing alongside her previous involvement in institutional and retail asset management. Abigail also has deep non-executive experience including that as a public company non-executive director.

During her career in fund management, Abigail has held positions at Schroder Capital Management, HSBC Asset Management and was a Director of Columbia Threadneedle Investments managing retail and pension fund assets in Asia and Emerging markets. Most recently she was the Investment Director of Snowball Impact Management, responsible for developing the firm's approach to impact investment and measurement.

Abigail is currently a non-executive director of HydrogenOne Capital Growth plc (and Chair of the Remuneration and Management Engagement Committee), Baillie Gifford Shin Nippon plc (and Chair of the Nomination Committee) and Templeton Emerging Markets Investment Trust plc. She is a member of the Investment Advisory Committee of WHEB Asset Management LLP, is an investment committee member for the Joseph Rowntree Charitable Trust and the Robertson Trust and has sat on the CFA UK's Impact Investing Certificate expert panel, from its inception to the creation of the certificate.

### Taraneh Azad (appointed 1 February 2025)

Taraneh Azad (Director) is the Partner (having previously served as its Managing Partner) and Chief Investment Officer at Systemiq, where she has been instrumental in transforming the company into a resilient, agile, and trusted system change organisation. With over 25 years of experience in finance, commercial, and business development, Taraneh has held senior positions at Goldman Sachs, Morgan Stanley, Hartree Partners, and TXU Europe in the energy sector. In these roles, she primarily collaborated with corporates and sovereigns across Europe and the Middle East, focusing on energy price risk management.

Taraneh's career began with international development works for projects of the European Union and the United Nations, showcasing her commitment to global progress from the outset. Fluent in German, English, and Persian, she has had the opportunity to work in numerous countries around the world, further enriching her diverse professional background. At Systemiq, she advises companies across Europe and the Middle East on sustainability and energy transition, leveraging her extensive experience and expertise.

### Martin McAdam (appointed 1 March 2015 and retired 24 April 2024)

Martin McAdam (Director) is an accomplished executive with significant experience in the energy and renewables sector. He was formerly Chief Executive Officer of Aquamarine Power. Prior to that, Martin was President and Chief Executive Officer of the US subsidiary of Airtricity, a role in which he constructed over 400MW of wind farm capacity.

Martin spent his early career at ESB, the Irish utility, involved in a number of activities including power station construction and generation planning. After a number of years in information services, he returned to the power industry and joined Airtricity, a significant developer and constructor of wind farms throughout the UK and Ireland, managing construction of new wind farms. Martin's role expanded into operations and ultimately to take responsibility for the growing US business. He led the integration of the Airtricity generation business unit into the SSE Renewables Division after its sale.

Martin is a Chartered Engineer and a Fellow of Engineers Ireland and a Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce.

# Board of Directors continued

## Other UK Listed Public Company Directorships

In addition to their directorships of the Company, the below Directors currently hold the following UK listed public company directorships:

**Lucinda Riches C.B.E.**

Ashtead Group plc
Peel Hunt Limited
Kingfisher PLC

The Directors have all offered themselves for re-election and resolutions concerning this will be proposed at the 2025 AGM.

## Conflicts of Interest

The Directors have declared any conflicts or potential conflicts of interest to the Board which has the authority to approve such situations. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed bi-annually by the Board and when changes are notified. The Directors advise the Company Secretary and the Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts.

In accordance with Provision 9 of the AIC Code, the appointment of any Director has included consideration of the time they have available to the role. Any additional external appointments will be submitted by Directors to the Board for consideration with respect to any conflicts arising or time commitment concerns relating to over-boarding guidelines before approval before the appointment is accepted. The Investment Manager is also engaged on occasion to assist in determining potential conflicts arising from external appointments.

*South Kyle*

# Report of the Directors

The Directors present their Annual Report, together with the consolidated financial statements of Greencoat UK Wind PLC for the year to 31 December 2024. The Corporate Governance Report on pages 49 to 54 forms part of this report.

Details of the Directors who held office during the year and as at the date of this report are given on pages 37 to 39.

## Capital Structure

The Company has one class of ordinary shares which carry no rights to fixed income. Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the shareholders are entitled to all of the surplus assets of the Company.

Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each ordinary share held.

## Authority to Purchase Own Shares

The current authority of the Company to make market purchases of up to 14.99 per cent of its issued share capital expires at the conclusion of the 2025 AGM. Special resolution 15 will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or 30 June 2026, whichever is earlier). The price paid for the shares will not be less than the nominal value or more than the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force at the date of purchase. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of shareholders as a whole. Any shares repurchased under this authority will either be cancelled or held in treasury at the discretion of the Board for future resale in appropriate market conditions.

The Directors believe that the renewal of the Company's authority to purchase shares, as detailed above, is in the best interests of shareholders as a whole and therefore recommend shareholders to vote in favour of special resolution 15.

The Directors also recommend shareholders to vote in favour of resolutions 12, 13 and 14, which renew their authority to allot equity securities for the purpose of satisfying the Company's obligations to pay the Equity Element of the Investment Manager's fee, and also their authority to allot equity securities for cash either pursuant to the authority conferred by resolution 12 or by way of a sale of treasury shares.

## Major Interests in Shares

Significant shareholdings as at 14 February 2025 are detailed below.

| Shareholder | Ordinary shares held % 14 February 2025 |
|---|---|
| Blackrock Investment Management | 5.41 |
| Rathbone Investment Management | 5.21 |
| Hargreaves Lansdown Asset Management | 5.08 |
| Investec Wealth & Investment | 4.55 |
| Schroder Investment Management | 4.24 |
| Interactive Investor | 3.83 |
| Newton Investment Management | 3.73 |
| Charles Stanley | 3.07 |
| Evelyn Partners | 3.06 |
| FIL Investment International | 3.02 |

Significant shareholdings as at 31 December 2024 are detailed below.

| Shareholder | Ordinary shares held % 31 December 2024 |
|---|---|
| Rathbone Investment Management | 5.63 |
| BlackRock Investment Management | 5.23 |
| Hargreaves Lansdown Asset Management | 4.78 |
| Investec Wealth & Investment | 4.51 |
| Schroder Investment Management | 4.43 |
| Newton Investment Management | 3.63 |
| Interactive Investor | 3.55 |
| FIL Investment International | 3.26 |
| Charles Stanley | 3.13 |
| Evelyn Partners | 3.07 |
| CCLA Investment Management | 3.01 |

## Companies Act 2006 Disclosures

In accordance with Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 the Directors disclose the following information:

- the Company's capital structure is detailed in note 16 to the financial statements and all shareholders have the same voting rights in respect of the share capital of the Company. There are no restrictions on voting rights that the Company is aware of, nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- the Company does not have an employees' share scheme;

# Report of the Directors continued

## Companies Act 2006 Disclosures continued

- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid;
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid; and
- the Directors' responsibilities pursuant to Section 172 of the Companies Act 2006, as detailed in the Strategic Report.

## Investment Trust Status

The Company has been approved as an investment trust under sections 1158 and 1159 of the Corporation Taxes Act 2010. As an investment trust, the Company is required to meet relevant eligibility conditions and ongoing requirements. In particular, the Company must not retain more than 15 per cent of its eligible investment income. The Company has conducted and monitored its affairs so as to enable it to comply with these requirements.

## Diversity and Business Review

A business review is detailed in the Investment Manager's Report on pages 5 to 18 and the Group's policy on diversity is detailed in the Strategic Report on page 29.

## Directors' Indemnity

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court.

Except for such indemnity provisions in the Company's Articles of Association and in the Directors' letters of appointment, there are no qualifying third party indemnity provisions in force.

## Streamlined Energy Carbon Reporting

As the Group has outsourced operations to third parties, there are no significant greenhouse gas emissions to report from the operations of the Group. The Group qualifies as a low energy user and is therefore exempt from disclosures on greenhouse gas emissions and energy consumption.

The underlying assets of the Group's investee companies are renewable energy generators which avoid $CO_2$ emissions on a net basis (at a rate of approximately 0.4t $CO_2$ per MWh and estimated to be approximately 2.4 million tonnes per annum given the size of the Group's investment portfolio as at 31 December 2024).

Further details of the portfolio's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions can be found in the Strategic Report on page 35.

## Risks and Risk Management

The Group is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk and the management and monitoring of these risks are detailed in note 19 to the financial statements.

## Independent Auditor

The Directors will propose the reappointment of BDO LLP as the Company's Auditor and resolutions concerning this and the remuneration of the Company's Auditor will be proposed at the 2025 AGM.

So far as each of the Directors at the time that this report was approved are aware:

- there is no relevant audit information of which the Auditor is unaware; and
- they have taken all the steps they ought to have taken to make themselves aware of any audit information and to establish that the Auditor is aware of that information.

## Annual Accounts

The Board is of the opinion that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2024 are received and adopted by the shareholders and a resolution concerning this will be proposed at the 2025 AGM.

## Dividend

The Board recommended an interim dividend of £56.2 million, equivalent to 2.5 pence per share with respect to the 3 month period ended 31 December 2024, bringing total dividends with respect to the year to £226.8 million, equivalent to 10 pence per share as disclosed in note 8 to the financial statements.

# Report of the Directors continued

## Subsequent Events

Significant subsequent events have been disclosed in note 22 to the financial statements.

## Strategic Report

A review of the business and future outlook, going concern statement and the principal risks and uncertainties of the Group have not been included in this report as they are disclosed in the Strategic Report on pages 19 to 36.

On behalf of the Board

**Lucinda Riches C.B.E.**
*Chairman*

26 February 2025

*Glen Kyllachy*

# Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. A resolution to approve the Directors' Remuneration Report will be proposed at the 2025 AGM. At the AGM on 24 April 2024, shareholders voted 99.61 per cent in favour to approve the Directors' Remuneration Report for the year ended 31 December 2023.

The Company's Auditor is required to give their opinion on the information provided on Directors' remuneration on pages 44 to 47 of this report and this is explained further in its report to shareholders on page 65. The remainder of this report is outside the scope of the external audit

## Annual Statement from the Chairman of the Board

The Board, which is profiled on pages 37 to 39, consists solely of non executive Directors and is considered to be independent. The Board considers at least annually the level of the Board's fees, in accordance with the AIC Code. During the year, the basic fee for non executive Directors increased by £3,300 per annum to £68,300, the fee for the Senior Independent Director and the Audit Committee Chairman increased by £3,600 and £3,900 per annum respectively, and the fee for the Chairman increased by £5,700 per annum to £115,700, following an internal evaluation. The Board confirmed that this increase was appropriate through benchmarking by the Investment Manager.

## Remuneration Policy

As at the date of this report, the Board comprised 6 Directors, all of whom are non executive. The Board does not have a separate Remuneration Committee as, being wholly comprised of non executive Directors, the whole Board considers these matters.

At the AGM on 28 April 2023, shareholders voted 99.78 per cent in favour to approve the Company's Remuneration Policy, which is put to a vote by shareholders every 3 years. The details of the Company's Remuneration Policy are set out in full below. No changes are expected for 2025 and this policy will next be put to a vote by shareholders at the 2026 AGM.

Each Director receives a fixed fee per annum based on their roles and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company.

The Company's Articles of Association empower the Board to award a discretionary bonus where any Director has been engaged in exceptional work on a time spent basis to compensate for the additional time spent over their expected time commitment.

The Articles of Association provide that Directors retire and offer themselves for re-election at the first AGM after their appointment and at least every 3 years thereafter. However, in accordance with the AIC Code, the Directors are required to be re-elected annually. All of the Directors have been provided with letters of appointment for an initial term of 3 years and for each 3 year term thereafter, which are subject to annual re-election in accordance with the AIC Code. The following table outlines the effective date and expiry date of each of the Directors' current letters of appointment:

| | Effective date of current appointment letter | Expiry date of current appointment letter |
|---|---|---|
| Lucinda Riches C.B.E. | 28 April 2023 | 27 April 2026 |
| Caoimhe Giblin | 1 September 2022 | 31 August 2025 |
| Nick Winser C.B.E. | 28 April 2023 | 27 April 2026 |
| Jim Smith | 1 May 2023 | 30 April 2026 |
| Abigail Rotheroe | 1 March 2024 | 28 February 2027 |
| Taraneh Azad | 1 February 2025 | 31 January 2028 |

A Director's appointment may at any time be terminated by and at the discretion of either the Director or the Company upon 6 months' written notice. A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances. The Board has included malus and clawback clauses to Director appointment letters in line with new requirements of the 2024 UK Corporate Governance Code. Being non-executive Directors, none of the Directors have a service contract with the Company.

The terms and conditions of appointment of non-executive Directors are available for inspection from the Company's registered office.

# Directors' Remuneration Report continued

## Annual Report on Remuneration

During the year, the basic fee for non-executive Directors increased by £3,300 per annum to £68,300, with effect from 1 January 2024, with the Senior Independent Director and the Audit Committee Chairman receiving an additional £3,600 and £3,900 per annum respectively. The Chairman's basic fee was also increased by £5,700 to £110,000 per annum.

The level of fees for Directors were benchmarked during the year by the Investment Manager. The Company is the largest independent generator of renewable electricity in the UK. Its GAV has grown to £5.7 billion through acquisitions and equity raisings and, in the last 3 years, the Board and its committees have held 71 meetings.

The Directors remain eligible to receive discretionary payments where significant additional work is incurred, however, no discretionary payments were made during the year.

The table below (audited information) shows the total remuneration earned by each individual Director during the current year:

| Paid in the year to 31 December 2024 | Fixed remuneration | Discretionary remuneration [1] | Total remuneration |
|---|---|---|---|
| Lucinda Riches C.B.E. (Chairman) | £115,700 | — | £115,700 |
| Caoimhe Giblin (Audit Committee Chairman) | £78,900 | — | £78,900 |
| Nick Winser C.B.E. (Senior Independent Director) | £73,600 | — | £73,600 |
| Jim Smith | £68,300 | — | £68,300 |
| Abigail Rotheroe [2] | £57,260 | — | £57,260 |
| Martin McAdam [3] | £21,519 | — | £21,519 |
| **Total** | **£415,279** | **—** | **£415,279** |

[1] The Directors received no additional discretionary payment during the year.
[2] Appointed to the Board with effect from 1 March 2024.
[3] Retired with effect from 24 April 2024.

The table below (audited information) shows the total remuneration earned by each individual Director during the prior year:

| Paid in the year to 31 December 2023 | Fixed remuneration | Discretionary remuneration [1] | Total remuneration |
|---|---|---|---|
| Lucinda Riches C.B.E. (Chairman) [2] | £97,178 | — | £97,178 |
| Caoimhe Giblin (Audit Committee Chairman) | £75,000 | — | £75,000 |
| Nick Winser C.B.E. (Senior Independent Director) [3] | £68,397 | — | £68,397 |
| Martin McAdam | £65,000 | — | £65,000 |
| Jim Smith [4] | £43,630 | — | £43,630 |
| Shonaid Jemmett-Page [5] | £35,562 | — | £35,562 |
| **Total** | **£384,767** | **—** | **£384,767** |

[1] The Directors received no additional discretionary payment during the year.
[2] Appointed as Chairman with effect from 28 April 2023.
[3] Appointed as Senior Independent Director with effect from 28 April 2023.
[4] Appointed to the Board with effect from 1 May 2023.
[5] Retired with effect from 28 April 2023.

# Directors' Remuneration Report continued

## Annual Report on Remuneration continued

The table below (audited information) shows the change in total remuneration earned by each individual Director over prior years:

| Paid in the year to 31 December 2024 | 2024 % change from prior year [1] | 2023 % change from prior year | 2022 % change from prior year | 2020 % change from prior % change |
|---|---|---|---|---|
| Lucinda Riches C.B.E. (Chairman) [2] | 19% | 66% | 6% | 10% |
| Caoimhe Giblin (Audit Committee Chairman) | 5% | 15% | 0% | 15% |
| Nick Winser C.B.E. (Senior Independent Director) [3] | 8% | 24% | 100% | n/a |
| Jim Smith [4] | 57% | 100% | n/a | n/a |
| Abigail Rotheroe [5] | 100% | n/a | n/a | n/a |
| Martin McAdam | -67% | 18% | 0% | 10% |
| Shonaid Jemmett-Page [6] | n/a | -58% | 0% | 16% |
| William Rickett C.B. [7] | n/a | n/a | 0% | 9% |
| Tim Ingram [8] | n/a | n/a | n/a | -100% |

(1) Movement in individual Director's salary based on annualised total figures.
(2) Appointed as Chairman with effect from 28 April 2023.
(3) Appointed as Senior Independent Director with effect from 28 April 2023.
(4) Appointed to the Board with effect from 1 May 2023.
(5) Appointed to the Board with effect from 1 March 2024.
(6) Retired with effect from 28 April 2024.
(7) Retired with effect from 28 April 2022.
(8) Retired with effect from 30 April 2020.

## Directors' Interests (audited information)

Directors who held office and had interests in the shares of the Company as at 31 December 2024 are given in the table below. There were no changes to the interests of each Director as at the date of this report.

| | Ordinary shares of 1p each held at 31 December 2024 | Ordinary shares of 1p each held at 31 December 2023 |
|---|---|---|
| Martin McAdam [1] | n/a | 153,689 |
| Lucinda Riches C.B.E. | 10,000 | 120,000 |
| Jim Smith | 100,000 | 100,000 |
| Caoimhe Giblin | 70,000 | 70,000 |
| Abigail Rotheroe [2] | 57,451 | n/a |

(1) Retired with effect from 24 April 2024.
(2) Appointed to the Board with effect from 1 March 2024.

## Relative Importance of Spend on Pay

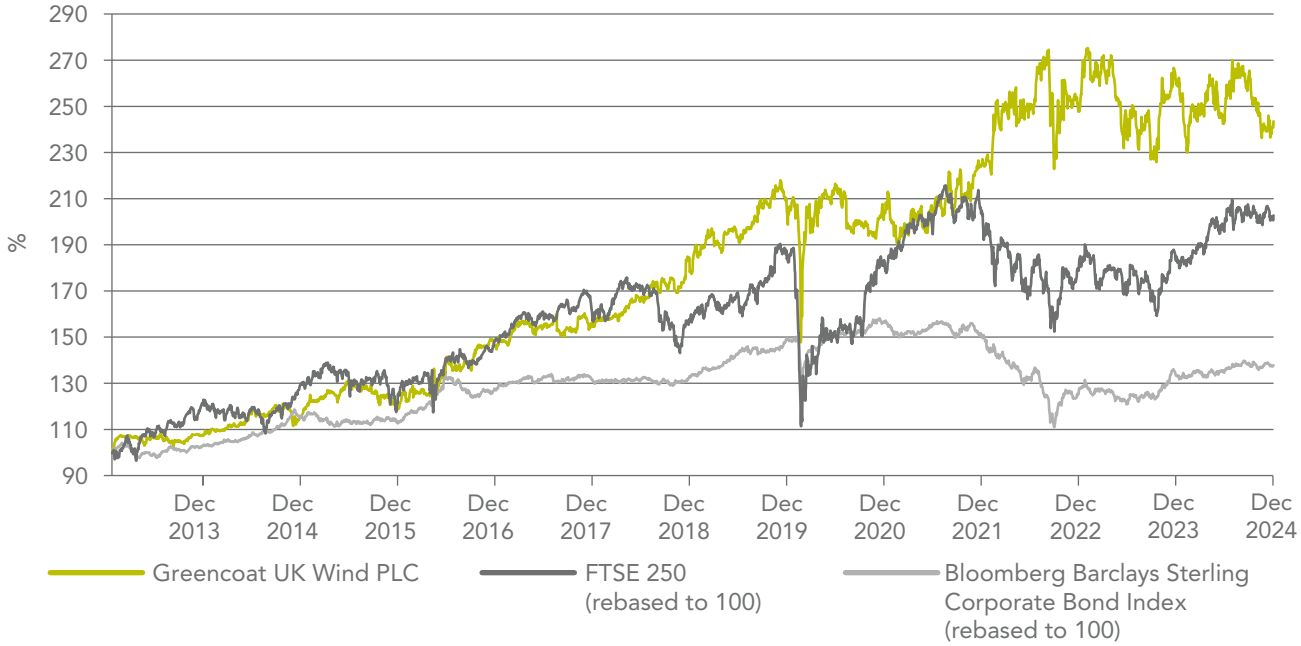
The remuneration of the Directors with respect to the year totalled £415,279 (2023: £384,767) in comparison to dividends paid or declared to shareholders with respect to the year of £226,828,614 (2023: £231,414,095) and the cost of share buybacks of £81,574,856 (2023: £9,501,098). This is 0.2 per cent (2023: 0.2 per cent) of dividends paid or declared and 0.5 per cent (2023: 4.1 per cent) of the cost of share buybacks.

## Company Performance

Due to the positioning of the Company in the market as a sector focused infrastructure fund investing in UK wind farms to produce stable and inflating dividends for investors while aiming to preserve capital value, the Directors consider that a listed infrastructure fund has characteristics of both an equity index and a bond index. The following graph shows the TSR of the Company compared to the FTSE 250 index and the Bloomberg Barclays Sterling Corporate Bond Index:

# Directors' Remuneration Report continued

**Total Shareholder Return vs Equity and Bond Indices**




On behalf of the Board

**Lucinda Riches C.B.E.**
Chairman

26 February 2025

*Humber Gateway*

# Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group's financial statements, and have elected to prepare the Company's financial statements, in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and performance;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Report of the Directors, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Directors are also responsible under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so have regard for the needs of wider society and other stakeholders.

### Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibilities also extend to the ongoing integrity of the financial statements contained therein.

### Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge that:

- the Group's financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

**Lucinda Riches C.B.E.**
*Chairman*

26 February 2025

# Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 41 to 43. The Board operates under a framework for corporate governance which is appropriate for an investment company. All companies with a premium listing of equity shares in the UK are required under the UK Listing Rules to report on how they have applied the UK Code in their Annual Report and financial statements.

The Company became a member of the AIC with effect from 27 March 2013 and has therefore put in place arrangements to comply with the AIC Code and, in accordance with the AIC Code, complies with the UK Code.

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. In August 2024, the AIC Code was updated and endorsed by the FRC and the 2024 AIC Code applies to accounting periods beginning on or after 1 January 2025, with the exception of Provision 34 which will apply to accounting periods beginning on or after 1 January 2026.

The AIC Code and the AIC Guide are available on the AIC's website, www.theaic.co.uk. The UK Code is available on the FRC's website, www.frc.org.uk.

The Company has complied with the recommendations of the AIC Code throughout the year, where applicable. The Company does not comply with recommendations relating to the appointment of a Remuneration Committee or a performance related remuneration policy as, being wholly comprised of non-executive Directors, the Board itself considers such matters related to remuneration and does not consider it appropriate for its remuneration to be incentivised through performance outcomes.

## Purpose, Culture and Values

The Company's purpose remains clear; to provide shareholders 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.

As an investment trust with no employees, the Board has agreed that its culture and values should be aligned with those of the Investment Manager and centred on long term relationships with the Company's key stakeholders and sustainable investment as follows:

- **Integrity** is at the heart of every activity, with importance being placed on transparency, trustworthiness and dependability.
- The **trust** of stakeholders is very important to maintain the Company's reputation, particularly for execution certainty for asset sellers and delivery of investment promises to investors.
- **Respect** for differing opinions is to be shown across all interaction and communication.
- Individual **empowerment** is sought with growth in responsibility and autonomy being actively encouraged.
- **Collaboration** and effectively utilising the collective skills of all participants is important to ensure ideas and information are best shared.

The Board of Directors continually reviews the Company's purpose, values and strategy which promote the culture of the Company and focus on long term relationships with the Company's key stakeholders and sustainable investment. The Board believes it has a strong culture of collaboration and inclusivity, which is reflected in the way in which Board meetings are conducted. The Chairman promotes and facilitates a strong culture of open debate on topics, encouraging participation and input from all Directors, the Investment Manager and other advisors and service providers to ensure a wide exchange of views. The Board annually considers the embedding of a collaborative and inclusive culture as part of its performance review process.

## The Board

As at the date of this report, the Board consists of 6 non-executive Directors and represents a range of investment, financial and business skills and experience. During the year, Martin McAdam retired as Director with effect from 24 April 2024, and Abigail Rotheroe was appointed as a Director with effect from 1 March 2024. Taraneh Azad has since joined the Board as a Director with effect from 1 February 2025.

The Chairman of the Board is Lucinda Riches. In considering the independence of the Chairman, the Board took note of the provisions of the AIC Code relating to independence, and has determined that Lucinda remains independent as a non-executive Director with a clear division of responsibilities from the Investment Manager. The Senior Independent Director is Nick Winser The Company, as an Investment Trust, has no employees and therefore there is no requirement for a chief executive.

# Corporate Governance Report continued

## The Board continued

The Articles of Association provide that Directors shall retire and offer themselves for re-election at the first AGM after their appointment and at least every 3 years thereafter. However, the AIC Code requires that Directors be subject to an annual election by shareholders, and the Directors comply with this requirement. All of the Directors shall offer themselves for re-election at the forthcoming AGM. Having considered their effectiveness, demonstration of commitment to the role, length of service, attendance at meetings and contribution to the Board's deliberations, the Board approves the nomination for re-election of the Directors.

The Company's view is that the continuity and experience of its Directors are important and that a suitable balance needs to be struck with the need for independence and the refreshing of the skills and expertise of the Board. The Company believes that some limited flexibility in its approach to Director rotation and Chair tenure will enable it to manage succession planning more effectively, as set out below. During the year, the Board conducted comprehensive recruitment processes aimed at ensuring a sustained balance of skills and experience on the Board.

The terms and conditions of appointment of non-executive Directors are available for inspection from the Company's registered office.

## Chair Tenure Policy

The Company's policy on Chair tenure is available on the Company website. The Company's policy on Chair tenure is that the Chairman should normally serve no longer than 9 years as a Director and Chairman but, where it is in the best interests of the Company, its shareholders and stakeholders, the Chairman may serve for a limited time beyond that to help the Company manage succession planning whilst at the same time still address the need for regular refreshment and diversity. In such circumstances the independence of the other Directors will ensure that the Board as a whole remains independent

## Diversity Policy

The Company's policy on Board diversity is available on the Company website and sets out the approach that will be adopted to ensure that the Board remains appropriately balanced, and relevant to the Company's operations. The composition of the Board is reviewed annually by the Nomination Committee, including the balance of skills, knowledge, experience and the diversity policy is considered in conjunction with all Board appointments. The Board's composition is detailed within the Strategic Report on page 25.

## Performance and Evaluation

Pursuant to Provision 26 of the AIC Code, the Board undertakes a formal and rigorous review of its performance each financial year. As a FTSE 250 company, in keeping with the provisions of the AIC Code, it is the Company's policy that every 3 years an external consultant, who has no connection with the Company, carries out a formal review of the Board's performance. This was last conducted in 2022 and therefore the Board will be subject to an external review again in 2025. The Board will initiate a tender process and invite external consultants to participate and complete a pre-qualification questionnaire to develop a longlist of potential consultants. The chosen consultant will be selected based on sector experience, process and output with consideration to fee levels.

An internal evaluation of the Board, the Committees and individual Directors was conducted during 2024 in the form of annual performance appraisals, questionnaires and discussions to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. This process was facilitated by the Company Secretary. The reviews concluded that the overall performance of the Board and its Committees was satisfactory and the Board was confident in its ability to continue to govern the Company well.

Each individual Director's training and development needs are reviewed annually. All new Directors receive an induction from the Investment Manager and Company Secretary, which includes the provision of information about the Company and their responsibilities. In addition, site visits and specific Board training sessions are arranged involving presentations on relevant topics on a regular basis.

## Board Responsibilities

The Board will meet, on average, 6 times in each calendar year for scheduled Board meetings and on an ad hoc basis as and when necessary. At each meeting the Board follows a formal agenda that will cover the business to be discussed. Between meetings there is regular contact with the Investment Manager and the Administrator. The Board requires to be supplied with information by the Investment Manager, the Administrator and other advisers in a form appropriate to enable it to discharge its duties.

# Corporate Governance Report continued

## Board Responsibilities continued

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with applicable regulation. It is the Board's responsibility to present a fair, balanced and understandable Annual Report, which provides the information necessary for shareholders to assess the performance, strategy and business model of the Company. This responsibility extends to the half year and other price sensitive public reports.

## Audit Committee

The Company's Audit Committee is chaired by Caoimhe Giblin and consists of a minimum of 3 members. In accordance with best practice, the Company's Chairman is not a member of the Audit Committee however she does attend Audit Committee meetings as and when deemed appropriate. The Audit Committee Report which is on pages 55 to 58 of this report describes the work of the Audit Committee.

## Management Engagement Committee

The Company's Management Engagement Committee comprises all of the Directors and is required to meet at least once per year. The Chairman of the Management Engagement Committee is Lucinda Riches. The Management Engagement Committee's main function is to keep under review the performance of the Investment Manager and make recommendations on any proposed amendment to the Investment Management Agreement.

The Management Engagement Committee met once during the year and agreed an amendment to the Investment Management Agreement with the Investment Manager.

Terms of reference for the Management Engagement Committee have been approved by the Board and are available on the Company's website.

## Nominations Committee

The Company's Nominations Committee comprises all of the Directors and is required to meet at least once per year. The Chairman of the Nominations Committee is Lucinda Riches. The Nominations Committee's main function is to plan for Board succession and to review annually the structure, size and composition of the Board and make recommendation to the Board with regard to any changes that are deemed necessary. Terms of reference for the Nominations Committee have been approved by the Board and are available on the Company's website.

The Nominations Committee met 3 times during the year to consider Director remuneration and Board succession planning, as well as to commence a non executive director recruitment process with the assistance of an external recruitment consultant, Heidrick & Struggles.

For the Director recruitment process, the Nominations Committee developed a role specification with the assistance of Heidrick & struggles to identify potential candidates for consideration, with a shortlist of candidates being interviewed by Committee members and the Investment Manager before a final decision was taken to recommend the appointment of Taraneh Azad to the Board. The Nominations Committee will continue to review structure, size and composition of the Board and report on succession planning annually to preserve continuity by phasing the retirement of Directors approaching nine years of service.

## Communications and Disclosure Committee

The Company has established a Communications and Disclosure Committee which is required to meet at least once a year. The committee has responsibility for, amongst other things, determining on a timely basis the disclosure treatment of material information, and assisting in the design, implementation and periodic evaluation of disclosure controls and procedures. The Committee also has responsibility for the identification of inside information for the purpose of maintaining the Company's insider list.

Terms of reference for the Communications and Disclosure Committee have been approved by the Board and are available on the Company's website. Membership consists of the Chairman (or one other Director) and one of Stephen Lilley and Matt Ridley. Additional members of the Committee may be appointed and existing members removed by the Committee. The membership of the Committee is reviewed by the Board on a periodic basis and at least once a year.

The AIC Code recommends that companies appoint a Remuneration Committee, however the Board has not deemed this necessary, as being wholly comprised of non-executive Directors, the whole Board considers these matters.

# Corporate Governance Report continued

## The Investment Manager

The Board has entered into the Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for developing strategy and the day-to-day management of the Group's investment portfolio, in accordance with the Group's Investment Objective and Investment Policy, subject to the overall supervision of the Board. A summary of the fees paid to the Investment Manager are given in note 3 to the financial statements.

The Investment Management Agreement may be terminated with immediate effect and without compensation, by either the Investment Manager or the Company if the other party has gone into liquidation, administration or receivership or has committed a material breach of the Investment Management Agreement.

During the year, there was a revision to the terms of the Investment Management Agreement with the basis of the fee calculation becoming the lower of market capitalisation and NAV. This revision was effective on 1 January 2025.

The Board as a whole reviewed the Company's compliance with the UK Corporate Governance Code, the Listing Rules, the Disclosure Guidance and Transparency Rules and the AIC Code. In accordance with the Listing Rules, the Directors confirm that the continued appointment of the Investment Manager under the current terms of the Investment Management Agreement is in the interests of shareholders. The Board also reviewed the performance of other service providers and examined the effectiveness of the Company's internal control systems during the year.

## The Administrator and Company Secretary

Ocorian Administration (UK) Limited has acted as the Company's Administrator and Company Secretary since December 2012 and provides essential services to the Board, ensuring that Board procedures are followed and that it complies with the Law and applicable rules and regulations.

The Company Secretary facilitates sound information flows to the Board for it to function effectively and efficiently to support the decision making process and advises the Board on updates to Listing and Transparency Rule requirements and on best practice corporate governance developments. During 2024 and prior to the publication of this report, the Company Secretary facilitated the recruitment and induction of two newly appointed Directors and coordinated the effectiveness evaluation review of the Board in conjunction with the Chairman.

## Board Meetings, Committee Meetings and Directors' Attendance

The number of meetings of the full Board attended in the year to 31 December 2024 by each Director is set out below:

| | Scheduled Board Meetings (Total of 5) | Additional Board Meetings (Total of 7) |
|---|---|---|
| Lucinda Riches C.B.E. | 5 | 7 |
| Caoimhe Giblin | 5 | 7 |
| Nick Winser C.B.E. | 5 | 7 |
| Jim Smith | 5 | 7 |
| Abigail Rotheroe [1] | 3 | 7 |
| Martin McAdam [2] | 3 | 1 |

[1] Appointed with effect from 1 March 2024, at which point 2 scheduled Board meetings had taken place.

[2] Resigned with effect from 24 April 2024, at which point 2 scheduled Board meetings and 6 additional Board meeting had taken place.

The number of meetings of the committees of the Board attended in the year to 31 December 2024 by each committee member is set out below:

| | Audit Committee Meetings (Total of 4) | Management Engagement Committee Meetings (Total of 1) | Nominations Committee Meetings (Total of 3) |
|---|---|---|---|
| Lucinda Riches C.B.E. | n/a | 1 | 3 |
| Caoimhe Giblin | 4 | 1 | 3 |
| Nick Winser C.B.E. | 4 | 1 | 2 |
| Jim Smith | 4 | 1 | 3 |
| Abigail Rotheroe [1] | 2 | 1 | 2 |
| Martin McAdam [2] | 2 | 0 | 1 |

[1] Appointed to the Board with effect from 1 March 2024, at which point 2 Audit Committee meetings, and 1 Nominations Committee meeting had taken place.

[2] Resigned from the Board with effect from 24 April 2024, at which point 2 Audit Committee meetings, no Management Engagement Committee meetings and 1 Nominations Committee meeting had taken place.

## Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that it has an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and has continued since the year end.

# Corporate Governance Report continued

## Internal Control continued

The Company's principal risks and uncertainties are detailed on pages 20 to 22 of this report. As further explained in the Audit Committee Report, the risks of the Company are outlined in a risk matrix which was reviewed and updated during the year. The Board continually reviews its policy setting and updates the risk matrix at least annually to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise. The Board has a process in place to identify emerging risks, such as climate related risks, and to determine whether any actions are required. The Board relies on reports periodically provided by the Investment Manager and the Administrator regarding risks that the Company faces. When required, experts are employed to gather information, including tax and legal advisers. The Board also regularly monitors the investment environment and the management of the Company's portfolio, and applies the principles detailed in the internal control guidance issued by the FRC.

The Board holds an annual risk and strategy discussion, which enables the Directors to consider risk outside the scheduled quarterly Board meetings. This enables emerging risks to be identified and discussions on horizon scanning to occur, so the Board can consider how to manage and potentially mitigate any relevant emerging risks.

The principal features of the internal controls systems which the Investment Manager and Administrator have in place in respect of the Group's financial reporting are focused around the 3 lines of defence model and include:

- internal review of all financial reports;
- review by the Board of financial information prior to its publication;
- authorisation limits over expenditure incurred by the Group;
- review of valuations; and
- authorisation of investments.

The Board is aware that the implementation of Provision 34 of the AIC Code will be effective from accounting period beginning after 1 January 2026 and work is currently being undertaken to ensure the appropriate detail in relation to the review of the risk management and internal control systems reported by the Investment Manager will be implemented by the period ended 31 December 2026.

## Whistleblowing

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

## Consumer Duty

On 31 July 2023 the FCA introduced a new Principle for Businesses (Principle 12) applicable to authorised firms in the UK which carry on "retail market business" and who can determine, or materially influence retail customer outcomes. This new Principle 12 was accompanied by a package of rules and guidance, which are collectively known as the Consumer Duty.

The Company is not subject to the Consumer Duty as it is not an FCA authorised firm. However, the Company is aware that its shares may be held by or on behalf of retail customers, and that other firms within the distribution chain of its shares are within scope of the Consumer Duty requirements. Accordingly, it is the Board's intention that the Company will respond to information and other requests from UK authorised firms in the distribution chain of the Company's shares in such a way.

## Amendment of Articles of Association

The Company's Articles of Association may be amended by the members of the Company by special resolution (requiring a majority of at least 75 per cent of the persons voting on the relevant resolution).

## Engagement with Stakeholders

The Company is committed to maintaining good communications and building positive relationships with all stakeholders, including shareholders, debt providers, analysts, potential investors, suppliers and the wider communities in which the Group and its investee companies operate. This includes regular engagement with the Company's shareholders and other stakeholders by the Board, the Investment Manager and the Administrator. Highlights of some of the principal decisions that have been made in the interests of stakeholders can be found within the section 172 statement as outlined on pages 23 to 25. Regular feedback is provided to the Board to ensure they understand the views of stakeholders and a stakeholder matrix is reviewed at each scheduled Board and Audit Committee meeting to record the stakeholders considered for each item of business.

# Corporate Governance Report continued

### *Relations with Shareholders*

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Investment Manager is available at all reasonable times to meet with principal shareholders and key sector analysts. The Chairman, the Senior Independent Director and other Directors are also available to meet with shareholders, if required.

All shareholders have the opportunity to put questions to the Company at its registered address or via email. The AGM of the Company also provides a forum for shareholders to meet and discuss issues with the Directors and Investment Manager. The Company issues regulatory announcements via the London Stock Exchange in respect of routine reporting obligations, periodic financial and portfolio information updates and in response to other events.

The Board receives comprehensive shareholder reports from the Company's Registrar and regularly monitors the views of shareholders and the shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager.

### *Relations with Other Stakeholders*

The Company values its relationships with its debt providers. The Investment Manager ensures that the Company continues to meet its debt covenants and reporting requirements. During the year, the Company refinanced £725 million of existing debt.

The Investment Manager conducts presentations with analysts and investors to coincide with the announcement of the Company's full and half year results, providing an opportunity for discussions and queries on the Company's activities, performance and key metrics. In addition to these semi-annual presentations, the Investment Manager meets regularly with analysts and investors to provide further updates with how the Company and the investment portfolio are performing.

During the year, the Investment Manager hosted a Capital Markets Event, which included a series of presentations and a question and answer session, which was well supported by investors and analysts.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Joint Brokers. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

The Company recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator ensures all payments are processed within the contractual terms agreed with the individual suppliers.

The Company, via its Investment Manager, has long term and important relationships with its operational site managers and turbine operations and maintenance managers and reviews performance, including health and safety, on a monthly basis. Representatives of the site manager and SPV board directors from the Investment Manager, visit all operational sites on a regular basis and generally carry out safety walks at least once a year on each site. The Board's Health and Safety Director also visits sites from time to time.

Similarly, environment protection issues are reported on every month by the site managers and annual habitat management plans are agreed by each SPV board for all sites to ensure that the environment in and surrounding each windfarm is carefully protected.

The Directors recognise that the long term success of the Company is linked to the success of the communities in which the Group, and its investee companies, operate. During the year, a number of community projects were supported by the Group's investee companies.

Key decisions made or approved by the Directors during the year and the impact of those decisions on the Company's members and wider stakeholders is disclosed further in the Strategic Report on page 23.

Shareholders may also find Company information or contact the Company through its website.

On behalf of the Board

**Lucinda Riches C.B.E.**
*Chairman of the Board*

26 February 2025

# Audit Committee Report

At the date of this report, the Audit Committee comprised Caoimhe Giblin (Chairman), Nick Winser, Jim Smith, Abigail Rotheroe and Taraneh Azad. The AIC Code has a requirement that at least one member of the Audit Committee should have recent and relevant financial experience and the Audit Committee as a whole shall have competence relevant to the sector. The Board is satisfied that the Audit Committee is properly constituted in these respects. The qualifications and experience of all Audit Committee members are disclosed on pages 37 to 40 of this report.

The Audit Committee operates within clearly defined terms of reference which were reviewed during the financial year and approved by the Board, and include all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the AIC Code and are available for inspection on the Company's website: www.greencoat-ukwind.com. The Company's Annual Report complies with the provisions of the Competition and Markets Authority's (CMA) Order.

Audit Committee meetings are scheduled at appropriate times in the reporting and auditing cycle. The Chairman, other Directors and third parties may be invited to attend meetings as and when deemed appropriate.

### Summary of the Role and Responsibilities of the Audit Committee

The duties of the Audit Committee, amongst other things, include reviewing the Company's quarterly NAV, half year report, Annual Report and financial statements and any formal announcements relating to the Company's financial performance.

The Audit Committee is the forum through which the external Auditor reports to the Board and is responsible for reviewing the terms of appointment of the Auditor, together with their remuneration. On an ongoing basis, the Audit Committee is responsible for reviewing the objectivity of the Auditor along with the effectiveness of the audit and the terms under which the Auditor is engaged to perform non-audit services (restricted to the limited scope review of the half year report and reporting accountant services in relation to equity raises). The Audit Committee is also responsible for reviewing the Company's corporate governance framework, system of internal controls and risk management, ensuring they are suitable for an investment company.

The Audit Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and makes recommendations on the steps to be taken.

The Audit Committee annually reviews its obligations and processes under the FRC's Minimum Standard for audit committees to ensure it remains compliant with the requirements and responsibilities for the oversight of the audit and audit tender process.

### Overview

During the year, the Audit Committee's discussions have been broad ranging. In addition to the 4 formally convened Audit Committee meetings, the Audit Committee has had regular contact and meetings with the Investment Manager, the Administrator and the Auditor. These meetings and discussions focused on, but were not limited to:

- a detailed analysis of the Company's quarterly NAVs;
- reviewing the updated risk matrix of the Company and assessing the Company's risk management systems;
- reviewing the Company's corporate governance framework, including climate related reporting disclosures under the TCFD framework;
- reviewing the internal controls framework for the Company, the Administrator and the Investment Manager, considering the need for a separate internal audit function;
- considering any incidents of internal control failure or fraud and the Company's response;
- considering the ongoing assessment of the Company as a going concern;
- considering the principal risks and period of assessment for the longer term viability of the Company;
- monitoring the ongoing appropriateness of the Company's status as an investment entity under IFRS 10, in particular following an acquisition;
- monitoring compliance with AIFMD, the AIC code and other regulatory and governance frameworks;
- reviewing and approving the audit plan in relation to the audit of the Company's Annual Report and financial statements;
- monitoring the performance of the Auditor and its engagement with the Investment Manager and Administrator;
- monitoring compliance with the Company's policy on the provision of non-audit services by the Auditor;
- reviewing the effectiveness, resources, qualifications and independence of the Auditor;
- reviewing the Company's adherence to the responsibilities within the FRC Audit Committees and the External Audit: Minimum Standard; and
- reviewing the anti-money laundering procedures for the Company, the Administrator and the Investment Manager.

# Audit Committee Report continued

## Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Investment Manager, the Administrator and the Auditor the appropriateness of the half year report and Annual Report and financial statements, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- amendments to legislation and corporate governance reporting requirements and accounting treatment of new transactions in the year;
- the impact of new and amended accounting standards on the Company's financial statements;
- whether the Audit Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the half year report and Annual Report and financial statements;
- considering and recommending to the Board for approval the contents of the annual financial statements and reviewing the Auditor's report thereon including considering whether the financial statements are overall fair, balanced and understandable;
- material areas in which significant judgements have been applied or there has been discussion with the Auditor; and
- any correspondence from regulators in relation to the Company's financial reporting.

BDO LLP attended 2 of the 4 Audit Committee meetings held during the year. The Audit Committee has also held private meetings with the Auditor to provide additional opportunities for open dialogue and feedback. Matters typically discussed include the Auditor's assessment of the transparency and openness of interactions with the Investment Manager and the Administrator, confirmation that there has been no restriction in scope placed on them, the independence of their audit and how they have exercised professional scepticism.

## Significant Issues

The Audit Committee discussed the planning, conduct and conclusions of the external audit as it proceeded. At the Audit Committee meeting in advance of the year end, the Audit Committee discussed and approved the Auditor's audit plan. The Audit Committee identified the carrying value of investments as a key area of risk of misstatement in the Company's financial statements.

*London Array*

# Audit Committee Report continued

### *Assessment of the Carrying Value of Investments*

The Group has an accounting policy to designate investments at fair value through profit or loss. Therefore, the most significant risk in the Group's financial statements is whether its investments are fairly valued due to the uncertainty involved in determining the investment valuations. There is also an inherent risk of management override as the Investment Manager's fee is calculated based on NAV, as disclosed in note 3 to the financial statements. The Investment Manager is responsible for calculating the NAV with the assistance of the Administrator, prior to approval by the Board.

On a quarterly basis, the Investment Manager provides a detailed analysis of the NAV highlighting any movements and assumption changes from the previous quarter's NAV. This analysis and the rationale for any changes made is considered and challenged by the Chairman of the Audit Committee and subsequently considered, challenged and approved by the Board. This risk has been reduced as the terms of the Investment Management Agreement were amended such that the basis of the investment management fee calculation will be the lower of the Company's market capitalisation and NAV.

The Audit Committee has satisfied itself that the key estimates and assumptions used in the valuation model are appropriate and that the investments have been fairly valued. The key estimates and assumptions include the useful life of the assets, the discount rates, the level of wind resource, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce.

### Internal Control

The Audit Committee has established a set of ongoing processes designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The Investment Manager has identified the principal risks to which the Company is exposed, and recorded them on a risk matrix together with the controls employed to mitigate these risks. The Investment Manager also identifies emerging risks and determines whether any actions are required. A residual risk rating has been applied to each risk. The Audit Committee is responsible for reviewing the risk matrix and associated controls before recommending to the Board for consideration and approval, challenging the Investment Manager's assumptions, to ensure a robust internal risk management process.

The Audit Committee considers risk and strategy regularly, and formally reviewed the updated risk matrix in the first quarter of 2025 and will continue to do so at least annually. By their nature, these procedures provide a reasonable, but not absolute, assurance against material misstatement or loss. Regular reports are provided to the Audit Committee highlighting material changes to risk ratings.

The Audit Committee reviewed the Group's principal risks and uncertainties as at 30 June 2024 to determine that these were unchanged from those disclosed in the Company's 2023 Annual Report and remained the most likely to affect the Group in the second half of the year.

During the year, the Audit Committee discussed and reviewed in depth the internal controls frameworks in place at the Investment Manager and the Administrator. Discussions were centred around 3 lines of defence: assurances at operational level; internal oversight; and independent objective assurance. The Administrator holds the International Standard on Assurance Engagements (ISAE) 3402 SOC Type II certification. This entails an independent rigorous examination and testing of their controls and processes.

The Audit Committee concluded that these frameworks were appropriate for the identification, assessment, management and monitoring of financial, regulatory and other risks, with particular regard to the protection of the interests of the Company's shareholders.

### Internal Audit

The Audit Committee continues to review the need for an internal audit function and has decided that the systems, processes and procedures employed by the Company, Investment Manager and Administrator, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control is maintained. Schroders plc, the parent company of the Investment Manager has an internal audit function which is responsible for independently assessing and validating the effectiveness of key controls undertaken by the Investment Manager. In 2023, the Investment Manager's internal audit function engaged directly with the Directors providing assurance reports which were discussed at the Company's Audit Committee meetings. The Company's Administrator and Company Secretary formally reports to the Board on its internal control procedures and holds the International Standard on Assurance Engagements (ISAE) 3402 SOC Type II certification which entails an independent rigorous examination and testing of its controls and processes. In addition to this, the Company's external Depositary provides cash monitoring, asset verification and oversight services to the Company.

# Audit Committee Report continued

## Internal Audit continued

The Audit Committee has therefore concluded that shareholders' investments and the Company's assets are adequately safeguarded and an internal audit function specific to the Company is considered unnecessary.

The Audit Committee is available on request to meet investors in relation to the Company's financial reporting and internal controls.

## External Auditor

### *Effectiveness of the Audit Process*

The Audit Committee assessed the effectiveness of the audit process by considering BDO LLP's fulfilment of the agreed audit plan through the reporting presented to the Audit Committee by BDO LLP and the discussions at the Audit Committee meeting, which highlighted the major issues that arose during the course of the audit. In addition, the Audit Committee also sought feedback from the Investment Manager and the Administrator on the effectiveness of the audit process. For this financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

### *Non-Audit Services*

The Audit Committee has a policy regarding the provision of non audit services by the external Auditor. The Audit Committee monitors the Group's expenditure on non-audit services provided by the Company's Auditor who should only be engaged for non-audit services where they are deemed to be the most commercially viable supplier and prior approval of the Audit Committee has been sought.

Details of fees paid to BDO LLP during the year are disclosed in note 5 to the financial statements. The Audit Committee approved these fees after a review of the level and nature of work to be performed and are satisfied that they are appropriate for the scope of the work required. The Audit Committee seeks to ensure that any non-audit services provided by the external Auditor do not conflict with their statutory and regulatory responsibilities, as well as their independence, before giving written approval prior to their engagement. The Audit Committee was satisfied that provision of these non-audit services did not provide threats to the Auditor's independence.

### *Independence*

The Audit Committee is required to consider the independence of the external Auditor. In fulfilling this requirement, the Audit Committee has considered a report from BDO LLP describing its arrangements to identify, report and manage any conflict of interest and the extent of non-audit services provided by them.

The Audit Committee has concluded that it considers BDO LLP to be independent of the Company and that the provision of the non-audit services described above is not a threat to the objectivity and independence of the conduct of the audit.

### *Re-appointment*

BDO LLP has been the Company's Auditor from its incorporation on 4 December 2012. The Auditor is required to rotate the audit partner responsible for the Group audit every 5 years. A new lead partner was appointed in 2020 and therefore the lead partner will be required to rotate after the completion of the 2024 year end audit.

The external audit contract is required to be put to tender at least every 10 years. The Audit Committee last conducted a formal and competitive external audit tender process in 2022 and resolved to reappoint BDO LLP as the Company's Auditor for the year ending 31 December 2023. The tender process adhered to the requirements of the FRC's Minimum Standard on audit tendering, being led by the Audit Committee who had invited challenger audit firms for consideration against a comprehensive selection criteria and audit quality indicators published by the FRC.

As described above, the Audit Committee reviewed the effectiveness and independence of the Auditor and remains satisfied that the Auditor provides effective independent challenge to the Board, the Investment Manager and the Administrator. The Audit Committee will continue to monitor the performance of the Auditor on an annual basis and will consider their independence and objectivity, taking account of appropriate guidelines.

The Audit Committee has therefore recommended to the Board that BDO LLP be proposed for re-appointment as the Company's Auditor at the 2025 AGM of the Company.

The Company has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the 2024 financial year.

**Caoimhe Giblin**
*Chairman of the Audit Committee*

26 February 2025

# Independent Auditor's Report

## To the Members of Greencoat UK Wind PLC

### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Greencoat UK Wind Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which are comprised of the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position – Company, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Statement of Cash Flows – Company and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provision of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

#### *Independence*

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors in the year of incorporation to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 12 years, covering the years ended 31 December 2013 to 31 December 2024. We remain independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or Parent Company.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Agreeing the key inputs and assumptions relating to the long-term life of the assets and forecasted power prices used within the valuation models to supporting documentation and our own understanding as part of our work over investment valuation which has been covered in the Key Audit matter table below;
- Reviewing the future commitments of the Group and Parent Company and checking they have been appropriately incorporated into the forecast;
- We have reviewed and challenged the inputs in the stress testing of reasonable and extreme downside scenarios and cash flow forecasts prepared by the Directors and recalculated the Group and Parent Company's liquidity position;

# Independent Auditor's Report continued

### Conclusions relating to going concern continued

- We have checked the compliance with the bank covenants in place, based on the forecast, and considered the likelihood of these being breached in the future via the stress tested scenarios previously mentioned; and
- We have reviewed the Board's assessment of the possible results of the continuation vote by shareholders at the forthcoming AGM and their expectation that shareholders will vote to continue the Group and Parent Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### An overview of the scope of our Audit

| Key audit matters | | 2024 | 2023 |
|---|---|---|---|
| | Valuation of Investments | Yes | Yes |
| **Materiality** | *Group financial statements as a whole*<br>£51.1m (2023: £56.9m) based on 1.5% (2023: 1.5%) of net assets. | | |
| | *Specific Materiality*<br>Materiality for items impacting on the realised return was £12.9m (2023: £15.9m) based on 5% (2023: 5%) of profit before tax, excluding the unrealised valuation movements. | | |

### Scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

As part of performing our Group audit, we have determined Parent Company and Greencoat UK Wind Holdco Limited (Holdco) as components in scope for our audit. Considering the nature of group activities, we performed our work on group financial information.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report continued

## Key audit matters continued

| Key audit matter | | How the scope of our audit addressed the key audit matter |
|---|---|---|
| **Valuation of investments**<br>(Note 9 and accounting policy on pages 74 to 79) | 100 per cent of the underlying investment portfolio is represented by unquoted equity and loan investments.<br><br>The valuation of the Investment portfolio is calculated using discounted cash flow models. This is a highly subjective accounting estimate where there is an inherent risk of bias arising from the investment valuations being prepared by the Investment Manager, who was remunerated during the year, based on the net asset value of the company.<br><br>There is a fraud risk due to high level of estimation uncertainty regarding judgemental inputs such as useful life power prices, inflation, yield, discount rate, involved in determining the valuations of the unquoted investments.<br><br>There is risk of error in the model integrity, classification of investments as loan vs equity, calculation of unrealised gains due to complexity in the valuation models regarding accuracy of contractual inputs.<br><br>There is a risk that the Investment Manager does not accurately consider the net assets of the underlying portfolio companies into the valuation process and thereby resulting the valuation to be inaccurate.<br><br>For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter. | For the new investment made in the year, we obtained and reviewed agreement for the same and considered whether that was accurately reflected in the valuation model.<br><br>In respect of the equity investments valued using discounted cash flow models, we performed the following specific procedures over 100 per cent of the investments:<br><br>• Challenged the appropriateness of the selection and application of key assumptions in the model including the asset life, level of curtailment, discount rate, level of wind resource, rate of inflation and power price forecasts by benchmarking to available industry data and consulting with our internal valuation expert on the above key assumptions.<br><br>• Agreed wind generation and power price forecasts to independent reports prepared by third-party experts engaged by management. We have assessed the independence, objectivity and competence of the experts.<br><br>• For existing investments, we compared the assumptions used in the current year to the prior year audited assumptions and obtained sufficient evidence for significant changes in assumptions.<br><br>• Used spreadsheet analysis tools to assess the integrity of the valuation models and track changes to inputs or structure from the valuation model used in the prior year.<br><br>• Considered the accuracy of forecasting by comparing previous forecasts to actual results and challenged the reasons for significant variances and whether these have been adequately factored into future modelling.<br><br>• We have reviewed the corporation tax workings within the valuation model and considered whether these had been calculated accurately in the context of current corporation tax legislation and rates. This includes a consideration of the electricity generator levy.<br><br>• Agreed cash and other net assets to bank statements and investee company management accounts respectively. |

# Independent Auditor's Report continued

## Key audit matters continued

| Key audit matter | How the scope of our audit addressed the key audit matter |
|---|---|
| **Valuation of investments** continued | • For each of the key assumptions in the valuation models, we considered the appropriateness of the assumption and whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuations where other reasonable alternative assumptions could have been applied. We also considered the completeness and clarity of disclosures regarding the range of reasonable alternative assumptions in the financial statements.<br><br>For loan investments we agreed them to loan agreements and verified the relevant terms of the loan, we recalculated the closing value of the loan and tested the movement in the loan balance during the year.<br><br>**Key observations**<br>Based on our procedures performed we did not identify any matters to suggest the valuation of the investments was not appropriate. |

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

# Independent Auditor's Report continued

## Our application of materiality continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

| | Group financial statements | | Parent Company financial statements | |
|---|---|---|---|---|
| | 2024 £m | 2023 £m | 2024 £m | 2023 £m |
| **Materiality** | 51.1 | 56.9 | 51.1 | 54.0 |
| **Basis for determining materiality** | 1.5% of net assets | | 100% (2023: 95%) of Group Materiality | |
| **Rationale for the benchmark applied** | Net assets are considered to be the benchmark of most interest to the users of the financial statements in understanding the financial position of the group as an investor in UK wind farms. | | Parent materiality has been considered as having no aggregation risk and therefore we have based parent materiality on group. | |
| **Performance materiality** | 38.3 | 42.6 | 38.3 | 40.5 |
| **Basis for determining performance materiality** | 75% of materiality<br>The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year. | | | |

### *Specific materiality*

We also determined that for those items impacting on realised returns, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on 5 per cent (2023: 5 per cent) of profit before tax, excluding unrealised valuation movements of £12.9 million (2023: £15.9 million). We further applied a performance materiality level of 75 per cent (2023: 75 per cent) of specific materiality of £9.7 million (2023: £11.3 million) to ensure that the risk of errors exceeding specific materiality were appropriately mitigated.

### *Component performance materiality*

Considering the overall group structure and nature of group activities resulting in no aggregation risk, we performed work over group financial information using Group performance materiality of £38.3 million.

### *Reporting threshold*

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2.5 million (2023: £2.8 million) and for those items impacting realised return before tax of £650k (2023: £795k). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

# Independent Auditor's Report continued

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

| | |
|---|---|
| **Going concern and longer-term viability** | • The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 22; and<br>• The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 22. |
| **Other Code provisions** | • Directors' statement on fair, balanced and understandable set out on page 42;<br>• Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 53;<br>• The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 52 to 53; and<br>• The section describing the work of the Audit Committee set out on pages 55 to 58. |

# Independent Auditor's Report continued

## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

| | |
|---|---|
| **Strategic report and Directors' report** | In our opinion, based on the work undertaken in the course of the audit:<br>• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and<br>• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.<br><br>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. |
| **Directors' remuneration** | In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006. |
| **Matters on which we are required to report by exception** | We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:<br>• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or<br>• the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or<br>• certain disclosures of Directors' remuneration specified by law are not made; or<br>• we have not received all the information and explanations we require for our audit. |

## Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent Auditor's Report continued

## Auditor's responsibilities for the audit of the financial statements continued

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### *Non-compliance with laws and regulations*

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, the requirements of s.1158 of the Corporation Tax Act, and applicable accounting standards.

Our tests included, but were not limited to:

- Assess design and implementation of the control environment in monitoring compliance with laws and regulations;
- Reperform the calculation in relation to Investment Trust compliance s1158 to check that the company was meeting its requirements to retain their Investment Trust Status;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance regarding any instances of non-compliance with laws and regulations; and
- Review of minutes of board meetings throughout the period regarding any instances of non-compliance with laws and regulations.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management, Audit committee and those charged with governance regarding any known or suspected instances of fraud;
  - Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of investments, revenue recognition and management override of controls.

Our procedures in response to the above included:

- The procedures set out in the Key Audit Matters section above;
- Testing all post year-end journals which have been posted after year-end but relate to the year-end values by agreeing them to supporting evidence, and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud; and
- To address fraud risk around legality of dividends, for each of the dividends declared by the SPVs, we have checked if the SPVs had sufficient distributable reserves before each of the dividends during the year were approved by the board.

# Independent Auditor's Report continued

## Auditor's responsibilities for the audit of the financial statements continued

### *Fraud continued*

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

**Peter Smith (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor
London

26 February 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

*Clyde*

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

| | Note | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|---|
| Investment income | 4 | 394,715 | 422,724 |
| Movement in fair value of investments | 9 | (341,229) | (191,402) |
| Other income | | 8,180 | 3,059 |
| **Total income and movement in fair value of investments** | | **61,666** | **234,381** |
| Operating expenses | 5 | (37,240) | (37,608) |
| Transaction costs | | (807) | (2,797) |
| **Operating profit** | | **23,619** | **193,976** |
| Finance expense | 13 | (105,251) | (67,396) |
| Net movement on interest rate swaps held at fair value | 14 | 26,217 | — |
| **(Loss)/profit for the year before tax** | | **(55,415)** | **126,580** |
| Tax | 6 | — | (392) |
| **(Loss)/profit for the year after tax** | | **(55,415)** | **126,188** |
| **(Loss)/profit and total comprehensive (expense)/income attributable to:** | | | |
| Equity holders of the Company | | (55,415) | 126,188 |
| **Earnings per share** | | | |
| Basic and diluted earnings from continuing operations in the year (pence) | 7 | **(2.43)** | **5.44** |

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2024

| | Note | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|---|
| **Non current assets** | | | |
| Investments at fair value through profit or loss | 9 | 5,142,245 | 5,538,636 |
| Interest rate swaps held at fair value through profit or loss | 14 | 39,999 | — |
| | | **5,182,244** | **5,538,636** |
| **Current assets** | | | |
| Receivables | 11 | 18,537 | 41,129 |
| Cash at bank | | 5,795 | 21,805 |
| | | **24,332** | **62,934** |
| **Current liabilities** | | | |
| Loans and borrowings | 13 | — | (500,000) |
| Payables | 12 | (23,690) | (17,573) |
| **Net current assets/(liabilities)** | | **642** | **(454,639)** |
| **Non current liabilities** | | | |
| Loans and borrowings | 13 | (1,760,000) | (1,290,000) |
| Interest rate swaps held at fair value through profit or loss | 14 | (13,782) | — |
| **Net assets** | | **3,409,104** | **3,793,997** |
| **Capital and reserves** | | | |
| Called up share capital | 16 | 23,074 | 23,121 |
| Share premium | 16 | 2,471,821 | 2,471,515 |
| Capital redemption reserve | 16 | 113 | 66 |
| Treasury reserve | 16 | (73,172) | — |
| Retained earnings | | 987,268 | 1,299,295 |
| **Total shareholders' funds** | | **3,409,104** | **3,793,997** |
| **Net assets per share (pence)** | 17 | **151.2** | **164.1** |

Authorised for issue by the Board of Greencoat UK Wind PLC (registered number 08318092) on 26 February 2025 and signed on its behalf by:

**Lucinda Riches C.B.E.**
*Chairman*

**Caoimhe Giblin**
*Director*

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Statement of Financial Position – Company

As at 31 December 2024

| | Note | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|---|
| **Non current assets** | | | |
| Investments at fair value through profit or loss | 9 | 5,177,725 | 5,558,357 |
| | | **5,177,725** | **5,558,357** |
| **Current assets** | | | |
| Receivables | 11 | 13,521 | 40,381 |
| Cash at bank | | 188 | 52 |
| | | **13,709** | **40,433** |
| **Current liabilities** | | | |
| Loans and borrowings | 13 | — | (500,000) |
| Payables | 12 | (22,330) | (14,793) |
| **Net current assets/(liabilities)** | | **(8,621)** | **(474,360)** |
| **Non current liabilities** | | | |
| Loans and borrowings | 13 | (1,760,000) | (1,290,000) |
| **Net assets** | | **3,409,104** | **3,793,997** |
| **Capital and reserves** | | | |
| Called up share capital | 16 | 23,074 | 23,121 |
| Share premium | 16 | 2,471,821 | 2,471,515 |
| Capital redemption reserve | 16 | 113 | 66 |
| Treasury reserve | 16 | (73,172) | — |
| Retained earnings | | 987,268 | 1,299,295 |
| **Total shareholders' funds** | | **3,409,104** | **3,793,997** |
| **Net assets per share (pence)** | 17 | **151.2** | **164.1** |

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 and accordingly has not presented a Statement of Comprehensive Income for the Company alone. The loss after tax of the Company alone for the year was £55,415,000 (2023: profit after tax of £126,188,000).

Authorised for issue by the Board on 26 February 2025 and signed on its behalf by:

**Lucinda Riches C.B.E.**
*Chairman*

**Caoimhe Giblin**
*Director*

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2024

| For the year ended 31 December 2024 | Note | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Treasury reserve £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| Opening net assets attributable to shareholders (1 January 2024) | | 23,121 | 2,471,515 | 66 | — | 1,299,295 | **3,793,997** |
| Share buybacks | 16 | (47) | — | 47 | (74,265) | (6,788) | **(81,053)** |
| Share buyback costs | | — | — | — | (476) | (47) | **(523)** |
| Shares issued to the Investment Manager | 16 | — | 306 | — | 1,569 | — | **1,875** |
| Loss and total comprehensive expense for the year | | — | — | — | — | (55,415) | **(55,415)** |
| Interim dividends paid in the year | 8 | — | — | — | — | (249,777) | **(249,777)** |
| **Closing net assets attributable to shareholders** | | **23,074** | **2,471,821** | **113** | **(73,172)** | **987,268** | **3,409,104** |

After taking account of cumulative unrealised gains of £207,200,403, the total reserves distributable by way of a dividend as at 31 December 2024 were £780,067,479.

| For the year ended 31 December 2023 | Note | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'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 | 16 | 6 | 1,119 | — | — | **1,125** |
| Share buybacks | 16 | (66) | — | 66 | (9,439) | **(9,439)** |
| Share buyback costs | | — | — | — | (62) | **(62)** |
| Profit and total comprehensive income for the year | | — | — | — | 126,188 | **126,188** |
| Interim dividends paid in the year | 8 | — | — | — | (197,043) | **(197,043)** |
| **Closing net assets attributable to shareholders** | | **23,121** | **2,471,515** | **66** | **1,299,295** | **3,793,997** |

After taking account of cumulative unrealised gains of £522,040,697, the total reserves distributable by way of a dividend as at 31 December 2023 were £777,254,592.

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2024

| | Note | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|---|
| **Net cash flows from operating activities** | 18 | **391,011** | **359,801** |
| **Cash flows from investing activities** | | | |
| Acquisition of investments | 9 | (14,553) | (820,925) |
| Disposal of investments | 9 | 41,276 | — |
| Transaction costs | | (522) | (2,742) |
| Repayment of shareholder loan investments | 9 | 28,439 | 50,199 |
| **Net cash flows from investing activities** | | **54,640** | **(773,468)** |
| **Cash flows from financing activities** | | | |
| Share buybacks | | (80,417) | (9,439) |
| Share buyback costs | | (521) | (56) |
| Amounts drawn down on loan facilities | | 139,000 | 1,040,000 |
| Amounts repaid on loan facilities | | (169,000) | (350,000) |
| Finance costs | | (100,946) | (67,773) |
| Dividends paid | 8 | (249,777) | (197,043) |
| **Net cash flows from financing activities** | | **(461,661)** | **415,689** |
| Net (decrease)/increase in cash and cash equivalents during the year | | **(16,010)** | **2,022** |
| Cash at the beginning of the year | | **21,805** | **19,783** |
| **Cash and cash equivalents at the end of the year** | | **5,795** | **21,805** |

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Statement of Cash Flows – Company

For the year ended 31 December 2024

| | Note | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|---|
| **Net cash flows from operating activities** | 18 | **(1,847)** | **(65,695)** |
| **Cash flows from investing activities** | | | |
| Loans advanced to Group companies | 9 | (17,061) | (680,800) |
| Repayment of loans to Group companies | 9 | 482,467 | 328,412 |
| **Net cash flows from investing activities** | | **465,406** | **(352,388)** |
| **Cash flows from financing activities** | | | |
| Share buybacks | | (80,417) | (9,439) |
| Share buyback costs | | (521) | (56) |
| Amounts drawn down on loan facilities | 13 | 139,000 | 1,040,000 |
| Amounts repaid on loan facilities | 13 | (169,000) | (350,000) |
| Finance costs | | (102,708) | (67,773) |
| Dividends paid | 8 | (249,777) | (197,043) |
| **Net cash flows from financing activities** | | **(463,423)** | **415,689** |
| Net increase/(decrease) in cash during the year | | **136** | **(2,394)** |
| Cash at the beginning of the year | | **52** | **2,446** |
| **Cash at the end of the year** | | **188** | **52** |

The accompanying notes on pages 74 to 104 form an integral part of the financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 1. Material accounting policies

### Basis of accounting

The consolidated annual financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The annual financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies are set out below.

These consolidated financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest thousand, unless otherwise stated.

### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Investment Manager's Report. The Group faces a number of risks and uncertainties, as set out in the Strategic Report on pages 20 to 22. The financial risk management objectives and policies of the Group, including exposure to price risk, interest rate risk, credit risk and liquidity risk are discussed in note 19 to the financial statements.

As at 31 December 2024, the Group had net current assets of £0.6 million (2023: net current liabilities of £454.6 million), cash balances of £5.8 million (2023: £21.8 million) (excluding cash balances within investee companies of £135.9 million (2023: £159.3 million)) and security cash deposits of £13.3 million (2023: £40.1 million).

The Company had £1,490 million (2023: £1,390 million) of term debt as at 31 December 2024, with an additional £270 million drawn on its £400 million RCF. The covenants on the Group's banking facilities are limited to gearing, interest cover, and finance charges payable as a percentage of GAV and the Group is expected to continue to comply with these covenants going forward.

The Group continues to meet day-to-day liquidity needs through its cash resources.

The major cash outflows of the Group are the payment of dividends, costs relating to the acquisition of new assets and purchases of its own shares, all of which are discretionary. The Group has sufficient access to debt, including its RCF, in order to fund any future wind farm investment within the parameters of its Investment Policy.

As the Company's shares traded at an average discount to NAV of 14 per cent during the year, a continuation vote is to be proposed at the Company's AGM in April 2025 in line with its Articles of Association. The Board believes that the Company's share price performance during the year is reflective of its macroeconomic environment, and not of the financial prospects of the Company. The Board believes that the outcome of the shareholder continuation vote will not impair the Company's ability to operate as a going concern.

The Board has reviewed Group forecasts and projections which cover a period of at least 12 months from the date of approval of this report. On the basis of this review, taking into account foreseeable changes in investment and trading performance, 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 from the date of approval of this report to at least February 2026. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 1. Material accounting policies continued

### Accounting for subsidiaries

The Directors have concluded that the Group has all the elements of control as prescribed by IFRS 10 "Consolidated Financial Statements" in relation to all its subsidiaries and that the Company continues to satisfy the 3 essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Consolidated and Separate Financial Statements". The 3 essential criteria are such that the entity must:

1. Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2. Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. Although the Company has invested in equity interests in wind farms that have an indefinite life, the underlying wind farm assets that it invests in have an expected life of 30 years. The Company intends to hold the majority of these wind farms for the remainder of their useful life to preserve the capital value of the portfolio. However, as the wind farms are expected to have no residual value after their 30 year life, the Directors consider that this demonstrates a clear exit strategy from these investments. During the year, the Company also sold a minority stake in 2 of its investments as detailed in the Investment Manager's Report, which offers an additional alternative exit strategy.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement" and IFRS 9 "Financial Instruments". The financial support provided by the Company to its unconsolidated subsidiaries is disclosed in note 10.

Notwithstanding this, IFRS 10 requires subsidiaries that provide services that relate to the investment entity's investment activities to be consolidated. Accordingly, the annual financial statements include the consolidated financial statements of Greencoat UK Wind PLC and Greencoat UK Wind Holdco Limited (a 100 per cent owned UK subsidiary). In respect of these entities, intra-Group balances and any unrealised gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the costs cannot be recovered. The financial statements of subsidiaries that are included in the consolidated financial statements are included from the date that control commences until the dates that control ceases.

In the Parent Company's financial statements, investments in subsidiaries are measured at fair value through profit or loss in accordance with IFRS 9, as permitted by IAS 27.

### Accounting for associates and joint ventures

The Group has taken the exemption permitted by IAS 28 "Investments in Associates and Joint Ventures" and IFRS 11 "Joint Arrangements" for entities similar to investment entities and measures its investments in associates and joint ventures at fair value. The Directors consider an associate to be an entity over which the Group has significant influence, through an ownership of between 20 per cent and 50 per cent. The Group's associates and joint ventures are disclosed in note 10.

### New and amended standards and interpretations applied

The following new standards or interpretations are effective for the first time for periods beginning on or after 1 January 2024 and had an effect on the Group's or Company's financial statements:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 *Presentation of Financial Statements*);
- Non-current Liabilities with Covenants (Amendments to IAS 1 *Presentation of Financial Statements*); and
- Supplier Finance Arrangements (Amendments to IAS 7 *Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures*)

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 1. Material accounting policies continued

**New and amended standards and interpretations not applied**

At the date of authorisation of these financial statements, the following new standards had been published and will be effective in future accounting periods.

Effective for accounting periods beginning on or after 1 January 2027:

- IFRS 18 *Presentation and Disclosures in Financial Statements.*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures.*

At the date of authorisation of these financial statements, the following amendments had been published and will be effective in future accounting periods.

Effective for accounting periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*)

Effective for accounting periods beginning on or after 1 January 2026:

- Classification and measurement of financial instruments (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures.*

The impact of these new and amended standards is not expected to be material to the reported results and financial position of the Group.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

At 31 December 2024 and 2023, the carrying amounts of cash at bank, security cash deposits, receivables, payables, accrued expenses and short term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the original instruments and their expected realisation. The fair value of advances and other balances with related parties which are short term or repayable on demand is equivalent to their carrying amount.

The Group uses interest rate swaps to manage its risks associated with interest rates, which are recognised as financial assets when the fair value is positive and as liabilities when the fair value is negative. Gains or losses resulting from the movement in fair value of the Group's interest rate swaps are recognised in the Consolidated Statement of Comprehensive Income at each valuation point.

***Financial assets***

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics.

All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at the date on which the Group became party to the contractual requirements of the financial asset.

The Group's and Company's financial assets at 31 December 2024 principally comprise of investments and interest rate swaps held at fair value through profit or loss and receivables.

*Receivables at amortised cost*

Impairment provisions for receivables are recognised based on a forward looking expected credit loss model. All financial assets assessed under this model are immaterial to the financial statements.

*Financial assets held at fair value through profit or loss*

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value of the Group's loan and equity investments are recognised in the Consolidated Statement of Comprehensive Income at each valuation point. As shareholder loan investments form part of a managed portfolio of assets whose performance is evaluated on a fair value basis, loan investments are designated at fair value in line with equity investments.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 1. Material accounting policies continued

**Financial instruments** continued

***Financial assets*** *continued*

The Company's loan and equity investments in Holdco are held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Company's Statement of Comprehensive Income at each valuation point.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on a discounted cash flow basis in accordance with IFRS 13 and IFRS 9.

*Recognition and derecognition of financial assets*

Financial assets are recognised/derecognised at the date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

A financial asset (in whole or in part) is derecognised either:

- when the Group has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

***Financial liabilities***

Financial liabilities are classified according to the substance of the contractual agreements entered into and are recorded on the date on which the Group becomes party to the contractual requirements of the financial liability.

All loans and borrowings are initially recognised at cost, being fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Loan balances as at the year end have not been discounted to reflect amortised cost, as the amounts are not materially different from the outstanding balances

**Finance expenses**

Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate on an accruals basis.

**Share capital**

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's ordinary shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from proceeds. Incremental costs include those incurred in connection with the placing and admission which include fees payable under a placing agreement, legal costs and any other applicable expenses.

**Repurchase of ordinary share capital**

Where ordinary shares have been repurchased and cancelled, the nominal value of the ordinary share capital repurchased is transferred out of share capital and into the capital redemption reserve. The cost of repurchasing the ordinary shares is recognised in the Consolidated Statement of Changes in Equity and included within retained earnings.

Where ordinary shares have been repurchased and held in treasury, the consideration paid is recognised in the Consolidated Statement of Changes in Equity and deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or sold.

No gain or loss is recognised within the Consolidated Statement of Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own equity investments. Share repurchase transactions are accounted for on a trade date basis. Costs in relation to the repurchase of ordinary shares, including the related stamp duty and transaction costs are recognised in the Consolidated Statement of Changes in Equity and included within the treasury reserve.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 1. Material accounting policies continued

### Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established.

### Income recognition

Dividend income and interest income on shareholder loan investments are recognised when the Group's entitlement to receive payment is established.

Gains or losses resulting from the movement in fair value of the Group's interest rate swaps or the Group's and Company's investments held at fair value through profit or loss are recognised in the Consolidated or Company Statement of Comprehensive Income at each valuation point.

### Expenses

Expenses are accounted for on an accruals basis. Share issue expenses of the Company directly attributable to the issue and listing of shares are charged to the share premium account.

The Company issues shares to the Investment Manager in exchange for receiving investment management services. The fair value of the investment management services received in exchange for shares is recognised as an expense at the time at which the investment management fees are earned, with a corresponding increase in equity. The fair value of the investment management services is calculated by reference to the definition of investment management fees in the Investment Management Agreement.

### Taxation

Under the current system of taxation in the UK, the Group is liable to taxation on its operations in the UK.

Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

The Group does not expect to recognise any deferred tax assets or liabilities as it would expect to avail from substantial shareholder relief on any temporary or permanent difference arising from any potential future sale of an investment.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. Estimates, by their nature, are based on judgement and available information.

As disclosed in note 1, the Directors have concluded that the Company meets the definition of an investment entity as defined in IFRS 10, IFRS 12 and IAS 27. This conclusion involved a degree of judgement and assessment as to whether the Company met the criteria outlined in the accounting standards.

### Significant accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments as disclosed in note 9 to the financial statements.

The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future cash flows are the useful life of the assets, the discount rates, the level of wind resource, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. The sensitivity analysis of these key assumptions is outlined in note 9 to the financial statements.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 2. Critical accounting judgements, estimates and assumptions continued

**Significant judgement**

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness. The assumption used for the useful life of the wind farms is 30 years. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cash flows are reviewed periodically by the Investment Manager to ensure they are at the appropriate level. The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount rates used.

The revenues and expenditure of the investee companies are frequently partly or wholly subject to indexation and an assumption is made that inflation will increase at a long term rate.

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regimes. Future power prices are estimated using external third party forecasts, and may be adjusted by the Investment Manager where more conservative assumptions are considered appropriate. These third party forecasts take the form of specialist consultancy reports, reflecting various factors including gas prices, carbon prices and renewables deployment, each of which reflect the UK and global response to climate change. The future power price assumptions are reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection.

Specifically commissioned external reports are used to estimate the expected electrical output from the wind farm assets taking into account the expected average wind speed at each location and generation data from historical operation. The actual electrical output may differ considerably from that estimated in such a report mainly due to the variability of actual wind to that modelled in any one period. Assumptions around electrical output will be reviewed periodically in the future when more meaningful information is available on average wind speeds in the UK, which can cause a material change in this expectation.

As disclosed in note 10, the fair value of guarantees and counter indemnities provided by the Group on behalf of its investments are considered to be £nil, as the Directors do not expect Group cash flows to crystalise as a result of these guarantees or counter indemnities.

## 3. 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 is based upon the NAV as at the start of the quarter in question on the following basis:

- on that part of the then most recently announced NAV up to and including £500 million, an amount equal to 0.25 per cent of such part of the NAV;
- on that part of the then most recently announced NAV over £500 million and up to and including £1,000 million, an amount equal to 0.225 per cent of such part of the NAV;
- on that part of the then most recently announced NAV over £1,000 million and up to and including £3,000 million, an amount equal to 0.2 per cent of such part of the NAV; and
- on that part of the then most recently announced NAV over £3,000 million, an amount equal to 0.175 per cent of such part of the NAV.

The Equity Element is calculated quarterly in advance and has a value as set out below:

- on that part of the then most recently announced NAV up to and including £500 million, 0.05 per cent; and
- on that part of the then most recently announced NAV over £500 million up to and including £1,000 million, 0.025 per cent.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 3. Investment management fees continued

The ordinary shares issued to the Investment Manager under the Equity Element are subject to a 3 year lock up starting from the quarter in which they are due to be paid.

As at 31 December each year, the Cash Fee and Equity Element shall be subject to a true-up to the value that would have been deliverable had they been calculated quarterly in arrears.

Investment management fees paid or accrued in the year were as follows

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Cash Fee | 29,543 | 31,344 |
| Equity Element | 1,500 | 1,500 |
| | **31,043** | **32,844** |

The value of the Equity Element and the Cash Fee detailed in the table above include the true-up amount for the year calculated in accordance with the Investment Management Agreement.

The Cash Fee relating to the quarter ended 31 December 2024 was accrued at year end. This is further detailed in note 20.

In December 2024, the terms of the Investment Management Agreement were amended such that the basis of the investment management fee calculation will be the lower of the Company's market capitalisation and NAV, with effect from 1 January 2025. The fee thresholds and rates applied as set out above remain unchanged.

## 4. Investment income

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Dividends received (note 20) | 323,609 | 359,939 |
| Interest on shareholder loan investment received (note 20) | 71,106 | 62,785 |
| | **394,715** | **422,724** |

## 5. Operating expenses

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Management fees (note 3) | 31,043 | 32,844 |
| Group and SPV administration fees | 1,330 | 1,231 |
| Non-executive Directors' fees | 415 | 385 |
| Other expenses | 4,174 | 2,895 |
| Fees to the Group's Auditor: | | |
| for audit of the statutory financial statements | 273 | 248 |
| for other audit related services | 5 | 5 |
| | **37,240** | **37,608** |

Total fees payable to the Group's Auditor, BDO LLP, for non-audit services during the year ended 31 December 2024 were £5,100 (2023: £4,800), payable in relation to a limited procedures on the half year report.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 6. Taxation

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| UK Corporation Tax charge | — | 392 |
| | **—** | **392** |

The tax charge for the year shown in the Statement of Comprehensive Income is lower than the standard rate of corporation tax of 25 per cent (2023: 23.52 per cent). The differences are explained below.

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| (Loss)/profit for the year before taxation | (55,415) | 126,580 |
| (Loss)/profit for the year multiplied by the standard rate of corporation tax of 25 per cent (2023: 23.52 per cent) | (13,854) | 29,772 |
| Fair value movements (not subject to taxation) | 87,463 | 47,667 |
| Dividends received (not subject to taxation) | (80,902) | (84,660) |
| Expenditure not deductible for tax purposes | 422 | 658 |
| Surrendering of tax losses to other group companies for nil consideration | 5,375 | 5,042 |
| Other net tax adjustments | 1,496 | 1,521 |
| Adjustment from previous period | — | 392 |
| **Total tax charge** | **—** | **392** |

## 7. Earnings per share

| | For the year ended 31 December 2024 | For the year ended 31 December 2023 |
|---|---|---|
| (Loss)/profit attributable to equity holders of the Company – £'000 | (55,415) | 126,188 |
| Weighted average number of ordinary shares in issue | 2,282,844,863 | 2,317,758,378 |
| **Basic and diluted earnings from continuing operations in the year (pence)** | **(2.43)** | **5.44** |

Dilution of the earnings per share as a result of the Equity Element of the investment management fee as disclosed in note 3 does not have a significant impact on the basic earnings per share.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 8. Dividends declared with respect to the year

| Interim dividends paid during the year ended 31 December 2024 | Dividend per share pence | Total dividend £'000 |
|---|---|---|
| With respect to the quarter ended 31 December 2023 | 3.43 | 79,114 |
| With respect to the quarter ended 31 March 2024 | 2.50 | 57,268 |
| With respect to the quarter ended 30 June 2024 | 2.50 | 56,843 |
| With respect to the quarter ended 30 September 2024 | 2.50 | 56,552 |
| | **10.93** | **249,777** |

| Interim dividends declared after 31 December 2024 and not accrued in the year | Dividend per share pence | Total dividend £'000 |
|---|---|---|
| With respect to the quarter ended 31 December 2024 | 2.50 | 56,166 |
| | **2.50** | **56,166** |

On 29 January 2025, the Company announced a dividend of 2.5 pence per share with respect to the quarter ended 31 December 2024, bringing the total dividend declared with respect to the year to 31 December 2024 to £226.8 million, equivalent to 10 pence per share. The record date for the dividend was 14 February 2025 and the payment date is 28 February 2025.

The following table shows dividends paid in the prior year.

| Interim dividends paid during the year ended 31 December 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 |
| With respect to the quarter ended 30 June 2023 | 2.19 | 50,780 |
| With respect to the quarter ended 30 September 2023 | 2.19 | 50,746 |
| | **8.50** | **197,043** |

## 9. Investments at fair value through profit or loss

| Group | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Opening balance | 5,538,636 | 4,959,312 |
| Additions | 14,553 | 820,925 |
| Disposals | (41,276) | – |
| Repayment of shareholder loan investments (note 20) | (28,439) | (50,199) |
| Movement in fair value of investments | (341,229) | (191,402) |
| | **5,142,245** | **5,538,636** |

The investments made in underlying assets are carried at fair value through profit and loss. The investments are typically made through a combination of shareholder loans and equity into the SPVs which own the underlying asset. The value of the shareholder loan investments as at 31 December 2024 including loan interest receivable was £1,437,028,860 (2023: £1,484,003,180).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 9. Investments at fair value through profit or loss continued

The movement in investments of the Company during the year and the prior year was made up as follows:

| Company | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Opening balance | 5,558,357 | 4,978,816 |
| Loan advanced to Holdco (note 20) | 17,061 | 680,800 |
| Repayment of loan to Holdco (note 20) | (482,467) | (328,412) |
| Movement in fair value of investments | 84,774 | 227,153 |
| | **5,177,725** | **5,558,357** |

The Company's shareholder loan investment in Holdco is repayable on demand.

**Fair value measurements**

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The financial instruments held at fair value are the investments held by the Group in the SPVs and the interest rate swaps associated with its term debt facilities, which are fair valued at each reporting date. The Group's investments have been classified within Level 3 as the investments are not traded and contain unobservable inputs. The Company's investments are all considered to be Level 3 assets. As the fair value of the Company's equity and loan investments in Holdco is ultimately determined by the underlying fair values of the SPV investments, the Company's sensitivity analysis of reasonably possible alternative input assumptions is the same as for the Group.

Due to the nature of the investments, they are always expected to be classified as Level 3. There have been no transfers between levels during the year ended 31 December 2024.

Any transfers between the levels would be accounted for on the last day of each financial period.

Valuations are derived using a discounted cash flow methodology in line with IPEV Valuation Guidelines and take into account, inter alia, the following:

- due diligence findings where relevant;
- the terms of any material contracts including PPAs;
- asset performance;
- power price forecast from a leading market consultant; and
- the economic, taxation or regulatory environment.

Further detail on classification of the Group's interest rate swaps is outlined in note 14.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 9. Investments at fair value through profit or loss continued

### Sensitivity analysis

The fair value of the Group's investments is £5,142,244,619 (2023: £5,538,635,628). 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.

31 December 2024

| Input | Base case | Change in input | Change in fair value of investments £'000 | Change in NAV per share pence |
|---|---|---|---|---|
| Discount rate | 11 per cent levered portfolio IRR | + 0.5 per cent | (149,622) | (6.6) |
| | | - 0.5 per cent | 157,924 | 7.0 |
| Long term inflation rate | RPI: 3.5 per cent to 2030, 2.5 per cent thereafter CPI: 2.5 per cent | - 0.5 per cent | (149,036) | (6.6) |
| | | + 0.5 per cent | 156,298 | 6.9 |
| Energy yield | P50 | 10 year P90 | (331,025) | (14.7) |
| | | 10 year P10 | 330,927 | 14.7 |
| Power price | Forecast by leading consultant | - 10 per cent | (324,541) | (14.4) |
| | | + 10 per cent | 321,437 | 14.3 |
| Asset life | 30 years | - 5 years | (330,080) | (14.6) |
| | | + 5 years | 219,042 | 9.7 |

31 December 2023

| Input | Base case | Change in input | Change in fair value of investments £'000 | Change in NAV per share pence |
|---|---|---|---|---|
| Discount rate | 11 per cent levered portfolio IRR | + 0.5 per cent | (170,310) | (7.4) |
| | | - 0.5 per cent | 179,963 | 7.8 |
| Long term inflation rate | RPI: 3.5 per cent to 2030, 2.5 per cent thereafter CPI: 2.5 per cent | - 0.5 per cent | (162,604) | (7.0) |
| | | + 0.5 per cent | 170,870 | 7.4 |
| Energy yield | P50 | 10 year P90 | (352,901) | (15.3) |
| | | 10 year P10 | 352,854 | 15.3 |
| Power price | Forecast by leading consultant | - 10 per cent | (335,334) | (14.5) |
| | | + 10 per cent | 316,943 | 13.7 |
| Asset life | 30 years | - 5 years | (313,935) | (13.6) |
| | | + 5 years | 204,932 | 8.9 |

The portfolio is valued on an unlevered basis using a lower discount rate for fixed cash flows and a higher discount rate for merchant cash flows. This results in a blended unlevered portfolio IRR. The equivalent levered portfolio IRR is calculated assuming 35 per cent gearing and an interest rate of 5 per cent.

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented. The sensitivity analysis shown above would be the same for the Company as for the Group. Also see the high transition risk scenario discussed on page 33.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 10. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group. As the Company is regarded as an Investment Entity as referred to in note 1, these subsidiaries have not been consolidated in the preparation of the financial statements:

| Investment | Place of Business | Ownership Interest as at 31 December 2024 | Ownership Interest as at 31 December 2023 |
|---|---|---|---|
| Andershaw | Scotland[11] | 100% | 100% |
| Bin Mountain | Northern Ireland[10] | 100% | 100% |
| Bishopthorpe | England[11] | 100% | 100% |
| Braes of Doune | Scotland[12] | 100% | 100% |
| Breeze Bidco [1] | Scotland[11] | 100% | 100% |
| Brockaghboy | Northern Ireland[10] | 100% | 100% |
| Carcant | Scotland[12] | 100% | 100% |
| Church Hill | Northern Ireland[10] | 100% | 100% |
| Corriegarth | Scotland[12] | 100% | 100% |
| Cotton Farm | England[11] | 100% | 100% |
| Crighshane | Northern Ireland[10] | 100% | 100% |
| Earl's Hall Farm | England[11] | 100% | 100% |
| Glen Kyllachy | Scotland[11] | 100% | 100% |
| Kildrummy | Scotland[11] | 100% | 100% |
| Langhope Rig | Scotland[11] | 100% | 100% |
| Maerdy | Wales[11] | 100% | 100% |
| North Hoyle | Wales[11] | 100% | 100% |
| Screggagh | Northern Ireland[10] | 100% | 100% |
| Slieve Divena | Northern Ireland[10] | 100% | 100% |
| Slieve Divena 2 | Northern Ireland[10] | 100% | 100% |
| South Kyle | Scotland[12] | 100% | 100% |
| Stroupster | Scotland[11] | 100% | 100% |
| Tappaghan | Northern Ireland[10] | 100% | 100% |
| Twentyshilling | Scotland[11] | 100% | 100% |
| Walney Holdco [2] | England[11] | 100% | 100% |
| Windy Rig | Scotland[11] | 100% | 100% |
| Bicker Fen | England[11] | 80% | 80% |
| Fenlands [3] | England[11] | 80% | 80% |
| Humber Holdco [4] | England[11] | 77.2% | 77.2% |
| Nanclach [1] | Scotland[11] | 75% | 75% |
| Dunmaglass Holdco [5] | Scotland[11] | 71.2% | 71.2% |
| Stronelairg Holdco [6] | Scotland[11] | 71.2% | 71.2% |
| Kype Muir Extension [13] | Scotland[11] | 65.5% | 49.9% |
| Hoylake [7] | England[11] | 63% | 63% |
| Dalquhandy | Scotland[12] | 60% | 100% |
| Douglas West | Scotland[12] | 60% | 100% |
| London Array [8] | England[11] | 54.9% | 54.9% |
| Drone Hill | Scotland[12] | 51.6% | 51.6% |
| North Rhins | Scotland[11] | 51.6% | 51.6% |
| Sixpenny Wood | England[11] | 51.6% | 51.6% |
| Yelvertoft | England[11] | 51.6% | 51.6% |
| SYND Holdco [9] | UK[11] | 51.6% | 51.6% |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 10. Unconsolidated subsidiaries, associates and joint ventures continued

(1) The Group's investment in Nanclach is held through Breeze Bidco.

(2) The Group holds 100 per cent of Walney Holdco, which owns 25.1 per cent of Walney Wind Farm, resulting in the Group holding a 25.1 per cent indirect investment in Walney Wind Farm.

(3) The Group's investments in Deeping St. Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands.

(4) The Group holds 77.2 per cent of Humber Holdco, which owns 49 per cent of Humber Wind Farm, resulting in the Group holding a 37.8 per cent indirect investment in Humber Wind Farm.

(5) The Group holds 71.2 per cent of Dunmaglass Holdco, which owns 49.9 per cent of Dunmaglass Wind Farm, resulting in the Group holding a 35.5 per cent indirect investment in Dunmaglass Wind Farm.

(6) The Group holds 71.2 per cent of Stronelairg Holdco, which owns 49.9 per cent of Stronelairg Wind Farm, resulting in the Group holding a 35.5 per cent indirect investment in Stronelairg Wind Farm.

(7) The Group holds 62.7 per cent of Hoylake, which owns 25 per cent of Burbo Bank Extension, resulting in the Group holding a 15.7 per cent indirect investment in Burbo Bank Extension.

(8) The Group holds 54.9 per cent of London Array Holdco, which owns 25 per cent of London Array Limited, resulting in the Group holding a 13.7 per cent indirect investment in London Array Limited.

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

(10) The registered office address is Unit 4, The Legacy Building, Queens Road, Belfast, Northern Ireland, BT3 9DT.

(11) The registered office address is 5th Floor, 20 Fenchurch Street, London, England, EC3M 3BY.

(12) The registered office address is Dla Piper Scotland Llp Collins House, Rutland Square, Edinburgh, United Kingdom, EH1 2AA

(13) Investment was an associate as at 31 December 2023

There are no significant restrictions on the ability of the Group's unconsolidated subsidiaries to transfer funds in the form of cash dividends.

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 31 December 2024 | Ownership Interest as at 31 December 2023 |
|---|---|---|---|
| ML Wind [1] | England[3] | 49% | 49% |
| Little Cheyne Court | England[3] | 41% | 41% |
| Clyde | Scotland[4] | 28.2% | 28.2% |
| Hornsea 1 Holdco [2] | England[5] | 25% | 25% |
| Rhyl Flats | Wales[3] | 24.95% | 24.95% |

(1) The Group's investments in Middlemoor and Lindhurst are 49 per cent. These are held through ML Wind.

(2) The Group holds 25 per cent of Hornsea 1 Holdco, which owns 50 per cent of Hornsea 1 Limited, resulting in the Group holding a 12.5 per cent indirect investment in Hornsea 1 Limited.

(3) The registered office address is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PB.

(4) The registered office address is Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

(5) The registered office address is 5 Howick Place, London, SW1P 1WG.

Loans advanced by Holdco to the investments are disclosed in note 20.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 10. Unconsolidated subsidiaries, associates and joint ventures continued

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

| Provider of security | Investment | Beneficiary | Nature | Purpose | Amount £'000 |
|---|---|---|---|---|---|
| The Company | Hornsea 1 | National Westminster Bank | Letter of credit | Debt service – Senior DSRA | 58,600 |
| The Company | London Array | Orsted | Guarantee | Offtake guarantee | 52,500 |
| Holdco | Clyde | SSE | Counter indemnity | Grid, radar, decommissioning | 21,771 |
| The Company | London Array | Shareholders | Guarantee | JOA participants guarantee | 20,000 |
| The Company | Glen Kyllachy | RWE | Counter indemnity | (Decommissioning/Grid/Farr wind farm wake compensation) | 12,238 |
| The Company | North Hoyle | The Crown Estate | Guarantee | Decommissioning & rent obligations | 11,843 |
| The Company | Burbo | Orsted | Counter indemnity | Crown Estate Fees and NATS Radar obligations | 11,000 |
| The Company | London Array | Blue Transmission London Array Limited | Guarantee | OFTO O&M obligations | 11,000 |
| The Company | Twentyshilling | Whiteside Hill Wind Farm | Guarantee | Land – Access – Cabling | 10,000 |
| The Company | Hornsea 1 | Orsted | Letter of credit | Lease obligations | 8,410 |
| The Company | Hornsea 1 | National Westminster Bank | Letter of credit | Debt service – Mezz DSRA | 6,400 |
| The Company | Dalquhandy | BT PLC | Guarantee | V-PPA PCG | 5,897 |
| The Company | South Kyle | Land owner | Guarantee | Decommissioning obligations | 5,332 |
| The Company | South Kyle | East Ayrshire Council | Counter indemnity/ Letter of credit | Decommissioning obligations | 5,000 |
| The Company | Humber | RWE | Guarantee | Radar | 4,900 |
| The Company | South Kyle | FLS Scottish Ministers | Counter indemnity/ Letter of credit | Decommissioning obligations | 4,327 |
| The Company | South Kyle | Dumfries and Galloway Council | Counter indemnity/ Letter of credit | Decommissioning obligations | 3,748 |
| The Company | Andershaw | Statkraft | Guarantee | Decommissioning obligations | 3,500 |
| The Company | Rhyl Flats | The Crown Estate | Guarantee | Decommissioning obligations | 3,401 |
| The Company | Glen Kyllachy | National Grid Energy System Operator Limited | Letter of credit | Bilateral Connection Agreement Security Cover | 2,539 |
| The Company | Dalquhandy | South Lanarkshire Council | Counter indemnity/ Letter of credit | Decommissioning obligations | 2,525 |
| The Company | Braes of Doune | Land owner | Guarantee | Decommissioning obligations | 2,000 |
| The Company | Twentyshilling | Dumfries & Galloway Council | Counter indemnity/ Letter of credit | Council – Decommissioning Obligations | 1,897 |
| The Company | Twentyshilling | Ministry of Defence | Guarantee | Seismic Array Equipment | 1,800 |
| The Company | South Kyle | NATS | Guarantee | Radar | 1,683 |
| The Company | Douglas West | Land owner | Guarantee | Decommissioning obligations | 1,610 |
| The Company | Windy Rig | National Grid | Counter indemnity/ Letter of credit | Access rights, grid Decommissioning obligations | 1,479 |
| The Company | Nanclach Limited | Land owners | Counter indemnity/ Letter of credit | Decommissioning obligations | 1,348 |
| The Company | Twentyshilling | NATS | Guarantee | Radar | 1,286 |
| The Company | Windy Rig | NATS | Guarantee | Radar | 622 |
| The Company | Stroupster | Land owners | Counter indemnity/ Unsecured guarantee | Decommissioning obligations | 338 |
| Holdco | Stronelairg | SSE | Guarantee | SPVs' obligations under Elexon and National Grid contracts | 301 |
| The Company | Hornsea 1 | National Westminster Bank | Letter of credit | Debt service – MRA reserve | 300 |
| Holdco | Dunmaglass | SSE | Guarantee | SPVs' obligations under Elexon and National Grid contracts | 201 |
| The Company | Cotton Farm | Land owner | Guarantee | Decommissioning obligations | 165 |
| The Company | Sixpenny Wood | Land owner | Guarantee | Community fund obligations | 150 |
| The Company | Twentyshilling | Land owner | Counter indemnity/ Letter of credit | Landowner – Decommissioning obligations | 101 |
| The Company | Yelvertoft | Daventry District Council | Guarantee | Decommissioning obligations | 82 |
| The Company | Langhope Rig | Barclays Bank Plc/Land owner | Counter indemnity/ Letter of credit | Decommissioning obligations | 81 |
| The Company | Maerdy | Natural Resources Wales | Guarantee | Access rights to neighbouring land | n/a |
| | | | | | **280,375** |

The fair value of these guarantees and counter indemnities provided by the Group are considered to be £nil (2023: £nil) as disclosed in note 2.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 11. Receivables

| Group | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Security cash deposits | 13,340 | 40,119 |
| Swap interest receivable from counterparties | 3,816 | — |
| VAT receivable | 1,191 | 676 |
| Prepayments | 180 | 151 |
| Amounts due from SPVs | 10 | — |
| Interest income receivable | — | 111 |
| Other receivables | — | 72 |
| | **18,537** | **41,129** |

| Company | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Security cash deposits | 13,340 | 40,119 |
| Prepayments | 181 | 151 |
| Interest income receivable | — | 111 |
| | **13,521** | **40,381** |

## 12. Payables

| Group | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Loan interest payable (note 13) | 13,957 | 5,487 |
| Commitment fees payable (note 13) | 12 | 235 |
| Letter of credit fees payable (note 13) | — | 93 |
| Investment management fee payable | 6,737 | 8,090 |
| Amounts due to SPVs (note 20) | 821 | 2,508 |
| Share buybacks payable | 636 | — |
| Share buyback costs payable | 13 | — |
| Transaction costs payable | 347 | 55 |
| Other payables | 1,167 | 1,105 |
| | **23,690** | **17,573** |

| Company | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Loan interest payable (note 13) | 13,957 | 5,487 |
| Commitment fee payable (note 13) | 12 | 235 |
| Letter of credit fees payable (note 13) | — | 93 |
| Investment management fee payable | 6,737 | 8,090 |
| Share buybacks payable | 636 | — |
| Share buyback costs payable | 13 | — |
| Transaction costs payable | 42 | — |
| Other payables | 933 | 888 |
| | **22,330** | **14,793** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 13. Loans and borrowings

| Group and Company | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Opening balance | 1,790,000 | 1,100,000 |
| Revolving credit facility | | |
| Drawdowns | 14,000 | 400,000 |
| Derecognition of RCF on modification | (400,000) | — |
| Recognition of RCF on modification | 400,000 | — |
| Gain/(loss) on modification | — | — |
| Repayments | (144,000) | (200,000) |
| Term debt facilities | | |
| Repayments | (25,000) | (150,000) |
| Derecognition of term debt facilities on modification | (1,365,000) | — |
| Drawdowns | 125,000 | 640,000 |
| Recognition of term debt facilities on modification | 1,365,000 | — |
| Gain/(loss) on modification | — | — |
| **Closing balance** | **1,760,000** | **1,790,000** |
| Reconciled as: | | |
| Current liabilities | — | 500,000 |
| Non current liabilities | 1,760,000 | 1,290,000 |

| Group and Company | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Loan interest | 94,069 | 58,787 |
| Facility arrangement fees | 7,725 | 4,350 |
| Swap termination fees | 3,374 | — |
| Commitment fees | 1,159 | 2,289 |
| Letter of credit fees | 1,114 | 1,137 |
| Professional fees | 1,216 | 589 |
| Other facility fees | 188 | 244 |
| | **108,845** | **67,396** |
| Loan income | (3,594) | — |
| **Finance expense** | **105,251** | **67,396** |

The loan balance as at 31 December 2024 has not been adjusted to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

On 6 September 2024, an additional amount of £14 million was drawn from the existing RCF and repaid on 30 September 2024.

On 26 September 2024, the Company completed a modification of its debt facilities. The modification was conducted with the Company's existing set of lenders who were migrated to a Common Terms Agreement, offering the Company a consistent set of terms and a strong platform for future debt placements.

As a result, the Company modified the £400 million drawn balance on its £600 million RCF and entered into a new £400 million RCF. The margin on the renewed facility has fallen from 1.75 per cent to 1.50 per cent and it now matures in October 2027. It is therefore classified as a non current liability. Other terms of the RCF remain unchanged, including a commitment fee of 0.65 per cent per annum of any undrawn facility. Subsequent to this, the Company repaid £130 million (£100 million on 26 September 2024 and £30 million on 31 December 2024) of its RCF and as at 31 December 2024, amounts drawn under the RCF were £270 million (2023: £400 million), accrued interest payable was £nil (2023: £228,404) and the outstanding commitment fee payable was £11,575 (2023: £235,068).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 13. Loans and borrowings continued

On 26 September 2024, as part of the same modification exercise, the Company also drew down an additional £125 million of term debt, using the proceeds to repay £25 million of its existing facilities that were due to mature in the period to May 2026 as well as £100 million of its RCF, as noted above. The remainder of the existing term debt facilities of £1,365 million were modified under the terms of the Common Terms Agreement on 26 September 2024.

£1,200 million of the term loans contain associated interest rate swaps which were novated from the Company to Holdco as part of the modification. The fair value of these swaps as at 31 December 2024 is set out in note 14. The £115 million term loan tranche with AXA has not been hedged with an interest rate swap and so the loan will be fully variable until maturity of the loan. £175 million term loan tranches with AXA have fixed all-in rates and have not been hedged by interest rate swaps.

The Company's term debt has maturity dates of greater than 1 year and therefore is classified as non current liabilities. All borrowing ranks pari passu and is secured by a debenture over the assets of the Company, including its shares in Holdco, with fixed and floating charges in place over the assets of the Company and Holdco.

At year end 31 December 2023, loans with maturity dates of less than 12 months amounted to £100 million and were classified as current liabilities. The remaining term debt of £1,290 million was classified as non current liabilities. £1,125 million of these term loans contained swaps. £1,050 million of these instruments had been treated as a single fixed rate loan agreement, which effectively set interest rates payable at fixed rates as:

- the contractual agreements for the loan and swap were directly linked, were executed at the same time and were not independently transferable;
- there was a common counterparty for loan and swap instruments; and
- all loan and swap instruments were co terminus and their commercial and financial terms reflected each other.

The providers, maturity dates and interest rates of these term debt facilities are set out in the table below. These are held in conjunction with the swaps at Holdco, as set out in note 14.

| Provider | Maturity date | Loan margin % | Loan Principal £'000 | Accrued interest at 31 December 2024[1] £'000 |
|---|---|---|---|---|
| NAB | 01-Nov-26 | 1.50% | 75,000 | 737 |
| NAB | 01-Nov-26 | 1.50% | 25,000 | 246 |
| CIBC | 14-Nov-26 | 1.40% | 100,000 | 900 |
| Lloyds | 09-May-27 | 1.60% | 150,000 | — |
| CBA | 04-Nov-27 | 1.60% | 100,000 | 998 |
| ABN AMRO | 02-May-28 | 1.75% | 100,000 | 18 |
| Virgin Money | 03-May-28 | 1.75% | 50,000 | — |
| ANZ | 03-May-28 | 1.75% | 75,000 | 13 |
| Barclays | 03-May-28 | 1.75% | 25,000 | 4 |
| NAB | 26-Sep-29 | 1.55% | 100,000 | 1,639 |
| ANZ | 26-Sep-29 | 1.60% | 75,000 | 1,239 |
| AXA | 31-Jan-30 | 3.03%[2] | 125,000 | 1,583 |
| AXA | 31-Jan-30 | 1.70% | 75,000 | 2,007 |
| CBA | 26-Sep-30 | 1.65% | 150,000 | 2,500 |
| AXA | 28-Apr-31 | 6.434%[2] | 25,000 | 4 |
| AXA | 28-Apr-31 | 1.80% | 115,000 | 20 |
| AXA | 26-Sep-31 | 5.442%[2] | 25,000 | 357 |
| CIBC | 26-Sep-31 | 1.75% | 100,000 | 1,692 |
| | | | **1,490,000** | **13,957** |

[1] Loan interest is based on loan margin plus applicable SONIA rate or all in fixed rate.

[2] All in fixed rate.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 14. Interest rate swaps held at fair value through profit or loss

As outlined in note 13, the Group holds interest rate swaps on £1,200 million of its term loans, which effectively set interest rates payable at fixed rates. As part of its debt refinancing during the year, the Company novated its existing interest rate swaps to Holdco and entered into new interest rate swaps with Holdco. As a result, the Company is no longer required to cash collateralise against any unfavourable positions of its interest rates swaps, which was beneficial to the Company's use of capital.

The interest rate swaps have been recognised as separate financial instruments at fair value, as summarised in the table below.

| Group | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Opening balance | — | — |
| Fair value of interest rate swap liabilities on novation | (21,932) | — |
| Movement in fair value of interest rate swap liabilities | 8,150 | — |
| **Fair value of interest rate swap liabilities on 31 December 2024** | **(13,782)** | **—** |

| Group | £'000 | £'000 |
|---|---|---|
| Opening balance | — | — |
| Fair value of interest rate swap assets on novation | 28,462 | — |
| Movement in fair value of interest rate swap assets | 11,537 | — |
| **Fair value of interest rate swap assets on 31 December 2024** | **39,999** | **—** |
| | | |
| **Net movement on interest rate swaps held at fair value** | **26,217** | **—** |

IFRS 13 requires disclosure of fair value measurement by level, as further detailed in note 9. The fair value of the interest rate swaps associated with the Group's term debt facilities are measured at each reporting date, calculated as the present value of estimated future cash flows under the fixed and floating leg of each swap. Therefore, these have been classified as level 2, because they contain inputs other than quoted prices that are observable for the asset.

Due to the nature of the interest rate swaps, they are always expected to be classified as Level 2. There have been no transfers between levels during the year ended 31 December 2024.

Any transfers between the levels would be accounted for on the last day of each financial period.

## 15. Contingencies and commitments

The Group had no contingencies and commitments for the year ended 31 December 2024 (2023: Nil).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 16. Share capital – ordinary shares of £0.01

| Date | Authorised, issued and fully paid | Number of shares issued | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Treasury shares £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| **1 January 2024** | | **2,312,131,799** | **23,121** | **2,471,515** | **66** | **—** | **2,494,702** |
| **Share buybacks:** | Repurchased and cancelled | (4,683,143) | (47) | — | 47 | — | — |
| | Repurchased and held in treasury | (54,504,369) | — | — | — | (74,741) | **(74,741)** |
| | | **(59,187,512)** | **(47)** | **—** | **47** | **(74,741)** | **(74,741)** |
| **Shares allotted from treasury to the Investment Manager** | | | | | | | |
| 7 May 2024 | True-up of 2023 and Q4 2023 Equity Element | 230,238 | — | 58 | — | 317 | **375** |
| 7 May 2024 | Q1 2024 Equity Element | 228,532 | — | 57 | — | 318 | **375** |
| 7 May 2024 | Q2 2024 Equity Element | 234,415 | — | 59 | — | 316 | **375** |
| 31 July 2024 | Q3 2024 Equity Element | 235,420 | — | 62 | — | 313 | **375** |
| 6 November 2024 | Q4 2024 Equity Element | 236,414 | — | 70 | — | 305 | **375** |
| | | **1,165,019** | **—** | **306** | **—** | **1,569** | **1,875** |
| **31 December 2024** | | **2,254,109,306** | **23,074** | **2,471,821** | **113** | **(73,172)** | **2,421,836** |

During the year, the Company purchased a total of 54,504,369 ordinary shares, to be held in treasury at an aggregate cost of £74,741,000 (including stamp duty and other fees of £476,000).

| Date | Authorised, issued and fully paid | Number of shares issued | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'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** |
| 4 August 2023 | Q3 2023 Equity Element | 226,182 | 2 | 373 | — | **375** |
| | | 619,546 | 6 | 1,119 | — | **1,125** |
| Share buybacks | | (6,577,736) | (66) | — | 66 | **—** |
| **31 December 2023** | | **2,312,131,799** | **23,121** | **2,471,515** | **66** | **2,494,702** |

The Company announced a share buyback program at the end of October 2023 and during the year, 4.7 million shares (2023: 6.6 million) were repurchased and cancelled at a cost of £6,788,000 (2023: £9,439,000). In addition, 54.5 million shares (2023: nil) have been repurchased and held in treasury at a cost of £74,265,000 (2023: £nil).

Pursuant to the terms of the Investment Management Agreement, the Investment Manager receives an Equity Element as part payment of its investment management fee as disclosed in note 3. The figures given in the table in note 3 include the true-up amount of the investment management fee for the periods calculated in accordance with the Investment Management Agreement and allotted subsequent to 31 December 2024. During the year, 1.2 million shares held in treasury were reinstated with the full rights of Ordinary Shares and issued to the Investment Manager.

As at 31 December 2024, the Company had 53,339,350 shares held in treasury and the total number of ordinary shares in issue, excluding the shares held in treasury, was 2,254,109,306.

Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the shareholders are entitled to all of the residual assets of the Company.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 17. Net assets per share

| Group and Company | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Net assets – £'000 | 3,409,104 | 3,793,997 |
| Number of ordinary shares issued | 2,254,109,306 | 2,312,131,799 |
| **Total net assets – pence** | **151.2** | **164.1** |

## 18. Reconciliation of operating profit for the year to net cash from operating activities

| Group | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Operating profit for the year | 23,619 | 193,976 |
| **Adjustments for:** | | |
| Movement in fair value of investments (note 9) | 341,229 | 191,402 |
| Transaction costs | 807 | 2,797 |
| Decrease/(increase) in receivables | 26,444 | (38,639) |
| (Decrease)/increase in payables | (2,588) | 9,157 |
| Equity Element of Investment Manager's fee (note 3) | 1,500 | 1,500 |
| Tax paid | — | (392) |
| **Net cash flows from operating activities** | **391,011** | **359,801** |

| Company | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Operating profit for the year | 55,411 | 193,976 |
| **Adjustments for:** | | |
| Movement in fair value of investments (note 9) | (84,774) | (227,153) |
| Decrease/(increase) in receivables | 26,896 | (40,253) |
| (Decrease)/increase in payables | (880) | 6,627 |
| Equity Element of Investment Manager's fee (note 3) | 1,500 | 1,500 |
| Tax paid | — | (392) |
| **Net cash flows from operating activities** | **(1,847)** | **(65,695)** |

### Reconciliation of cash flows and non-cash flow changes in liabilities arising from financing activities

| Group and Company | Loans and borrowings £'000 | Other liabilities £'000 |
|---|---|---|
| **As at 1 January 2024** | **1,790,000** | **5,791** |
| Cash flows (net) | (30,000) | (100,946) |
| Movements in Statement of Comprehensive Income | — | 105,251 |
| **As at 31 December 2024** | **1,760,000** | **10,096** |

| Group and Company | Loans and borrowings £'000 | Other liabilities £'000 |
|---|---|---|
| **As at 1 January 2023** | **1,100,000** | **6,168** |
| Cash flows (net) | 690,000 | (67,773) |
| Movements in Statement of Comprehensive Income | — | 67,396 |
| **As at 31 December 2023** | **1,790,000** | **5,791** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 19. Financial risk management

The Investment Manager and the Administrator report to the Board on a quarterly basis and provide information to the Board which allows it to monitor and manage financial risks relating to its operations. The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk.

The Group's market risk is managed by the Investment Manager in accordance with the policies and procedures in place. The Group's overall market positions are monitored on a quarterly basis by the Board.

### Price risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Group will fluctuate. Investments are measured at fair value through profit or loss and are valued on a discounted cash flow basis. Therefore, the value of these investments will be (amongst other risk factors) a function of the discounted value of their expected cash flows and, as such, will vary with movements in interest rates and competition for such assets. As disclosed in note 9, the key assumptions determining fair value of investments are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different valuation for these investments.

### Interest rate risk

The Group's interest rate risk on interest bearing financial assets is limited to interest earned on security cash deposits. The Group also has exposure to interest rate risk due to floating interest rates required to service external borrowings through the RCF and the unhedged £115 million term loan tranche with AXA. An increase of 1 per cent (2023: 1 per cent) represents the Investment Manager's assessment of a reasonably possible change in interest rates. Should the SONIA rate increase by 1 per cent, the annual interest due on the RCF and AXA term loan would increase by £3,850,000 (2023: £5,150,000) on the basis that the RCF is £270 million drawn (2023: £400 million). The Group's only other exposure to interest rate risk is due to the £150 million term loan with Lloyds, £75 million term loan with AXA and £50 million term loan with Virgin Money, all of which are hedged by different counterparties. No material impact is expected for these swaps. The Investment Manager regularly monitors interest rates to ensure the Group has adequate provisions in place in the event of significant fluctuations.

The Group also has exposure to interest rate risk due to floating interest rates with respect to the fair values of the associated interest rate swaps hedging variable interest rate risk on term debt tranches. Should the SONIA rate decrease by 1 per cent, the net fair value of the Group's interest rate swaps would decrease by £45,923,000.

The associated interest rate swaps on amounts drawn under the other term debt facilities detailed in note 14, effectively set interest payable at a fixed rate for the full term of the respective loans, thereby mitigating the risks associated with the variability of cash flows arising from interest rate fluctuations.

The Board considers that, as shareholder loan investments bear interest at a fixed rate, they do not carry any interest rate risk.

The Group's interest bearing assets and liabilities as at 31 December 2024 are summarised below:

| Group | Fixed rate £'000 | Floating rate £'000 |
|---|---|---|
| **Assets** | | |
| Security cash deposits (note 11) | — | 13,340 |
| Swap interest receivable from counterparties (note 11) | — | 3,816 |
| Interest rate swaps held at fair value through profit or loss | — | 39,999 |
| Investments | 1,437,029 | — |
| | **1,437,029** | **57,155** |
| **Liabilities** | | |
| Loans and borrowings (note 13) | (1,375,000) | (385,000) |
| Interest rate swaps held at fair value through profit or loss | — | (13,781) |
| | **(1,375,000)** | **(398,781)** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 19. Financial risk management continued

**Interest rate risk** continued

The Group's interest bearing assets and liabilities as at 31 December 2023 are summarised below:

| Group | Fixed rate £'000 | Floating rate £'000 |
|---|---|---|
| **Assets** | | |
| Security cash deposits (note 11) | — | 40,119 |
| Other receivables (note 11) | — | 111 |
| Investments | 1,484,003 | — |
| | **1,484,003** | **40,230** |
| **Liabilities** | | |
| Loans and borrowings (note 13) | (1,275,000) | (515,000) |
| | **(1,275,000)** | **(515,000)** |

The Company's interest bearing assets and liabilities as at 31 December 2024 are summarised below:

| Company | Fixed rate £'000 | Floating rate £'000 |
|---|---|---|
| **Assets** | | |
| Security cash deposits (note 11) | — | 13,340 |
| | **—** | **13,340** |
| **Liabilities** | | |
| Loans and borrowings (note 13) | (1,375,000) | (385,000) |
| | **(1,375,000)** | **(385,000)** |

The Company's interest bearing assets and liabilities as at 31 December 2023 are summarised below

| Group | Fixed rate £'000 | Floating rate £'000 |
|---|---|---|
| **Assets** | | |
| Security cash deposits (note 11) | — | 40,119 |
| Other receivables (note 11) | — | 111 |
| | **—** | **40,230** |
| **Liabilities** | | |
| Loans and borrowings (note 13) | (1,275,000) | (515,000) |
| | **(1,275,000)** | **(515,000)** |

**Foreign currency risk**

Foreign currency risk is defined as the risk that the fair values of future cash flows will fluctuate because of changes in foreign exchange rates. The Group's financial assets and liabilities are denominated in GBP and substantially all of its revenues and expenses are in GBP. The Group is not considered to be materially exposed to foreign currency risk.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 19. Financial risk management continued

### Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Group is exposed to credit risk in respect of other receivables, cash at bank, security cash deposits, loan investments and loan advances. The Group's credit risk exposure is minimised by dealing with financial institutions with investment grade credit ratings and making loan investments which are equity in nature. As loan investments are carried at fair value, any credit risk movement is reflected in the fair value. The Investment Manager regularly reviews the future cash flows and valuations of the investee companies, to gain comfort as to the recoverability of the loans. No balances are past due or impaired.

The table below details the Group's maximum exposure to credit risk:

| Group | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Other receivables (note 11) | 1,191 | 859 |
| Swap interest receivable from counterparties (note 11) | 3,816 | — |
| Cash at bank | 5,795 | 21,805 |
| Security cash deposits (note 11) | 13,340 | 40,119 |
| Interest rate swaps held at fair value through profit or loss (note 14) | 26,217 | — |
| Loan investments (note 9) | 1,437,029 | 1,484,003 |
| | **1,487,388** | **1,546,786** |

The table below details the Company's maximum exposure to credit risk:

| Company | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Other receivables (note 11) | — | 111 |
| Cash at bank | 188 | 52 |
| Security cash deposits (note 11) | 13,340 | 40,119 |
| Loan investments (note 9) | 2,230,698 | 2,696,103 |
| | **2,244,226** | **2,736,385** |

The table below shows the cash balances of the Group and the credit rating for each counterparty:

| Group | Rating | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|---|
| RBS International | A | 5,795 | 21,805 |
| | | **5,795** | **21,805** |

The table below shows the cash balances of the Company and the credit rating for each counterparty:

| Company | Rating | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|---|
| RBS International | A | 188 | 52 |
| | | **188** | **52** |

### Liquidity risk

Liquidity risk is the risk that the Group and the Company may not be able to meet a demand for cash or fund an obligation when due. The Investment Manager and the Board continuously monitor forecast and actual cash flows from operating, financing and investing activities to consider payment of dividends, the repurchase of ordinary shares, repayment of the Company's outstanding debt or further investing activities.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 19. Financial risk management continued

**Liquidity risk** continued

The following tables detail the Group's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cash flow amounts:

| Group – 31 December 2024 | Less than 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Other receivables (note 11) | 1,191 | — | — | **1,191** |
| Cash at bank | 5,795 | — | — | **5,795** |
| Security cash deposits (note 11) | 13,340 | — | — | **13,340** |
| Loan investments | — | — | 1,437,029 | **1,437,029** |
| Swap interest receivable from counterparties (note 11) | 3,816 | — | — | **3,816** |
| Interest rate swaps held at fair value through profit or loss (note 14) | — | 24,495 | 15,504 | **39,999** |
| **Liabilities** | | | | |
| Other payables (note 12) | (23,690) | — | — | **(23,690)** |
| Loans and borrowings | (106,901) | (1,427,970) | (648,337) | **(2,183,208)** |
| Interest rate swaps held at fair value through profit or loss (note 14) | — | (13,782) | — | **(13,782)** |
| | **(106,449)** | **(1,417,257)** | **804,196** | **(719,510)** |

| Group – 31 December 2023 | Less than 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Other receivables (note 11) | 859 | — | — | **859** |
| Cash at bank | 21,805 | — | — | **21,805** |
| Security cash deposits (note 11) | 40,119 | — | — | **40,119** |
| Loan investments | — | — | 1,484,003 | **1,484,003** |
| **Liabilities** | | | | |
| Other payables (note 12) | (17,573) | — | — | **(17,573)** |
| Loans and borrowings | (589,744) | (1,129,977) | (369,089) | **(2,088,810)** |
| | **(544,534)** | **(1,129,977)** | **1,114,914** | **(559,597)** |

The shareholder loan investments are repayable on demand.

The following tables detail the Company's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cash flow amounts:

| Company – 31 December 2024 | Less than 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash at bank | 188 | — | — | **188** |
| Security cash deposits (note 11) | 13,340 | — | — | **13,340** |
| Loan investments | — | — | 2,230,698 | **2,230,698** |
| **Liabilities** | | | | |
| Other payables (note 12) | (22,330) | — | — | **(22,330)** |
| Loans and borrowings | (106,901) | (1,427,970) | (648,337) | **(2,183,208)** |
| | **(115,703)** | **(1,427,970)** | **1,582,361** | **38,688** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 19. Financial risk management continued

**Liquidity risk** continued

| Company – 31 December 2023 | Less than 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Other receivables (note 11) | 111 | — | — | **111** |
| Cash at bank | 52 | — | — | **52** |
| Security cash deposits (note 11) | 40,119 | — | — | **40,119** |
| Loan investments | — | — | 2,696,103 | **2,696,103** |
| **Liabilities** | | | | |
| Other payables (note 12) | (14,793) | — | — | **(14,793)** |
| Loans and borrowings | (589,744) | (1,129,977) | (369,089) | **(2,088,810)** |
| | **(564,255)** | **(1,129,977)** | **2,327,014** | **632,782** |

The Group and Company will use cash flow generation, equity placings, debt refinancing or disposal of assets to manage liabilities as they fall due in the longer term.

**Capital risk management**

The Company considers its capital to comprise ordinary share capital, distributable reserves and retained earnings. The Company is not subject to any externally imposed capital requirements.

The Group's and the Company's primary capital management objectives are to ensure the sustainability of its capital to support continuing operations, meet its financial obligations and allow for growth opportunities. Generally, acquisitions are anticipated to be funded with a combination of current cash, debt and equity.

## 20. Related party transactions

Amounts paid to the Directors during the year are as outlined in the Directors' Remuneration Report on pages 44 to 47. £49,555 (2023: £46,461) of employer's national insurance was paid on non-executive Directors' fees during the year.

During the year, the Company increased its loan to Holdco by £17,061,045 (2023: £680,800,000) and Holdco settled amounts of £482,466,847 (2023: £328,411,737). The amount outstanding at the year end was £2,230,697,675 (31 December 2023: £2,696,103,477).

Under the terms of a Management Services Agreement with Holdco, the Company receives £1,252,260 per annum in relation to management and administration services. During the year, £2,665,488 (2023: £800,000) was paid from Holdco to the Company under this agreement, £1,252,260 was in relation to the 2024 Management Services Agreement and £1,413,228 was in relation to a 2023 Management Services agreement true up. Amounts due to the Company at the year end were £nil (2023: £nil).

Holdco has Management Service Agreements in place with various wind farms. Total amounts received by Holdco, amounts paid to the Investment Manager and amounts paid to the Administrator during the year, are outlined in the table below.

During the year, Holdco received £3,398,808 (2023: £1,861,994) in relation to renewables obligation certificate (ROC) proceeds on behalf of Bin Mountain, Carcant and Tappaghan. Amounts due to these investee companies as at 31 December 2024 were £nil (2023: £3,246).

As at 31 December 2024 £209,721 was due to Bicker Fen (2023: £182,698), £664,108 was due to Fenlands (2023: £(834,064)), £2,798 was due to North Hoyle (2023: £924,611), £nil was due to Nanclach (2023: £147,295), £nil was due to Langhope Rig (2023: £51,783), £nil was due to Douglas West (2023: £27,133), £nil was due to Burbo (2023: £(1,017,709)), £8,079 was due from Braes of Doune (2023: £nil), £32,234 was due to London Array (2023: £nil) and £1,839 was due from SYND (2023: £nil) in respect of tax payments/rebates paid/received by Holdco.

As at 31 December 2024 £5,095 was due to be recharged to KME Extension, £3,375 was due to be recharged to each of the following SPVs; Bin Mountain, Braes of Doune, Carcant, Cotton Farm, Earl's Hall, Kildrummy, Maerdy, Stroupster, Tappaghan, Screggagh, Langhope Rig, Bishopthorpe, Slieve Divena, North Hoyle, Corriegarth, Brockaghboy, Crighshane, Church Hill, Slieve Divena 2, Andershaw, Windy Rig, Glen Kyllachy, Twenty Shilling and South Kyle and £250 was due to be recharged to each of the following SPVs; Drone Hill, North Rhins, Sixpenny, Yelvertoft, Douglas West and Dalquhandy in respect of professional fees paid by Holdco.

As at 31 December 2024, under the terms of Management Services Agreements with the SPVs, Holdco was due to receive £958 from Fenlands and £958 from Bicker Fen (2023: £982 from Fenlands).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

As at 31 December 2024, under the terms of the Investment Management Agreement, the Company owed the Investment Manager a Cash Fee of £6,736,678.

As at 31 December 2024, an amount of £nil (2023: £1,539,501) was payable from the Group to Douglas West, being a return of a dividend received during the year.

| | For the year ended 31 December 2024 | | |
|---|---|---|---|
| | Income received £ | Expenses paid to the Investment Manager £ | Expenses paid to the Administrator £ |
| Andershaw, Bin Mountain, Bishopthorpe, Brockaghboy, Carcant, Church Hill, Cotton Farm, Corriegarth, Crighshane, Dalquhandy, Douglas West, Earl's Hall Farm, Glen Kyllachy, Kildrummy, Langhope Rig, Maerdy, North Hoyle, Screggagh, Slieve Divena, Slieve Divena 2, South Kyle Wind, Stroupster, Tappaghan, Tom Nan Clach, Twentyshilling, Windy Rig:<br>£59,194 income receivable per wind farm per annum<br>£29,597 expenses payable to the Investment Manager per wind farm per annum<br>£29,597 expenses payable to the Administrator per wind farm per annum | 1,539,044 | 769,531 | 769,531 |
| Braes of Doune, Drone Hill, North Rhins, Sixpenny Wood, Yelvertoft:<br>£44,396 income receivable per wind farm per annum<br>£29,597 expenses payable to the Investment Manager per wind farm per annum<br>£29,597 expenses payable to the Administrator per wind farm per annum | 221,980 | 147,987 | 147,987 |
| Dunmaglass Holdco, Stronelairg Holdco:<br>£8,917 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per wind farm per annum<br>£8,917 expenses payable to the Administrator per wind farm per annum | 17,834 | — | 17,834 |
| Bicker Fen, Fenlands:<br>£3,356 income receivable per wind farm per annum<br>£3,380 expenses payable to the Investment Manager per wind farm per annum<br>£341 expenses payable to the Administrator per wind farm per annum | 6,712 | 6,760 | 682 |
| Walney Holdco:<br>£22,434 income receivable per annum<br>£11,217 expenses payable to the Investment Manager per annum<br>£11,217 expenses payable to the Administrator per annum | 22,434 | 11,217 | 11,217 |
| Humber Holdco:<br>£8,798 income receivable per annum<br>£nil expenses payable to the Investment Manager per annum<br>£8,798 expenses payable to the Administrator per annum | 8,798 | — | 8,798 |
| Burbo Bank Extension:<br>£11,216 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per wind farm per annum<br>£11,216 expenses payable to the Administrator per wind farm per annum | 11,216 | — | 11,216 |
| London Array Holdco:<br>£14,040 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per annum<br>£14,040 expenses payable to the Administrator per annum per annum | 14,040 | — | 14,040 |
| London Array:<br>£20,514 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per annum<br>£20,280 expenses payable to the Administrator per annum | 20,514 | — | 20,280 |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

| | For the year ended 31 December 2024 | | |
|---|---|---|---|
| | Income received £ | Expenses paid to the Investment Manager £ | Expenses paid to the Administrator £ |
| SYND Holdco[1]:<br>£12,463 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per annum<br>£12,436 expenses payable to the Administrator per annum | 12,463 | — | 12,463 |
| Breeze Bidco[1]:<br>£12,738 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per annum<br>£12,738 expenses payable to the Administrator per annum | 12,738 | — | 12,738 |
| Hoylake Wind[1]:<br>£9.089 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per annum<br>£9,089 expenses payable to the Administrator per annum | 9,089 | — | 9,089 |
| **Total** | **1,896,861** | **935,495** | **1,035,875** |

[1] No Management Services Agreement in place. These relate to expenses paid to the Administrator that are recharged to the SPV.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

| | For the year ended 31 December 2023 | | |
|---|---|---|---|
| | Income received £ | Expenses paid to the Investment Manager £ | Expenses paid to the Administrator £ |
| Andershaw, Bin Mountain, Bishopthorpe, Brockaghboy, Carcant, Church Hill, Cotton Farm, Corriegarth, Crighshane, Douglas West, Earl's Hall Farm, Glen Kyllachy, Kildrummy, Langhope Rig, Maerdy, North Hoyle, Screggagh, Slieve Divena, Slieve Divena 2, Stroupster, Tappaghan, Tom Nan Clach, Twentyshilling, Windy Rig:<br>£56,918 income receivable per wind farm per annum<br>£28,459 expenses payable to the Investment Manager per wind farm per annum<br>£28,459 expenses payable to the Administrator per wind farm per annum | 1,366,019 | 683,010 | 683,010 |
| Braes of Doune, Drone Hill, North Rhins, Sixpenny Wood, Yelvertoft:<br>£42,688 income receivable per wind farm per annum<br>£14,229 expenses payable to the Investment Manager per wind farm per annum<br>£28,459 expenses payable to the Administrator per wind farm per annum | 213,440 | 71,147 | 142,293 |
| Dalquhandy:<br>£32,200 income receivable per annum<br>£16,100 expenses payable to the Investment Manager per annum<br>£16,100 expenses payable to the Administrator per annum | 32,200 | 16,100 | 16,100 |
| Dunmaglass Holdco, Stronelairg Holdco:<br>£8,574 income receivable per wind farm per annum<br>£nil expenses payable to the Investment Manager per wind farm per annum<br>£8,574 expenses payable to the Administrator per wind farm per annum | 17,148 | — | 17,148 |
| Bicker Fen, Fenlands:<br>£3,274 income receivable per wind farm per annum<br>£3,274 expenses payable to the Investment Manager per wind farm per annum<br>£nil expenses payable to the Administrator per wind farm per annum | 6,548 | 6,548 | — |
| Walney Holdco:<br>£21,570 income receivable per annum<br>£10,785 expenses payable to the Investment Manager per annum<br>£10,785 expenses payable to the Administrator per annum | 21,570 | 10,785 | 10,785 |
| Humber Holdco:<br>£8,459 income receivable per annum<br>£nil expenses payable to the Investment Manager per annum<br>£8,459 expenses payable to the Administrator per annum | 8,459 | — | 8,459 |
| Burbo Bank Extension:<br>£6,740 income receivable per annum<br>£6,740 expenses payable to the Investment Manager per annum<br>£nil expenses payable to the Administrator per wind farm per annum | 6,740 | 6,740 | — |
| **Total** | **1,672,124** | **794,330** | **877,795** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

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

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Humber Holdco [1] | 36,936 | 53,436 |
| London Array Holdco [2] | 31,549 | — |
| Clyde | 26,085 | 46,776 |
| Walney Holdco [3] | 22,146 | 25,298 |
| Stronelairg Holdco [4] | 19,200 | 26,154 |
| Braes of Doune | 15,653 | 14,361 |
| Stroupster | 13,917 | 6,610 |
| North Hoyle | 12,077 | 14,412 |
| Corriegarth | 11,028 | 13,097 |
| Brockaghboy | 10,639 | 13,804 |
| SYND Holdco [5] | 9,025 | 9,430 |
| South Kyle Wind | 7,850 | — |
| Fenlands [6] | 6,800 | 9,515 |
| ML Wind [7] | 6,713 | 10,143 |
| Andershaw | 6,650 | 4,417 |
| Rhyl Flats | 5,714 | 8,258 |
| Tappaghan | 5,233 | 5,017 |
| Little Cheyne Court | 4,633 | 6,437 |
| Cotton Farm | 4,543 | 2,960 |
| Hornsea 1 Holdco [9] | 4,264 | 16,842 |
| Kildrummy | 4,237 | 2,359 |
| Dunmaglass Holdco [10] | 4,080 | 11,298 |
| Windy Rig | 4,080 | 5,277 |
| Slieve Divena | 4,046 | 4,345 |
| Hoylake [8] | 3,921 | 12,583 |
| Langhope Rig | 3,879 | 3,475 |
| Bishopthorpe | 3,757 | 3,944 |
| Crighshane | 3,684 | 2,201 |
| Maerdy | 3,594 | 4,318 |
| Tom nan Clach [11] | 3,260 | — |
| Bicker Fen | 3,184 | 3,770 |
| Slieve Divena 2 | 3,001 | 2,732 |
| Glen Kyllachy | 2,786 | 2,131 |
| Earl's Hall Farm | 2,578 | 1,788 |
| Douglas West | 2,547 | 1,500 |
| Twentyshilling | 1,757 | 4,046 |
| Church Hill | 1,662 | 1,201 |
| Kype Muir Extension | 1,585 | — |
| Carcant | 1,446 | 1,340 |
| Bin Mountain | 1,384 | 1,260 |
| Screggagh | 1,379 | 3,404 |
| Dalquhandy | 1,107 | — |
| | **323,609** | **359,939** |

[1] The Group's investment in Humber Gateway is held through Humber Holdco.
[2] The Group's investment in London Array is held through London Array 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 Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco
[6] The Group's investments in Deeping St.Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands
[7] The Group's investments in Middlemoor and Lindhurst are held through ML Wind.
[8] The Group's investment in Burbo Bank Extension is held through Hoylake.
[9] The Group's investment in Hornsea 1 is held through Hornsea 1 Holdco.
[10] The Group's investment in Dunmaglass is held through Dunmaglass Holdco.
[11] The Group's investment in Tom nan Clach is held through Breeze Bidco.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

The table below shows interest received in the year from the Group's shareholder loan investments.

| | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Walney Holdco [1] | 10,733 | 9,994 |
| Greencoat London Array Holdco [2] | 9,233 | 2,605 |
| Hoylake [3] | 8,971 | 10,662 |
| South Kyle | 8,034 | 4,239 |
| Stronelairg Holdco [4] | 5,201 | 5,197 |
| Clyde | 4,291 | 4,283 |
| Dunmaglass Holdco [5] | 3,350 | 3,412 |
| Dalquhandy | 2,971 | — |
| Windy Rig | 2,575 | 1,850 |
| Corriegarth | 2,469 | 2,805 |
| Twentyshilling | 2,395 | 1,473 |
| Tom nan Clach | 2,119 | 2,890 |
| Andershaw | 1,794 | 1,894 |
| Kype Muir Extension | 1,758 | — |
| Slieve Divena 2 | 1,220 | 1,340 |
| Douglas West | 1,105 | 2,532 |
| Crighshane | 1,093 | 1,257 |
| Glen Kyllachy | 696 | 2,886 |
| Hornsea 1 Holdco [6] | 689 | 2,206 |
| Church Hill | 409 | 843 |
| Dalquhandy | — | 417 |
| | **71,106** | **62,785** |

[1] The Group's investment in Walney is held through Walney Holdco.

[2] The Group's investment in London Array is held through London Array Holdco.

[3] The Group's investment in Burbo Bank Extension is held through Hoylake.

[4] The Group's investment in Stronelairg is held through Stronelairg Holdco.

[5] The Group's investment in Dunmaglass is held through Dunmaglass Holdco.

[6] The Group's investment in Hornsea 1 is held through Hornsea 1 Holdco.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2024

## 20. Related party transactions continued

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

| | Loans at 1 January 2024[1] £'000 | Loans advanced in the year £'000 | Loan repayments in the year £'000 | Loan interest capitalised in the year £'000 | Disposals made in the year £'000 | Loans at 31 December 2024 £'000 | Accrued interest at 31 December 2024 £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| Andershaw | 29,946 | — | (790) | — | — | 29,156 | 96 | **29,252** |
| Church Hill | 12,654 | — | (226) | — | — | 12,428 | 340 | **12,768** |
| Clyde | 71,503 | — | — | — | — | 71,503 | 1,013 | **72,516** |
| Corriegarth | 42,553 | — | (1,044) | — | — | 41,509 | 116 | **41,625** |
| Crighshane | 18,527 | — | (345) | — | — | 18,182 | — | **18,182** |
| Dalquhandy | 40,878 | — | — | — | (16,351) | 24,527 | 281 | **24,808** |
| Douglas West | 40,109 | — | (1,308) | — | (15,520) | 23,281 | 740 | **24,021** |
| Dunmaglass Holdco[2] | 56,864 | — | — | — | — | 56,864 | 921 | **57,785** |
| Glen Kyllachy | 46,630 | — | — | — | — | 46,630 | 2,102 | **48,732** |
| Hornsea 1 Holdco[3] | 101,331 | — | (6,708) | 5,842 | — | 100,465 | 34 | **100,499** |
| Hoylake[4] | 179,359 | — | (6,571) | 3,007 | — | 175,795 | — | **175,795** |
| Kype Muir Extension | 30,159 | — | — | — | — | 30,159 | 813 | **30,972** |
| London Array[5] | 133,269 | — | (5,580) | — | — | 127,689 | 884 | **128,573** |
| Slieve Divena 2 | 20,672 | — | (647) | — | — | 20,025 | — | **20,025** |
| South Kyle | 206,791 | — | — | — | — | 206,791 | 4,374 | **211,165** |
| Stronelairg | 86,619 | — | — | — | — | 86,619 | 1,306 | **87,925** |
| Tom nan Clach | 65,824 | — | (5,220) | — | — | 60,604 | 93 | **60,697** |
| Twentyshilling | 32,190 | — | — | — | — | 32,190 | — | **32,190** |
| Walney Holdco[6] | 172,727 | — | — | — | — | 172,727 | — | **172,727** |
| Windy Rig | 36,772 | — | — | — | — | 36,772 | — | **36,772** |
| | **1,425,377** | **—** | **(28,439)** | **8,849** | **(31,871)** | **1,373,916** | **13,113** | **1,387,029** |

(1) Excludes accrued interest at 31 December 2023 of £7,327,479.

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

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

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

(5) The Group's investment in London Array is held through London Array Holdco.

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

## 21. Ultimate controlling party

In the opinion of the Board, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

## 22. Subsequent events

On 29 January 2025, the Company announced a dividend of £56.2 million, equivalent to 2.5 pence per share with respect to the quarter ended 31 December 2024, bringing the total dividend declared with respect to the year to 31 December 2024 to 10 pence per share. The record date for the dividend was 14 February 2025 and the payment date is 28 February 2025.

On 15 January 2025, the Company announced that Taraneh Azad will join the Board effective from 1 February 2025.

Post year end, the Company had announced cumulative buybacks of 7.7 million shares between 1 January and 14 February 2025.

# Company Information

**Directors (all non-executive)**
Lucinda Riches C.B.E (Chairman)
Caoimhe Giblin
Nick Winser C.B.E.
Jim Smith
Abigail Rotheroe [1]
Martin McAdam [2]
Taraneh Azad [3]

**Investment Manager**
Schroders Greencoat LLP
1 London Wall Place
London
EC2Y 5AU

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

**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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The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

**Registered Company Number**
08318092

**Registered Office**
5th Floor
20 Fenchurch Street
London
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 March 2024.
[2] Retired from the Board with effect from 24 April 2024.
[3] Appointed to the Board with effect from 1 February 2025.

# Supplementary Information (unaudited)

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Investment Manager is a full scope UK AIFM.

Ocorian Depositary (UK) Limited provides depositary services under the AIFMD.

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

All information required to be disclosed under the AIFMD is either disclosed in this Annual Report or is detailed within a schedule of disclosures on the Company's website at www.greencoat-ukwind.com.

The Investment Manager covers the potential professional liability risks resulting from its activities by holding professional indemnity insurance in accordance with Article 9(7)(b) of AIFMD.

The Investment Manager is one of Europe's leading renewable investment managers, which employs over 120 professionals and has over £9.5 billion of assets under management. The Investment Manager is 75 per cent owned by Schroders Group PLC, founded over 200 years ago, and managing over £777 billion of assets (as of 30 September 2024) with over 6,000 staff globally.

The information in this paragraph relates to the Investment Manager, the AIFM, and its subsidiary company providing services to the AIFM and it does not relate to the Company. The total amount of remuneration paid by the Investment Manager, in its capacity as AIFM, to its 124 staff for the financial year ending 31 December 2024 was £29.7 million, consisting of £19.2 million fixed and £10.5 million variable remuneration. The aggregate amount of remuneration for the 14 staff members of the Investment Manager constituting senior management and those staff whose actions have a material impact on the risk profile of the Company was £4.2million. These figures relate to the Investment Manager's entire AIFM business and not to the Company.

# EU SFDR Disclosures (unaudited)

## Annex V

### Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** Greencoat UK Wind PLC (the "**Company**")

**Legal entity identifier:** 213800ZPBBK8H51RX165

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Did this financial product have a sustainable investment objective?** *(tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments)*

● ● ☑ **YES**

☑ It made **sustainable investments with an environmental objective**: 99%

- ☑ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ___%

● ○ ☐ **NO**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### To what extent was the sustainable investment objective of this financial product met?

The Company invests in operating UK wind farms, supporting the transition to Net Zero. The Company's aim is to provide investors with an annual dividend per Ordinary Share that increases in line with RPI inflation while preserving the capital value of its investment portfolio on a real basis over the long term, through re-investment of excess cashflow.

The Company has sustainable investment as its objective within the meaning of Article 9 SFDR. More specifically, the Company is intended to contribute to the environmental objective of climate change mitigation on the basis of the activities of the assets targeted by the Company, which are wind power generation assets that help to facilitate the transition to a low-carbon economy.

The Company does not have a carbon reduction objective and has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

As at 31 December 2024, the Company's portfolio comprises interests in 49 operating wind farms totalling 1,983MW capacity.

# EU SFDR Disclosures (unaudited) continued

These sustainable investments contribute to the Company's sustainable investment objective as the electricity generated from wind farms can be used in place of non-renewable energy sources, thereby helping to stabilise greenhouse gas concentrations in the atmosphere and contributing to climate change mitigation. These investments are considered environmentally sustainable in accordance with the technical screening criteria of the EU Taxonomy relating to the environmental objective of climate change mitigation and electricity generation from wind power.

- ***How did the sustainability indicators perform?***
  The sustainability indicators used to measure attainment of the sustainable investment objective of the Company performed as follows in the reporting period:

  - Renewable energy generated: 5,484GWh
  - Greenhouse gas emissions[1] avoided: 2.2 million tonnes $CO_2e$
  - Equivalent number of homes powered[2]: 2.0 million

- ***...and compared to previous periods?***

| Sustainability Indicator | 2024 | 2023 |
|---|---|---|
| Renewable electricity generated (GWh) | 5,484 | 4,743 |
| Greenhouse gas emissions avoided ($tCO_2$) | 2.2 million | 1.9 million |
| Equivalent number of homes powered | 2.0 million | 1.8 million |

All indicators increased year-on-year reflecting the increase in operating capacity of the Group in previous years resulting from new investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***
  The Investment Manager has sought to ensure that the Company's sustainable investments cause no significant harm to any sustainable investment objective by predominately investing in operating wind farms and by actively engaging and managing sustainability risks and opportunities for the Company and its investments prior to investment and on an ongoing basis once an investment has been made.

  Prior to each investment, the Investment Manager's Investment Committee, responsible for the Company, considered the Company's investment policy, investment restrictions and the Company's ESG Policy (a copy of which can be found on the Company's website, as well as the sustainability risks and opportunities identified during due diligence (including by means of an ESG checklist).

  Each investment made is held through SPVs and the Investment Manager has appointed senior representatives to each of the boards of those SPVs to oversee all major strategic and operational decisions.

  Sustainability risks and opportunities have been fully embedded into the risk management framework at both Company and asset SPV level. A risk matrix has been set up for each new SPV, which includes sustainability risks, and assesses risks (in respect of the likelihood of its occurrence and the impact of its occurrence) on a numerical scale.

[1] Estimated GHG emissions avoided are calculated assuming that the renewable wind power generated replaces the marginal generator (i.e., the generation that is most likely to be displaced as the next dispatch option in the electricity system) in each region. In the UK, this assumes CCGT generation as the marginal generator. The "Operating margin" approach is the preferred option under PCAF guidance for measuring carbon avoided. Carbon emissions factors ($gCO_2/kWh$) for the marginal generator in each region is sourced from an IEA dataset (2024).

[2] Calculated based on average household consumption estimates. In the UK, this was 2.7MWh/annum (OFGEM).

# EU SFDR Disclosures (unaudited) continued

- ***How did the sustainable investments not cause significant harm to any sustainable investment objective?*** *continued*

  Ongoing sustainability risks for the portfolio were monitored, managed and reported on by the Investment Manager to the Company's Board of Directors which has overall responsibility for the activities of the Company and its investments.

  During 2024, there were no reportable environmental incidents across the portfolio. Specifically with regards to health and safety, there were 535 workdays lost to injuries (based on 6 reportable lost time incidents[1]). The Investment Manager continues its focus on managing health and safety risks including regular training for asset managers and O&M partners teams to promote a culture of reporting to improve awareness and openness on the management of health and safety at sites. The Investment Manager will continue to monitor health and safety performance of all sites closely, in line with its ESG Policy commitments.

  In addition, the Company complied with the principles of good governance contained in the AIC Code, which ensures the Company is in accordance with the requirements of the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

- ***How were the indicators for adverse impacts on sustainability factors taken into account?***

  The Investment Manager considers the Principal Adverse Impacts ("**PAIs**") of its investment decisions relating to the Company on sustainability factors and this informs its approach to long term investment stewardship and stakeholder engagement.

  As the Company predominantly targets investments in operating UK wind farms, the PAIs that are most relevant to the Company include (but are not limited to):

  - Greenhouse gas emissions (Table 1 RTS: PAIs 1-6); and
  - Number of workdays lost to injuries, accidents, or illness (Table 3 RTS: PAI 3)

  The Investment Manager sought to mitigate the impact of the PAIs and other indicators considered in relation to the Company firstly by implementing the Company's ESG Policy, which has been developed in line with the Investment Manager's own ESG Policy. This sets guidance and principles for integrating sustainability across the Company's business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus for wind power generation assets including management of environmental performance, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagements. It also includes a list of key performance indicators that are monitored and reported on (as appropriate). Sustainability factors were considered prior to investment as part of early stage screening, detailed due diligence and the Investment Committee's decision making, and are managed post acquisition in accordance with the Investment Manager's wider asset management practices.

  A statement on principal adverse impacts on sustainability factors (the "**PAI Statement**"), including the list of PAI indicators and associated metrics considered in relation to the Company, can be found on the Company's website.

  The Investment Manager considers the impacts reported within the PAI Statement do not constitute significant harm to any sustainable investment objective, as further described in the PAI Statement.

[1] Note that the workdays lost figure reported here (535) reflects all workdays lost associated with portfolio assets. This differs from the figure reported in the Table 3 RTS, PAI 3 (154) which, under the SFDR methodology, is expressed as a "weighted average" thereby applying the Company ownership to workdays lost.

# EU SFDR Disclosures (unaudited) continued

- ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

  Yes – the Investment Manager believes that the Company's sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (the "**Minimum Safeguards**").

  During 2024, the Investment Manager conducted initial due diligence (for new investments) and ongoing monitoring (for existing investments) of the SPVs in which the underlying wind assets are held to ensure their alignment with the Minimum Safeguards.

  Further, the Investment Manager ensured that the key service providers involved in the operations, maintenance and management of the SPVs acquired in 2024 comply with all applicable laws, rules, regulations and overarching principles in the countries where they operate. This covers anti bribery and corruption, financial crime, data protection and employment and health and safety laws (including those relating to human rights, human trafficking, modern slavery, and public safety). This was achieved, where possible, through the application of the Investment Manager's 'Code of Conduct' Side Letter. The Supplier Code of Conduct was updated during the year to ensure Minimum Safeguards were fully incorporated or otherwise provided for in the key service provider contracts. Roll out of the updated Code of Conduct and monitoring of this by the Investment Manager's risk function started in 2024.

  There has been no material change to any existing service providers, or any reports by the SPVs of any misalignment to the Minimum Safeguards.

  For more information on how the sustainable investment objective of this financial product was met, please refer to the Company's ESG Report which can be found on the Company's website.

## How did this financial product consider principal adverse impacts on sustainability factors?

See the response to the question above "How were the indicators for adverse impacts on sustainability factors taken into account."

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period:

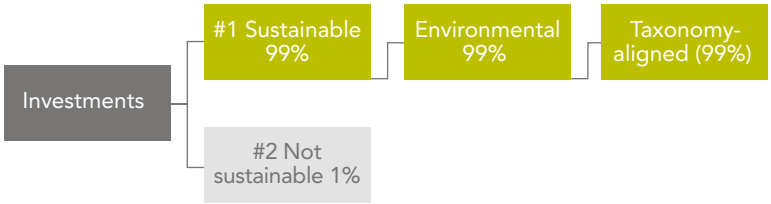
## What were the top investments of this financial product?

| Largest investments | Sector | % Assets | Country |
|---|---|---|---|
| Hornsea 1 | Wind | 16% | UK |
| Humber Gateway | Wind | 9% | UK |
| London Array | Wind | 8% | UK |
| South Kyle | Wind | 7% | UK |
| Clyde | Wind | 7% | UK |
| Walney | Wind | 7% | UK |
| Stronelairg | Wind | 5% | UK |
| Corriegarth | Wind | 4% | UK |
| Brockaghboy | Wind | 3% | UK |
| Burbo Bank Extension | Wind | 3% | UK |

## What was the proportion of sustainability related investments?

**Asset allocation** describes the share of investments in specific assets.

- ***What was the asset allocation?***




**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

# EU SFDR Disclosures (unaudited) continued

- ***In which economic sectors were the investments made?***
  All of the Company's investments are in the economic sector "electricity generation from wind power" (activity 4.3 of the Climate Change Mitigation Technical Screening Criteria).

**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?***
  The Company did not make any investments in fossil gas or nuclear energy activities. In line with its Investment Policy, the Company will only invest in UK wind farms.

***The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

**1. Taxonomy-alignment of investments including sovereign bonds***

**2. Taxonomy-alignment of investments excluding sovereign bonds***

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What was the share of investments made in transitional and enabling activities?***
  All activities of the Company are low carbon activities so the share of investments in transitional and enabling activities is zero.

- ***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***
  The percentage of investments aligned with the EU Taxonomy remained at 100 per cent. The Company only invests in wind assets and has policies in place to prevent significant harm and to ensure Minimum Safeguards, so this is not expected to change.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in the Commission Delegated Regulation (EU) 2023/1214

# EU SFDR Disclosures (unaudited) continued

### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy

There was no share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy. 100 per cent of the Company's sustainable investments are in wind generation assets which are considered aligned with the EU Taxonomy in accordance with the relevant Technical Screening Criteria for climate change mitigation (activity 4.3).

### What was the share of socially sustainable investments?

0 per cent of the Company's investments are socially sustainable investments. The Company does not target sustainable investments with a social objective.

### What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "#2 Not sustainable" comprise cash collateral reserves (to the extent not generated from sustainable investments).

In 2024, "not sustainable" assets were 1 per cent of the Company's NAV and reflected cash collateral reserves and interest rate swap values. Given the purpose of these investments, there were no minimum environmental and social safeguards applied to such investments.

### What actions have been taken to attain the sustainable investment objective during the reference period?

The Investment Manager sought to attain the Company's sustainable investment objective by implementing the binding elements described in the Company's pre contractual disclosures (Annex 3 RTS) on a continuous basis, and by integrating sustainability risks in its investment decision making as described above: *"How did the sustainable investments not cause significant harm to any sustainable investment objective?"*.

The Company continues to invest in further operating wind farms and in construction projects to increase its renewable energy generation capacity.

In 2024, the Investment Manager continued to enhance its processes to measure and monitor the application of the binding elements. For example, the Investment Manager's Supplier Code of Conduct side letter was updated in 2024 to ensure the adherence of key service providers to standards expected under Minimum Safeguards. The Investment Manager also integrated the Schroders Global Norms Breach List and a third party ESG controversy identification tool into pre investment due diligence and ongoing monitoring processes in 2024 to further enhance the assessments of key service providers against Minimum Safeguards.

Further, the Investment Manager continued to engage with stakeholders relevant to the Group's portfolio to ensure its renewable investments positively impact the local communities in which they operate. Sustainability related risks and challenges were regularly discussed within the Investment Manager's asset management teams, which were also reported to and discussed with the Board through regular meetings and specific risk register review discussions. Key sustainability factors such as those relating to health and safety, compliance with environmental standards and stakeholder relations were regularly discussed and documented.

# EU SFDR Disclosures (unaudited) continued

**How did this financial product perform compared to the reference sustainable benchmark?**

Not applicable (N/A) as the Company does not have a carbon reduction objective and is not managed against a reference benchmark

- ***How did the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

# EU SFDR Disclosures (unaudited) continued

## Statement on principal adverse impacts "PAIs" of investment decisions on sustainability factors

**Financial Product:**

Greencoat UK Wind PLC (LEI: 213800ZPBBK8H51RX165) (the "**Company**"), managed by Schroders Greencoat LLP (the "**Investment Manager**")

### 1. Summary

The Investment Manager considers PAIs of its investment decisions on sustainability factors in relation to the Company. The present statement is the consolidated statement on PAIs on sustainability factors of the Company. This statement on principal adverse impacts on sustainability factors of the Company covers the reference period from 1 January to 31 December 2024.

The adverse sustainability indicators applicable to investee companies considered by the Investment Manager are summarised in the table below (including the relevant table and number associated with the adverse sustainability indicators listed in Annex I of the RTS[1]).

| Theme | Adverse Sustainability Indicator | RTS Annex I Table | RTS Annex I Number |
|---|---|---|---|
| Climate and other environment-related indicators | Greenhouse gas ("GHG") emissions | 1 | 1 |
| | Carbon footprint | 1 | 2 |
| | GHG intensity of investee companies | 1 | 3 |
| | Exposure to companies active in the fossil fuel sector | 1 | 4 |
| | Share of non-renewable energy consumption and production | 1 | 5 |
| | Energy consumption intensity per high impact climate sector | 1 | 6 |
| | Emissions to water | 1 | 8 |
| | Hazardous waste and radioactive waste ratio | 1 | 9 |
| | Natural species and protected areas | 2 | 14 |
| Social and employee, respect for human rights, anti corruption and anti bribery matters | Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | 1 | 10 |
| | Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | 1 | 11 |
| | Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | 1 | 14 |
| | Number of days lost to injuries, accidents, fatalities or illness | 3 | 3 |
| | Lack of a supplier code of conduct | 3 | 4 |
| | Lack of anti corruption and anti bribery policies | 3 | 15 |

# EU SFDR Disclosures (unaudited) continued

## 2. Description of the PAIs on sustainability factors

| Adverse sustainability indicator | | Metric | Impact 2024 | Impact 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|---|---|---|---|---|
| **Greenhouse gas emissions** | 1. GHG emissions | Scope 1 GHG emissions | 262 tonnes of $CO_2$ | 13 tonnes of $CO_2$ | Carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's SPV ownership interest. Scope emissions calculations are verified by third party consultants. Scope 3 emissions include all sources not within the Company's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of each wind farm acquired in 2024, including those emissions associated with the manufacturing and transport of all equipment and material, before the wind farm was commissioned as well as the expected spare part provision throughout its lifetime. | The GHG emissions of the Company decreased year on year. For more information on changes in emissions, see the Historical Comparison section on page 120. The Investment Manager continued its work to switch more import electricity contracts to renewable energy sources. The main driver of change, however, related to no acquisitions having taken place in the year (accounted for under Scope 3 capital goods). |
| | | Scope 2 GHG emissions | 731 tonnes of $CO_2$ (market-based) 1,969 tonnes of $CO_2$ (location-based) | 1,485 tonnes of $CO_2$ (market-based) 2,162 tonnes of $CO_2$ (location-based) | | |
| | | Scope 3 GHG emissions | 19,047 tonnes of $CO_2$ | 261,138 tonnes of $CO_2$ | | |
| | | Total GHG emissions | 20,040 tonnes of $CO_2$ | 262,637 tonnes of $CO_2$ | | |
| | 2. Carbon footprint | Carbon footprint | 3.46 tonnes of $CO_2$/£ million invested | 42.9 tonnes of $CO_2$/£ million invested | | |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 73 tonnes of $CO_2$/£ million revenue | 535 tonnes of $CO_2$/£ million revenue | | |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 0% | 0% | The Group does not have any exposure to the fossil fuel sector and will only invest in UK wind farms in accordance with its Investment Objective and Investment Policy. | The Investment Manager continues to screen all investments against the exclusion list in its ESG Policy as part of initial investment screening. |
| | 5. Share of non renewable energy consumption and production | Share of non renewable energy consumption and non renewable energy production of investee companies from non renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | Production share: 0% non renewable. Consumption share: 32% non renewable. | Production share: 0% non renewable. Consumption share: 42% non renewable. | The Group's wind farm portfolio generates fully renewable electricity. These assets consume electricity in the generation of renewable electricity. | With regards to non-renewable energy consumption, see the comment in relation to PAIs 1-3 above |
| | 6. Energy consumption intensity per high impact climate sector | Energy consumption in MWh per million GBP of revenue of investee companies, per high impact climate sector | 0.02 MWh/£m revenue | 0.02 MWh/£m revenue | Energy consumed reflects electricity imported by the assets. | |

# EU SFDR Disclosures (unaudited) continued

| Adverse sustainability indicator | | Metric | Impact 2024 | Impact 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|---|---|---|---|---|
| **Water** | 7. Emissions to water | Tonnes of emissions to water generated by investee companies per million GBP invested, expressed as a weighted average | 0 | 0 | Emissions to water reflect any emissions reported by the assets. | |
| **Waste** | 8. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million GBP invested, expressed as a weighted average | 0 | 0 | Hazardous and radioactive waste reflect any waste reported by the assets. | |
| **Social and employee matters** | 9. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0% | Data not available | The Investment Manager assesses the Group's SPVs and their key service providers for potential violations of UNGC Principles and OECD Guidelines. This is done through pre investment due diligence and ongoing monitoring of SPVs and of their key service providers to ensure they are not listed on the Schroders Global Norms Breach List or flagged for potential breaches via a third party ESG controversy data provider. | In 2024, the Investment Manager integrated the Schroders Global Norms Breach List and a third party ESG controversy monitoring solution to assess adherence of investments (via SPVs and their key service providers) to global norms. |
| | 10. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0% | Data not available | To ensure investments have policies in place for compliance with the UNGC Principles and OECD Guidelines, the Investment Manager requires SPVs to adopt the Manager's ESG Policy. TheInvestment Manager also requires all key service providers to adopt the Investment Manager's 'Code of Conduct Side Letter' (or an equivalent standard). | All SPVs have adopted the Manager's ESG Policy.<br>The Investment Manager updated its Supplier Code of Conduct in 2024. Work is underway in 2025 to ensure all key service providers to the Company have either adopted the updated Code of Conduct or have an equivalent in place. |
| | 11. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0% | 0% | Exposure to controversial weapons is not within the Company's Investment Objective and not permissible within its Investment Policy. | The Investment Manager continues to screen all investments against the exclusion list in its ESG Policy as part of initial investment screening. |

# EU SFDR Disclosures (unaudited) continued

| Adverse sustainability indicator | | Metric | Impact 2024 | Impact 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|---|---|---|---|---|
| **Water, waste and material emissions** | 12. Natural species and protected areas | Share of investments in investee companies whose operations affect threatened species | 0% | 0% | Investments are assessed to ensure that environmental impact assessments or equivalent are carried out for all assets as part of pre-investment due diligence. If any impacts are identified through this process, a habitat management plan, or equivalent, is introduced to ensure that any potential impacts are appropriately addressed or mitigated to prevent affecting threatened species. The asset management teams monitor adherence of all SPVs to habitat management plans, where relevant.<br>Assessed as a percentage of SPV investments without habitat management plans, or any environmental planning requirements, in place, if required as a result of planning obligations or potential impacts identified by environmental impact assessments or equivalent | All habitat management plans are agreed for relevant sites to ensure that the environment in and surrounding each wind farm is carefully protected.<br>The Investment Manager continues to carry out due diligence on new investments relating to environmental and biodiversity related risks and is committed to implementing any regulatory obligations regarding habitat and environmental management.<br>There was and continues to be a strong commitment to continuous improvement of environmental management. |
| | | Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in a protected area or an area of high biodiversity value outside protected areas | 0% | 0% | | |

# EU SFDR Disclosures (unaudited) continued

| Adverse sustainability indicator | | Metric | Impact 2024 | Impact 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|---|---|---|---|---|
| **Social and employee matters** | 13. Number of days lost to injuries, accidents, fatalities or illness | Number of workdays lost to injuries, accidents, or illness in investee companies | 154 | 30 | A set of KPIs, including workdays lost, to improve health and safety management and performance is monitored continuously. These are reported at least on a monthly basis directly to the Investment Manager, the Directors of the SPVs, and the Board. | The Investment Manager has stringent health and safety policies and processes in place and a member of the asset management team is nominated as a Director for each company. Asset Management teams are responsible for the day-to-day implementation and monitoring of health and safety audits and initiatives. Our Board also reviews health and safety matters at each of its scheduled meetings.<br>The Investment Manager continued to apply the policies and processes referenced above in 2024 and will continue to apply these in 2025, using learnings from audits and trend reports to continue to enhance its approach. |
| | 14. Lack of a supplier code of conduct | Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) | Data not available | Data not available | The Manager requires all key service providers of its SPVs to adopt the Investment Manager's 'Code of Conduct Side Letter' (or an equivalent standard). | The Investment Manager updated its Supplier Code of Conduct in 2024. Work is underway in 2025 to ensure all key service providers to the Company have either adopted the updated Code of Conduct or have an equivalent in place. |
| **Anti corruption and anti bribery** | 15. Lack of anti corruption and anti bribery policies | Share of investments in entities without policies on anti corruption and anti bribery consistent with the United Nations Convention against Corruption | 0% | 0% | Upon acquisition, all wholly owned SPV's adopt the policies of the Company including anti corruption and anti-bribery. These policies are regularly reviewed by legal experts and are updated for new legislation and new geographies. | |

# EU SFDR Disclosures (unaudited) continued

### 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Investment Manager seeks to mitigate the impact of PAIs and other indicators considered in relation to the Company initially by implementing the Company's ESG Policy. The Company's ESG Policy, which has been developed in line with the Investment Manager's ESG Policy (a copy of which can be found on the Investment Manager's website), sets guidance and principles for integrating sustainability across the Company's business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus for wind farms including environment, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagement. It also includes a list of KPIs that are monitored and reported on as appropriate. Sustainability factors are considered prior to investment as part of early stage screening, detailed due diligence and the Investment Manager's Investment Committee's decision making, and managed, post acquisition, in accordance with the Investment Manager's wider asset management practices.

The Company's ESG Policy is reviewed annually by the Investment Manager's ESG Committee and approved by the Board. It was last approved in November 2024.

In implementing its approach to integrating sustainability and the consideration of PAIs on sustainability factors, the Investment Manager does not rely on a dedicated team, but rather responsibilities are shared on a holistic basis:

- the investment and asset management team (as the first line of defence) who embed sustainability practices (including the consideration of PAIs on sustainability factors) into their investment decision making and ongoing management of the assets;
- a dedicated ESG Committee focused on developing the ESG Policy with support from the sustainability team;
- the Investment Committees; and
- a Valuation Committee independent of portfolio management and the Investment Manager's Risk Management Committee (as overseen by the AIFM).

Sustainability related risks and challenges are regularly discussed within the Investment Manager's asset management team and are also reported to and discussed with the Board at quarterly meetings. A specific risk matrix is also reviewed and approved on an annual basis by the Board. Key sustainability factors such as those relating to health and safety, compliance with environmental standards and stakeholder relations are regularly discussed and documented.

The boards of each SPV are responsible for ensuring sustainability factors are considered in the context of the operational performance, business objectives and broader stakeholder relationships. During the holding period, representatives of the Investment Manager will take one or more seats on the board of each SPV and will oversee all major strategic and operational decisions. Given this structure, outside health and safety risks and organisational (including governance) risks within the SPVs are limited. None of the SPVs have employees or management teams and therefore any employee related social factors are focused on the third party service providers.

The Investment Manager's ESG Committee is responsible for (i) determining the ESG Policy and reviewing it regularly to ensure it remains relevant to evolving conditions, (ii) developing and evolving sustainability integration practices for material sustainability factors within the different businesses and assets, (iii) leveraging existing resources and research capabilities on sustainability related topics for the benefit of the investment management team, and (iv) promoting education and awareness of sustainability trends and developments and sharing best practice.

The Investment Manager uses information provided directly from wind farm SPVs in relation to the PAIs. In order to ensure data quality, the Investment Manager works with specialist external advisers, such as environmental consultants. These advisers review the Investment Manager's methodologies for identifying and prioritising PAIs and advise on industry best practices.

# EU SFDR Disclosures (unaudited) continued

## 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors continued

The data collected as described above is processed as follows:

- KPI data is sourced directly from SPVs and supplemented by specialist external advisers such as environmental consultants, as required;
- operations and maintenance service providers used by the SPVs report to the Investment Manager, on a monthly basis, on a standard set of KPIs and qualitative factors, such as health and safety, compliance with relevant laws and regulations, local community engagement and habitat management, where relevant; and
- carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Company's operations are weighted according to the Company or its SPV's ownership interest. Scope emissions calculations are carried out by third party consultants.

In some instances, the Company may need to use estimates or proxy data. Where estimated data is used it will typically represent the minority of data used and will be based upon reasonable assumptions and appropriate comparators. The Board and the Investment Manager will act reasonably in using estimated or proxy data. As the use of such data will vary on a case by case basis, it is not possible to provide a proportion of estimated data.

### Engagement policies

The Company is committed to engaging with all stakeholders relevant to its portfolio to ensure its renewable investments positively impact the communities in which they operate. The Board and Investment Manager recognise that engagement is critical to long term sustainable investment and seek to build strong, long term relationships with high quality, experienced counterparties to give consistency of service and standards.

### References to international standards

The Company proactively engages with the following responsible business codes and/or internationally recognised standards to promote sustainable investment practices, as discussed in the Company's ESG report available on its website:

#### *1. Task Force on Climate-Related Financial Disclosures ("TCFD")*

*Relevant for Table 1, PAI 1-5 (Greenhouse gas emissions)*

The Company aligns with the TCFD recommendations and makes disclosures in the Strategic Report on pages 30 to 36. These disclosures report on climate change related impacts, opportunities and risks to the Company. Given the Company's long term investment perspective, the Board and the Investment Manager constantly assess the risks its portfolio might be exposed to and factors them into decision making and risk monitoring.

### Historical comparison

Please refer to Table 1 for historical data comparison.

Specifically in relation to health and safety, in 2024 there were 535[2] workdays lost to injuries (based on 6 reportable lost time incidents) in 2024, of which 333 workdays lost were associated with one incident. The Investment Manager continues its focus on managing health and safety risks including regular training for asset managers and O&M partners to promote a culture of reporting to improve awareness and openness on the management of health and safety at sites. The Manager will continue to monitor health and safety performance of all sites closely, in line with its ESG Policy commitments.

The Company had a 92 per cent decrease in scope 1-3 emissions year on year. The decrease was primarily driven by the fact the no new assets were invested in by the Company resulting in capital goods associated embodied carbon emissions dropping from 240,000t$CO_2$ in 2023 to zero in 2024. Omitting capital goods, the Company's emissions decreased by 11 per cent. Scope 1 emissions increased due to more SF6 leaks being reported compared to last year. Market based Scope 2 emissions fell by 50 per cent partly as a result of continued work to switch electricity import contracts to renewable energy tariffs. The Investment Manager will continue to consider the carbon emissions associated with the Company's portfolio and potential opportunities to reduce these, whilst continuing in its focus to maximise renewable energy generation.

[2] Note that the workdays lost figure reported here (535) reflects all workdays lost associated with portfolio assets. This differs from the figure reported in the Table 3 RTS, PAI 3 (154) which, under the SFDR methodology, is expressed as a "weighted average" thereby applying the Company ownership to workdays lost.

# EU SFDR Disclosures (unaudited) continued

**Annex**

**Defined terms used in this statement**

For the purposes of this statement, the following definitions shall apply:

(1) **Scope 1, 2 and 3 GHG emissions** means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council[2];

(2) **Greenhouse gas ("GHG") emissions means** greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council[3];

(3) **Weighted average** means a ratio of the weight of the investment by the financial market participant in a investee company in relation to the GAV of the investee company;

(4) **Companies active in the fossil fuel** sector means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council[4];

(5) **Renewable energy** sources means renewable non fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

(6) **Non renewable energy** sources means energy sources other than those referred to in point (5);

(7) **Energy consumption intensity** means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

(8) **Protected area** means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);

(9) **High impact climate sectors** means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council[5];

(10) **Area of high biodiversity value outside protected areas** means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council[6];

(11) **Emissions to water** means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council[7] and direct emissions of nitrates, phosphates and pesticides;

(12) **Hazardous waste** means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council[8];

[2] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[3] Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2023 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

[4] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

[5] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

[6] Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

[7] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

[8] Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

# EU SFDR Disclosures (unaudited) continued

(13) **Radioactive waste** means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[9];

(14) **Threatened species** means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2023/2139;

(15) **UN Global Compact principles** means the ten Principles of the United Nations Global Compact; and

(16) **Board** means the Directors of the Company.

For the purposes of this Annex, the following formulas shall apply:

(1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ wind\ farm\ SPV_i}{fair\ value\ of\ wind\ farm\ SPV_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

(2) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ wind\ farm\ SPV_i}{fair\ value\ of\ wind\ farm\ SPV_i} \times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€m)}$$

(3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €m\ revenue_i}\right)$$

(4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{The\ country's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i(€m)}\right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((Value\ of\ real\ estate\ assets\ built\ before\ 31/12/2020\ with\ EPC\ of\ C\ or\ below) + (Value\ of\ real\ estate\ assets\ built\ after\ 31/12/2020\ with\ PED\ below\ NZEB\ in\ Directive\ 2010/31/EU))}{Value\ of\ real\ estate\ assets\ required\ to\ abide\ by\ EPC\ and\ NZEB\ rules}$$

For the purposes of the formulas, the following definitions shall apply:

(1) **Current value of investment** means the value in EUR of the investment by the financial market participant in the investee company;

(2) **Current value of all investments** means the value in EUR of all investments by the financial market participant;

(3) **Nearly zero energy building (NZEB), primary energy demand (PED) and energy performance certificate (EPC)** shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council[10].

[9] Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

[10] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

# Defined Terms

**ABN AMRO** means ABN AMRO Bank N.V.

**Aggregate Group Debt** means the Group's proportionate share of outstanding third party borrowings, including its share of limited recourse debt in Hornsea 1

**AGM** means Annual General Meeting of the Company

**AIC** means the Association of Investment Companies

**AIC Code** means the AIC's Code of Corporate Governance

**AIF** means an Alternative Investment Fund as defined under the AIFMD

**AIFM** means an Alternative Investment Fund Manager as defined under the AIFMD

**AIFMD** means the Alternative Investment Fund Managers Directive

**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

**Carbon Footprint** means the calculation per TCFD guidance $_{ni}$*(outstanding amount invested*$_i$ *total investee debt+equity*$_i$**investee scope 1 and 2 GHG emissions*$_i$ *Company market value*

**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

**CCGT** means combined cycle gas turbine

**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

**Depreciation** means the unwinding of the discount rate assumptions

**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

# Defined Terms continued

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

**ESG** means Environmental, Social and Governance

**EU** means European Union

**EU SFDR** means EU Sustainable Financial Disclosure Regulation

**FCA** means Financial Conduct Authority

**Fenlands** means Fenland Windfarms Limited

**FRC** means the Financial Reporting Council

**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

**Humber Wind Farm** means RWE Renewables UK Humber Wind Limited

**HV** means high voltage

**IAS** means International Accounting Standards

**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

**IPEV Valuation Guidelines** means the International Private Equity and Venture Capital Valuation Guidelines

**IPO** mean Initial Public Offering

**IRR** means Internal Rate of Return

**Kildrummy** means Kildrummy Wind Farm Limited

**KPI** means Key Performance Indicator

**Kype Muir Extension** means Kype Extension Wind Farm Limited

**Langhope Rig** means Langhope Rig Wind Farm Limited

**Levered portfolio IRR** means the Internal Rate of Return with an assumed level of gearing

**Lindhurst** means Lindhurst Wind Farm

**Listing Rules** means the listing rules made by the UK Listing Authority under Section 73A of the Financial Services and Markets Act 2000

**Little Cheyne Court** means Little Cheyne Court Wind Farm Limited

**Lloyds** means Lloyds Bank PLC and Lloyds Bank Corporate Markets PLC

**London Array** means London Array Holdco and London Array Limited

**London Array Holdco** means Greencoat London Array Holdco Limited

**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

**Net Zero** means the UK Government's strategy to decarbonise all sectors of the UK economy

**North Hoyle** means North Hoyle Wind Farm Limited

**North Rhins** means North Rhins Wind Farm Limited

**O&M** means operations and maintenance

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

**RBC** means the Royal Bank of Canada

# Defined Terms continued

**RBS International** means the Royal Bank of Scotland International Limited

**RCF** means revolving credit facility

**Red House** means Red House wind farm

**Red Tile** means Red Tile wind farm

**REMA** means Government's Review of Electricity Market Arrangements

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

**Rhyl Flats** means Rhyl Flats Wind Farm Limited

**ROC** means Renewable Obligation Certificate

**RPI** means the Retail Price Index

**Screggagh** means Screggagh Wind Farm Limited

**SDG** means Sustainable Development Goal

**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

**TCFD** means Task Force on Climate-Related Financial Disclosures

**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

**UK Code** means the UK Corporate Governance Code issued by the FRC

**Virgin Money** means Clydesdale Bank Plc

**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 | 2024 | 2023 |
|---|---|---|---|
| Aggregate Group Debt | The Group's proportionate share of outstanding third party borrowings of £1,790 million per note 13 to the financial statements plus limited recourse debt of £585 million at Hornsea 1, not included in the Consolidated Statement of Financial Position. | £2,244 million | £2,375 million |
| $CO_2$ emissions avoided | The estimate of the portfolio's $CO_2$ emissions avoided through the displacement of thermal generation, as at the relevant reporting date. This is calculated based on the thermal generation displaced. In the UK, this assumes the displacement of CCGT generation at a carbon intensity factor of 0.4 $kgCO_2e/KWh$. | 2.2 million tonnes | 1.9 million tonnes |
| GAV | Gross Asset Value | £5,652.7 million | £6,169.0 million |
| Homes powered | The estimate of the number of homes powered by electricity generated by the portfolio, as at the relevant reporting date. This is calculated based on average household consumption estimates. In the UK, this was 2.7MWh/annum (OFGEM). | 2.0 million homes | 1.8 million homes |
| NAV | Net Asset Value | £3,409.1 million | £3,794.0 million |
| NAV per share | The Net Asset Value per ordinary share per note 17 to the financial statements | 151.2 pence | 164.1 pence |
| Net cash generation | The operating cash flow of the Group and wind farm SPVs as broken down in the table on page 127. | £278.8 million | £405.5 million |
| Total Shareholder Return ("TSR") | The theoretical return to a shareholder on a closing market basis, assuming that all dividends received were reinvested without transaction costs into the Ordinary Shares of the Company at the close of business on the day the shares were quoted ex dividend | (8.6) per cent | 5.4 per cent |

# Alternative Performance Measures continued

| Group and wind farm SPV cash flows | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Net cash generation | 278,724 | 405,510 |
| Dividends paid | (249,777) | (197,043) |
| Net disposals/(acquisitions) | 25,045 | (820,925) |
| Transaction costs | (522) | (2,742) |
| Share buybacks | (80,418) | (9,439) |
| Share buyback costs | (521) | (56) |
| Net amounts drawn under debt facilities | (30,000) | 690,000 |
| Upfront finance costs | (8,721) | (4,939) |
| **Movement in cash (Group and wind farm SPVs)** | **(66,190)** | **60,366** |
| Opening cash balance (Group and wind farm SPVs) | 221,217 | 160,851 |
| **Closing cash balance (Group and wind farm SPVs)** | **155,027** | **221,217** |
| Net cash generation | 278,724 | 405,510 |
| Dividends | 221,176 | 197,043 |
| Dividend cover | 1.3x | 2.1x |

| Net Cash Generation – Breakdown | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Revenue | 771,106 | 785,608 |
| Operating expenses | (216,436) | (198,611) |
| Tax | (66,690) | (62,661) |
| SPV level debt interest | (17,758) | (20,044) |
| SPV level debt amortisation | (62,726) | (47,129) |
| Other | (8,116) | 28,133 |
| **Wind farm cash flow** | **399,380** | **485,296** |
| Management fee | (30,522) | (24,993) |
| Operating expenses | (3,169) | (2,564) |
| Ongoing finance costs | (92,224) | (62,834) |
| Other | 6,582 | 5,013 |
| **Group cash flow** | **(119,333)** | **(85,378)** |
| VAT (Group and wind farm SPVs) | (1,323) | 5,592 |
| **Net cash generation** | **278,724** | **405,510** |

| Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2023 £'000 |
|---|---|---|
| Net cash flows from operating activities | 391,011 | 359,801 |
| Movement in cash balances of wind farm SPVs | (21,722) | 18,225 |
| Movement in security cash deposits | (26,779) | 40,119 |
| Repayment of shareholder loan investment | 28,439 | 50,199 |
| Finance costs | (100,946) | (67,773) |
| Upfront finance costs | 8,721 | 4,939 |
| **Net cash generation** | **278,724** | **405,510** |

# 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 Annual 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.