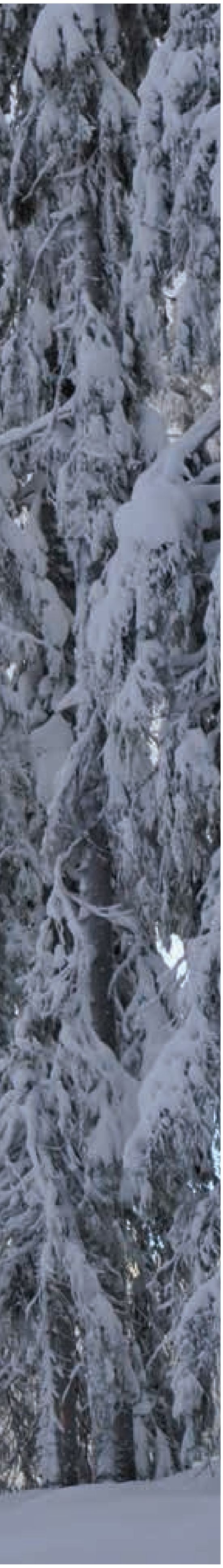
TRIG
The Renewables
Infrastructure Group

Generating Sustainable Value.

Annual Report & Financial Statements for the year ended 31 December 2019

Jädraås, Sweden



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Front cover image:
Merkur offshore wind farm, Germany

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2019 Highlights

Year ended	2019	2018	2017	2016	2015
NAV per share[1]	115.0p	108.9p	103.6p	100.1p	99.0p
Directors' portfolio valuation[2]	£1,745.2m	£1,268.7m	£1,081.2m	£818.7m	£712.3m
Dividend target set for the following year[3]	6.76p	6.64p	6.50p	6.25p	6.19p
Portfolio generation capacity[4]	1,664MW	1,110MW	821MW	716MW	658MW
Number of projects[4]	74	62	57	53	36

1 The NAV per share at 31 December 2019 is calculated on the basis of the 1,636,563,717 Ordinary Shares in issue at 31 December 2019 plus a further 889,550 Ordinary Shares to be issued to the Managers in relation to part-payment of Managers' fees for 2019 in the form of Ordinary Shares and a NAV of £1,883,437.
2 On an Expanded Basis. Please refer to Section 2.9 for an explanation of the Expanded Basis.
3 The 6.64p per share dividend relates to performance during the 2019 financial year.
4 Including investment commitments as at 31 December 2019 for Ersträsk Phase 2, Solwaybank, Merkur and the investment in Blary Hill announced in January 2020.

2019 Key Statistics

800,000

tonnes of carbon emissions avoided
(2018: 550,000 tonnes)

3,036 GWh

of power generated
(2018: 2,011 GWh)

£530m

equity capital raised
(2018: £236m)

£612m

investments committed[1]
(2018: £348m)

11.9%

total return for the year
(NAV per share appreciation plus dividends paid)[2]

8.4%

total return since IPO NAV per share appreciation plus dividends paid[2]

29.3%

total shareholder return (on a share price basis)[2]

11.4%

total shareholder return since IPO annualised (on a share price basis)[2]

1 Including investment commitments from 2019.
2 Please refer to Section 2.10 for more detail on Company performance.

Chairman's Statement

Helen Mahy CBE
Chairman

On behalf of the Board, I am pleased to present the 2019 report and accounts for The Renewables Infrastructure Group Limited ("TRIG" or "the Company").

TRIG has continued to generate a sustained, consistent return for its shareholders. Since IPO in 2013, TRIG's total NAV return has been 8.4% on an annualised basis[1] and for the year it was 11.9%. By investing in renewable energy we are helping to deliver a zero-carbon future, a goal that is more widely recognised than ever before. Demand for clean energy is growing and we continue to see a pipeline of attractive investment opportunities.

Your Company has had strong support, with two oversubscribed fundraisings amounting to over £500m and has successfully made seven strategic investments, including two offshore wind farms, Gode Wind 1 ("Gode") and Merkur, our first investments in Germany.

Renewables will play a major role in tackling global greenhouse gas emissions and mitigating climate change, the defining issue of our time. At TRIG, we recognise that emissions are at record levels and continued action is essential to mitigate the adverse impacts of pollution and global heating for future generations. Our portfolio, including committed investments, generates enough renewable power for one million homes and is capable of avoiding approximately 1.1m tonnes of carbon emissions per annum[2].

1 Total NAV return based on dividends paid and NAV growth to 31 December 2019.
2 The Portfolio, on a committed basis, is capable of powering a million homes and saving around 1.1m tonnes of CO_2 annually based on average regional household electricity consumption figures and the IFI Approach to GHG Accounting for Renewable Energy.

> "We have continued to generate sustainable returns from a diversified portfolio of renewables infrastructure that is actively helping to drive the transition to a zero-carbon future."

TRIG is notable amongst renewables investment companies for its portfolio diversification, both in terms of geography, with investments across the UK, Ireland, France, Germany and Sweden, and technology, with investments in wind, solar and battery storage assets. This has helped us manage exposures to power markets, weather patterns and regulatory risk and thereby enhance our NAV resilience and dividend stability. The Company also draws on the expertise of InfraRed, a leading infrastructure and real estate manager, and RES, the world's largest independent renewable energy company, who work on TRIG's behalf to ensure that portfolio diversification is maintained, that portfolio operations remain safe and efficient and that financial targets are achieved. As a result, TRIG was well placed during 2019 to withstand significantly lower power prices and slower than anticipated wind speeds.

The Board appreciates the continued support of our shareholders which has helped the Company deliver its diversification strategy and allowed it to capitalise further on investment opportunities in both offshore wind and in mainland Europe.

Financial Results

The Company's financial performance has been solid over the year despite a backdrop of weaker power prices. Its net asset value ("NAV") per share was 115.0p at 31 December 2019, up from 108.9p at 31 December 2018.

The portfolio was valued at £1,745m as at 31 December 2019 (2018: £1,269m) mostly due to significant growth in the portfolio following investments made in the year. Other factors positively impacting the valuation include using longer asset life assumptions in line with technical advice (as announced in March 2019), reduced maintenance costs obtained on renewal of contracts, improved power purchase agreement terms, refinancing gains, increased portfolio level tax reliefs and a better outcome from Ofgem's Targeting Charging Review than provided for in the valuation. However, valuation gains were dampened by a material reduction in power price forecasts in the UK, notably in the final quarter of the year.

Profit before tax was £162m (2018: £123m) and earnings per share were 11.4p (2018: 11.7p). Cash received from the portfolio by way of distributions, which includes dividends, interest and loan repayments, was £129m (2018: £99m). Cash receipts were marginally impacted by the lower electricity power prices in GB and Ireland, caused by low gas prices due to the strong supply and benign winter temperatures. Furthermore, wind speeds were lower than average in the UK. Our strategically diversified portfolio partially mitigated the adverse weather and impact on electricity pricing through exposure to different weather patterns and markets outside of the UK as well as revenues from assets with fixed power prices and subsidies. Cash receipts were also supported by a strong Renewable Obligation Certificate ("ROC") recycle price and good irradiation levels across TRIG's solar assets.

Cash generation and dividend cover remained healthy at 1.2 times, or 1.3 times after scrip take-up (2018: 1.25 times and 1.5 times after scrip take up). While 2018 had been a particularly strong year with high captured power prices in the UK and Ireland, 2019's dividend still had a comfortable level of cash coverage reflecting the quality of the income across the portfolio.

TRIG made investment commitments of £612m in 2019 as outlined further in the Acquisitions section of the Strategic Report. The Company has £128m in cash at the year-end pending the completion of the Merkur offshore wind farm acquisition expected shortly. Investments were funded by a combination of £530m of equity raised (net of costs) through the issue at premium to NAV of 450m ordinary shares over the year, receipts arising from the refinancing of debt within project companies of £65m and the reinvestment of surplus cash generated from the Company's portfolio. When considering the current investment commitments and assuming no new investments, the Board expects to be approximately £70m drawn on its revolving credit facility by the end of H1 2020, with a further c.£140m of investment due later in 2020. In addition, the Managers continues to review a strong pipeline of opportunities.

TRIG's Ongoing Charges Percentage reduced to a low 1.0% (2018: 1.12%)[3], reflecting the economies of scale of a bigger portfolio including the tiered management fee and consistent with our strategy of providing value to our shareholders.

Dividends

The Board has declared a fourth interim dividend for the year ended 31 December 2019 of 1.66p per share to bring the aggregate 2019 dividend to 6.64p per share in line with the target set for the year.

During 2019, the Company paid a total of £86.3m of dividends and in addition issued £8.0m scrip for shareholders who elected to receive their distributions in shares, making a total of £94.3m of distributions (2018: £67.5m).

For the 2020 financial year, the Company is targeting an aggregate dividend of 6.76p per share, a 1.8% increase on 2019's target of 6.64p, to be paid in four equal quarterly instalments as usual.

This target follows the Company's dividend policy of increasing the dividend to the extent which the Board considers it prudent to do so, and taking into account forecast cash flows, expected dividend cover, inflation across TRIG's key markets, the outlook for electricity prices and the operational performance of the Company's portfolio.

Details of the Company's scrip dividend can be found in the Scrip Dividend Circular 2019 (on the Company's website).

Portfolio Update and Acquisitions

TRIG continues to add selectively to its portfolio where Managers identify opportunities with attractive risk adjusted returns and which complement the portfolio's diversification. It now owns 74 investments with an aggregate net generating capacity of 1,664MW (2018: 1,110MW)[4]. TRIG current portfolio is capable of powering a city the size of Birmingham, avoiding 1.1 tonnes of CO_2 emissions.

TRIG's geographical diversification has increased with 45% of investments (including investment commitments) now located outside of the UK (2018: 28%). TRIG made seven investments in 2019 comprising onshore and offshore wind projects in Sweden, France, the UK and, for the first time, in Germany. By investing across select European geographies, the Company avoids reliance on singular markets at risk of over-priced acquisitions due to scarcity premia, and the Company's exposure to any one regulatory regime, power price characteristics and weather system risk is reduced. 2019 underscored the benefits of this approach, with TRIG's exposure to a range of weather patterns offsetting the effects of lower wind speeds in some areas,

3 Using the methodology of the Association of Investment Companies ("AIC").
4 Capacity is from both generation and battery output and includes expected capacity arising from investment commitments as at 17 February 2020.

Chairman's Statement (continued)

and its exposure to a range of power markets, mitigating the valuation impact of the reductions in power price forecasts which were sharpest in the UK. We appreciate the support of our shareholders agreeing to increase the limit of European assets in the portfolio to 65%.

TRIG invested in Gode during the year and also exchanged contracts on Merkur, both offshore wind farms in the German North Sea. TRIG has become a leading investor in the sector with transacting credibility, having three operating offshore assets in both the UK and Germany, two of the main markets for offshore wind world-wide.

Production Performance

Over the year, the portfolio generated 3,036GWh of electricity, including compensated curtailments (2018: 2,011GWh). Generation increased 50% compared to 2018, primarily driven by the greater capacity of the portfolio following acquisitions.

Overall, generation was 4% below budget, driven by lower than expected wind speeds in Great Britain and, to a lesser extent, in Sweden along with grid curtailments in the Republic of Ireland. There were minor operational issues for the first phase of Ersträsk as it came out of construction and with Gode which had a damaged generator and suffered from grid curtailment. Ersträsk's performance has since improved and we expect that production shortfalls at Gode will be covered by its availability warranty.

Corporate Governance

Following an external search process, I am delighted to announce that Tove Feld will be joining the TRIG Board as an independent non-executive Director effective from 1st March 2020. Tove is a Danish national with extensive operational experience in renewables, especially in offshore wind, having held senior positions at Ørsted and Siemens Wind Power. She also has an appreciation of TRIG's values, a commitment to serve our stakeholders and her extensive renewables experience will enhance the skill set of the Board.

Sustainability

The Board believes TRIG is better able to discharge its fiduciary duty to shareholders by investing responsibly. We therefore ensure that sustainability considerations are integrated into all investment decisions and the ongoing portfolio and asset management of TRIG's assets. Together the Managers and the Board work on behalf of TRIG's shareholders to promote social responsibility, to act with integrity in governance and to protect the natural environment.

We acknowledge that the assets in which we invest are embedded in communities and the environment, which means that the consequences of the investment decisions we make can have a meaningful positive or negative impact on society and the world around us. Whether it is planting 400,000 trees or supporting the 1,125 properties that use the Local Electricity Discount Scheme, we recognise our role in being a responsible business and positively contributing to the local communities and environment in which we operate.

Since IPO, TRIG's portfolio has generated 11TWh of electricity. If the 11TWh of electricity generated since launch had been generated using coal power stations, it would have needed 1.6m tonnes of coal. This underpins TRIG's belief that sustainable investment decisions can create value and mitigate risks for a wide range of stakeholders.

This year, TRIG released its inaugural Responsible Investment Report and introduced a Sustainability Policy, both available on the Company's website. TRIG Sustainability Policy is designed to provide an overview of TRIG's approach to Environmental, Social and Governance ("ESG") considerations, including climate change risks and opportunities. It comprises a framework of ESG objectives that are designed to contribute towards better investment outcomes for TRIG's shareholders. We report against these objectives in Section 2.5, Sustainability. We are also pleased that TRIG has been awarded the London Stock Exchange's Green Economy Mark, recognising companies making a significant contribution to the transition to a zero-carbon economy.

Principal Risks and Uncertainties

TRIG consistently monitors and, where practicable, mitigates a range of risks to its strategy. The main risks for the Company continue to be:

- Regulation: government or regulatory support for renewables changing adversely;
- Power prices: electricity prices falling or not increasing as expected; and
- Production performance: portfolio electricity production falling short of expectations, including as a result of weather and asset availability.

Policy leaders are more aware of the pressing impact of climate change through public activism and a recognition of scientific and academic research relating to extreme weather patterns. Both the UK and the EU have announced more ambitious decarbonisation targets and are now aiming for net-zero emissions by 2050. We expect this to translate into continued policy support for renewables.

Projections for increased renewables deployment have contributed to recent reductions in wholesale power price forecasts. The low marginal cost of renewables means that during times of high output and low demand, prices may be increasingly influenced or set by renewables. We continue to make allowances for this trend in our expected valuations as advised by power price forecasters, which we discuss further in Section 2.8, Valuation of the Portfolio. However, we also note, upward pressure on power prices for renewables as a result of greater electricity demand from transport and heating, improved battery technology, more demand side response and more interconnectors, which are all necessary to improve system flexibility to support integration of large volumes of renewables, as well as higher carbon costs.

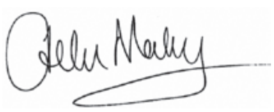
Production performance varies depending on weather and asset availability. TRIG's Operations Manager, RES, maximises availability through working with the respective asset managers to ensure careful planning and execution of operations and timely repair works, and we highlight such initiatives in the Strategic Report which follows. The geographical and technological diversity of TRIG's portfolio provides resilience to varying weather conditions and spreads TRIG's exposure to different regulatory and power price markets, thus mitigating the key risks.

Outlook

TRIG intends to continue to source opportunities across Western Europe where there is a stable renewable energy framework. We will continue our strategy of combining subsidised with unsubsidised projects to maintain an appropriate risk-return profile across our portfolio. In addition to TRIG's existing markets, we expect subsidy free solar in Iberia and battery storage in the UK to offer attractive opportunities to enhance TRIG's geographic and technological diversification when balanced on a portfolio basis with subsidised projects with higher revenue visibility, for example, wind farms in the UK, France and Germany.

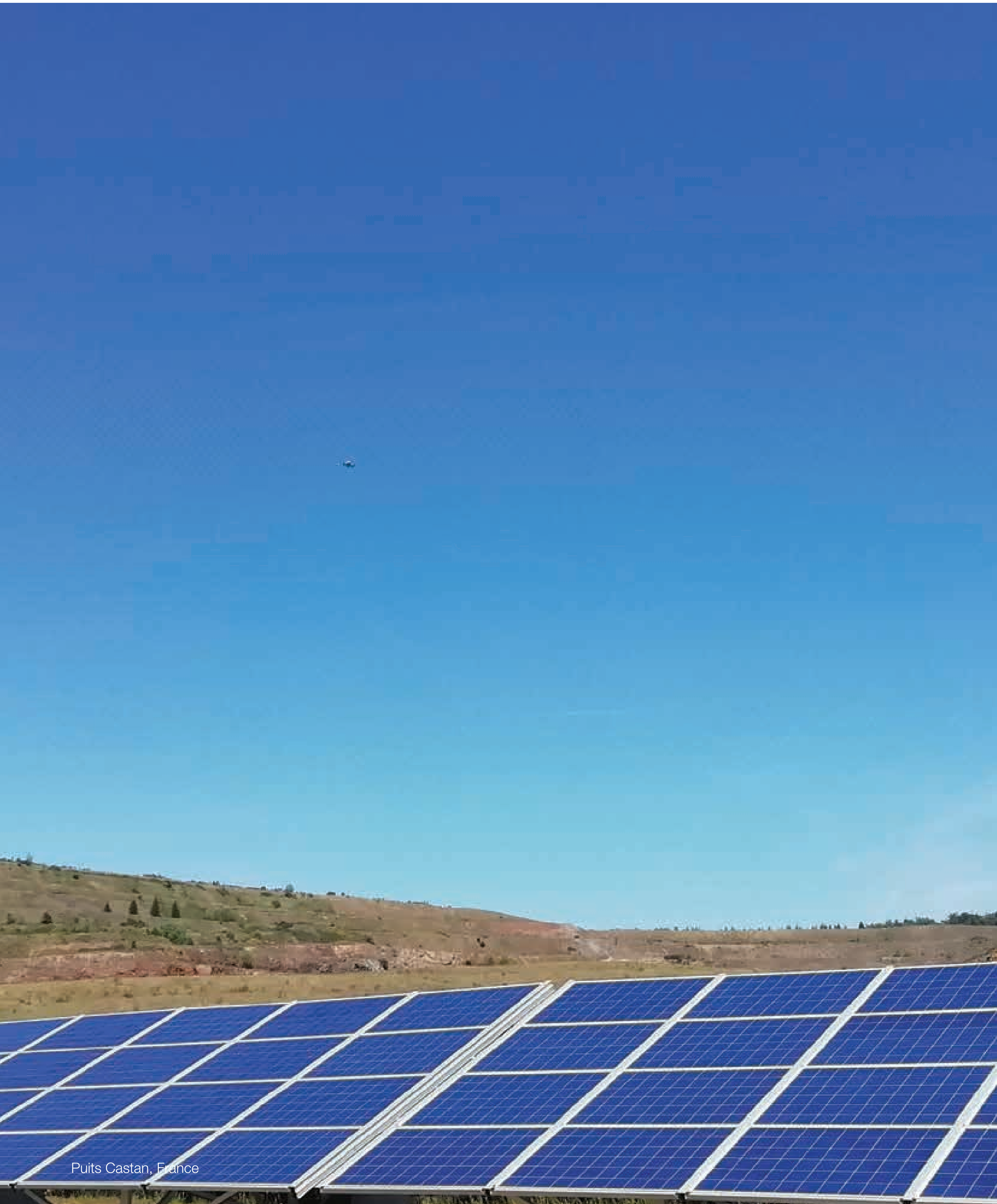
Renewable energy has a central role to play in decarbonising our energy usage and governments are increasingly recognising that policy needs to encourage renewables generation. We are confident that the markets in which TRIG operates will continue to grow and that TRIG is well placed to add quality renewables infrastructure assets to complement the existing portfolio.

Not only will this provide our shareholders with better liquidity, increased diversification of risks and economies of scale, but it will also enable project developers to recycle more capital and develop innovative new projects to displace fossil fuels. We take pride that TRIG's success as a responsible business is intrinsically linked to its ability to generate sustainable returns for our shareholders whilst contributing to lower global carbon emissions.



Helen Mahy CBE
Chairman

17 February 2020



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02
Strategic Report

2.1 Objectives

TRIG aims to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a zero-carbon future.

TRIG's diversified portfolio comprises predominantly operational wind farms and solar parks in the UK and Europe. The Company aims to provide its investors with long-term, stable dividends and to retain the portfolio's capital through re-investment of surplus cash flows after payment of dividends.

TRIG's key **financial objectives** are to provide its shareholders with:

- **an attractive, long-term, income-based return** by focusing on strong cash generation across a portfolio of mostly operational renewable energy assets;
- **prudent financial management** in terms of the approach to cost control, cash management, financing arrangements, foreign exchange and interest rate hedging; and
- **a diversified investment portfolio at scale** in order to spread risk, increase share liquidity, obtain efficiencies and enhance NAV per share for investors.

TRIG gives responsible investment great importance and places sustainability at the heart of the business. To maintain a sustainable business model over the long-term, we believe it is necessary to conduct all business responsibly.

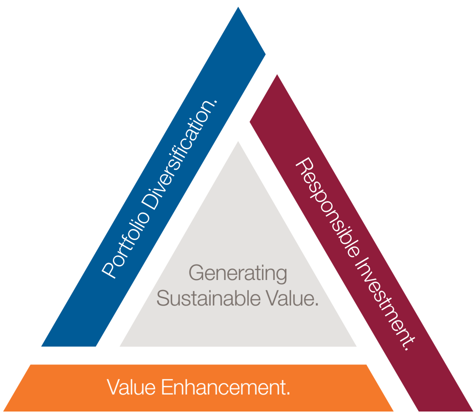
TRIG's approach to Responsible Investment is underpinned by the Company's **Environmental, Social and Governance** objectives, which are to:

- **Mitigate Climate Change;**
- **Preserve our natural environment;**
- **Impact positively the communities in which TRIG works; and to**
- **Maintain ethics and integrity in governance.**

2.2
Business Model and Strategy

Introduction
TRIG was one of the first investment companies investing in renewable energy infrastructure projects listed on the London Stock Exchange. TRIG completed its IPO in 2013 raising £300m and is a member of the FTSE-250 index with a market capitalisation as at 31 December 2019 of approximately £2.3bn. TRIG aims to provide its shareholders with long-term, sustainable returns from a diversified portfolio of renewables and related investments that contribute towards a zero-carbon future whilst protecting the capital value of its investment portfolio through the re-investment of surplus cash flows after the payment of dividends.

Strategy
TRIG seeks to enhance the long-term sustainability of shareholder returns in three ways:



Portfolio Diversification: A key element of TRIG's strategy is to reduce the risk of over concentration of assets in single power markets, regulatory frameworks, weather patterns and technology classes. A well-diversified portfolio helps improve the resilience of the Company's ongoing financial performance and valuation, contributing to the sustainability of returns to shareholders.

Responsible Investment: Our investments are long-term (with asset lives which may be 30 years) and require a long-term view to be taken both in the initial investment decisions and in the subsequent asset management with sustainable business practises. Through our commitment to our Sustainability Policy (available on the TRIG website), aligned to the United Nations Sustainability Development Goals and increased disclosure, we place great importance on Responsible Investment for the delivery of the Company's investment objective.

Value Enhancement: Extracting the most value from our portfolio includes actions targeted at both the preservation and the enhancement of value.

Proactive asset management is undertaken to optimise generation and minimise equipment downtime whilst operating safely with a prudent approach to risk and a disciplined approach to construction opportunities. Value Maximisation underpins the generation of returns of shareholders.

Management
The Company currently has a board of four independent non-executive Directors (details of whom can be found in Section 3) and in March 2020 a fifth board member, Tove Feld, will join. The Board's role is to manage the governance of the Company in the interests of shareholders and other stakeholders. In particular, the Board approves and monitors adherence to the Investment Policy, determines risk appetite of the Group, sets Group policies and monitors the performance of the Investment Manager, the Operations Manager and other key service providers. The Board meets a minimum of four times per year for regular Board meetings and there are several ad hoc meetings dependent upon the requirements of the business. In addition, the Board has five committees covering the areas of Audit, Nominations, Remuneration, Management Engagement and Market Disclosure chaired by respective members of the board to receive and consider specialist independent advisor reports and presentations.

The Board takes advice from the Investment Manager, InfraRed, as well as from the Operations Manager, RES, on matters concerning the market, the portfolio and new investment opportunities. Day-to-day management of the Group's portfolio is delegated to the Investment Manager and the Operations Manager, with investment decisions within agreed parameters delegated to an Investment Committee constituted by senior members of the Investment Manager.

InfraRed Capital Partners Limited ("InfraRed") is TRIG's Investment Manager and advises the Group on financial management, sourcing and executing on new investments and providing capital raising and investor relations services.

InfraRed is a leading international investment manager specialised in infrastructure and real estate. With over 190 employees and offices in London, New York, Hong Kong, Seoul and Sydney, InfraRed has a track record of around 20 years in raising and managing 17 infrastructure and real estate funds with over US$12bn of equity under management.

InfraRed is also Investment Manager to HICL Infrastructure Company Limited, the largest London-listed infrastructure investment company with a market capitalisation of £3.2bn as at 31 December 2019. Further details can be found on the website at www.ircp.com.

In December 2019, InfraRed announced an agreement whereby Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life") will purchase a majority stake in InfraRed. The transaction is expected to close during the first half of 2020, after which InfraRed will operate as a distinct business under SLC

2.2
Business Model and Strategy (continued)

Management, Sun Life's alternative asset management business. The Sun Life acquisition will provide further support to InfraRed in its role as Investment Manager to TRIG over the coming years.

Sun Life is a leading international financial services organization providing insurance, wealth and asset management solutions to individual and corporate clients. As of 30 September 2019, Sun Life had total assets under management of C$1,063 billion. For more information please visit www.sunlife.com.

RES ("Renewable Energy Systems Limited") is TRIG's Operations Manager. RES is the world's largest independent renewable energy company having developed and/or constructed over 17GW of projects, with operations in 10 countries and over 2,000 employees globally. RES has the expertise to develop, construct and operate projects around the globe across a range of technologies including onshore and offshore wind, solar, energy storage and transmission.

A dedicated team supported by more than 60 RES staff provide portfolio-level operations management to the Company and its subsidiaries. RES draws on the experience and skills of a much wider pool of expertise from within the company in order to fulfil its Operations Manager role, utilising nearly four decades of renewables experience to provide project-level services to TRIG and support the evaluation of investment opportunities for the Group.

RES is an expert at optimising energy yields, with a strong focus on safety and sustainability. Further details can be found on the website at www.res-group.com.

The key roles of the Investment Manager and the Operations Manager are set out below:

InfraRed Capital Partners

Investment Manager

- Monitoring financial performance against Group targets and forecasts
- Advising the Board on investment strategy and portfolio composition to achieve the desired target returns within the agreed risk appetite
- Sourcing, evaluating and implementing the pipeline of new investments for the portfolio
- Managing the investment cash flows from the Group's investments
- Minimising cash drag (having un-invested cash on the balance sheet) and improving cash efficiency generally
- Managing the process and analysis for semi-annual valuations of the Group's portfolio submitted to the Board for approval
- Ensuring good financial management of the Group, having regard to accounting, tax and debt covenants
- Hedging non-sterling investments
- Managing the Company's investor reporting and investor relations activities

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Operations Manager

- Day-to-day monitoring and oversight of the operations of the Group's portfolio of investments
- Provision of directors to project company boards
- Monitoring of service providers to project investment companies
- Facilitation of early resolution of operational issues as they arise, including performance and disputes
- Management of project-level financing including implementation and project-level debt covenants
- Management of power sales strategy including Power Purchase Agreements ("PPAs")
- Assisting on technical and commercial due diligence of projects being evaluated for acquisition by the Group
- Seeking of cost savings through contract variations and extensions
- Project-level ESG co-ordination including community relations and compliance with regulations affecting project companies

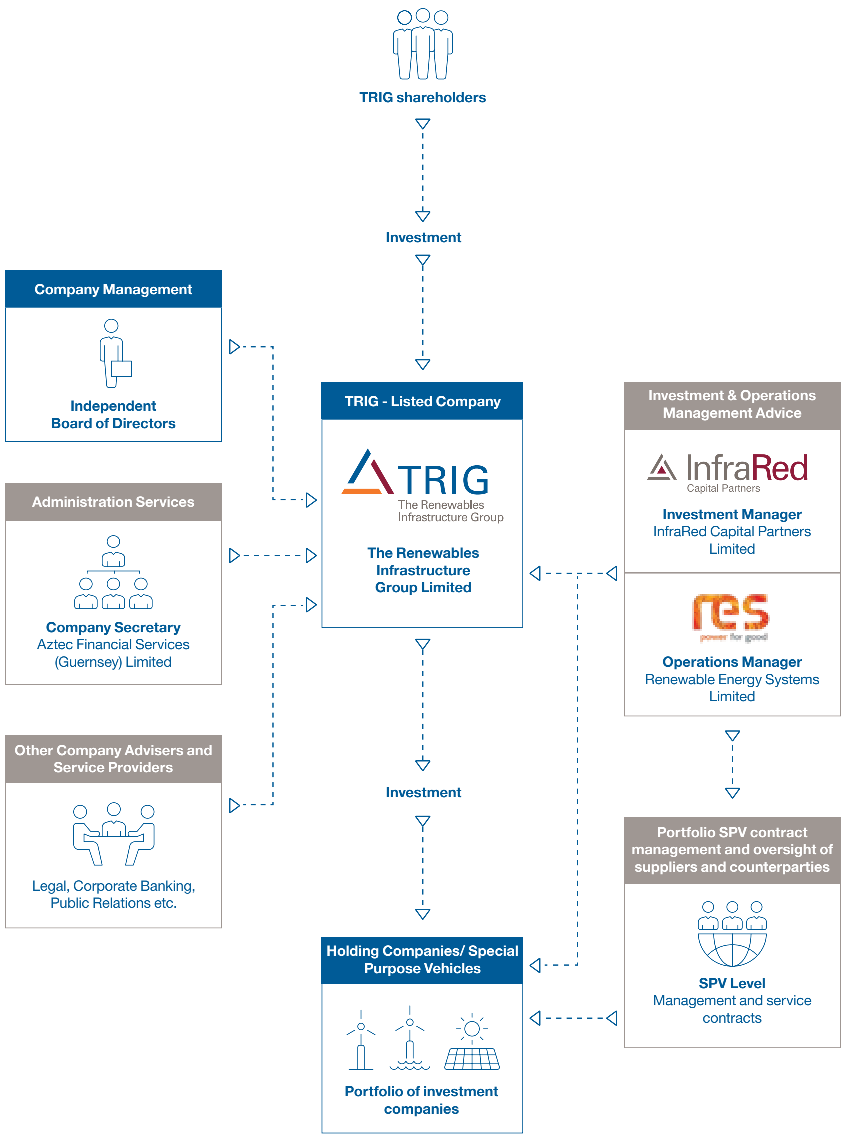
Other key service providers to the TRIG Group include Aztec Financial Services (Guernsey) Limited providing Company Secretarial and Administrative services, Investec Bank PLC and Liberum Capital Limited as joint brokers, Maitland/AMO as financial public relations advisers, Carey Olsen as legal advisers as to Guernsey law, Norton Rose Fulbright LLP as legal advisers as to English law, Link Asset Services (Guernsey) Limited as registrars, Deloitte LLP as auditor and National Australia Bank, Royal Bank of Scotland International and ING Group as lenders to the Group via the Revolving Acquisition Facility.

The Board reviews the performance of all key service providers on an annual basis.

Group Structure

Through the group structure, the Company owns a portfolio of renewable energy infrastructure investments in the UK, Ireland, France, Germany and Sweden. TRIG seeks to protect and enhance the income from and value of the existing portfolio through active management and sourcing of new investments which enhance the diversity and scale of the portfolio, utilising the expertise of the market-leading Investment and Operations Managers appointed by the Company. The Company has a 31 December year-end, announces interim results in August and full year results in February. The Company pays dividends quarterly.

TRIG's Group structure, including management structure and key service providers, is illustrated below.



2.2
Business Model and Strategy (continued)

The Company is a self-managed Alternative Investment Fund under the European Union's Alternative Investment Fund Managers Directive.

TRIG is a Guernsey-registered investment company (which is not uncommon for UK listed investment companies). Tax is paid by the portfolio companies in the markets in which they operate and by the Company's shareholders on the dividends they receive (according to the jurisdiction and taxation status of each shareholder). The structure ensures investors are not in a disadvantageous tax position compared to direct investors in infrastructure projects; in effect this emulates the structure formalised for real estate investors by the creation in the UK of Real Estate Investment Trusts ("REITs"). A similar tax treatment can be achieved by UK Investment Trust Companies located onshore by applying the UK's Investment Trust (Approved Company) (Tax) Regulations (2011) with the company deeming a portion of its dividends paid to investors as interest distributions (although we note that for certain UK shareholders the tax treatment of interest income is different to dividend income).

2.3 Investment Approach and Policy

Investment Approach

TRIG's investment approach is based on the following two factors:-

The renewables market opportunity

The long-term public and political commitment in European countries towards creating a cleaner, more secure and sustainable energy mix

The shortfall in power generation capacity due principally to the reduction in coal-fired and nuclear generation facilities due to emissions, safety and/or age

The EU-wide renewables target requiring 32% of energy to be generated from renewable sources by 2030, the UK's 2050 net-zero carbon target and broader United Nations initiatives to achieve challenging long-term de-carbonisation goals

Extensive opportunities for investment in the secondary market for renewable generation assets as utilities, developer, and others recycle their capital

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The ability to construct a diversified portfolio across established, low-risk technologies, electricity markets, weather systems and revenue types

Diversification across predominantly operational assets providing a sustainable long-term investment proposition, delivering stable income together with NAV resilience

Proven operational track record including predictable operating costs

- future potential for incremental improvements in design, scale and efficiency
- focus on markets with a robust long-term energy demand outlook and a well-established political/regulatory commitment to renewables

Investing in established technologies, including wind and solar PV (which currently dominate new power capacity installations in the EU) providing

Variability of weather patterns across Europe adds to diversification provided by exposure to wind and solar energy sources

Stability of revenues enhanced by contract with utility counterparties and/or state subsidies in the short-to-medium term with greater power price exposure in the long term

2.3
Investment Approach and Policy (continued)

Investment Policy

In order to achieve its investment objective, the Company invests principally in operational assets which generate electricity from renewable energy sources, with a particular focus on wind farms and solar PV parks.

Investments will be made principally by way of equity and shareholder loans which will generally provide for 100% or majority ownership of the assets by the holding entities. In circumstances where a minority equity interest is held in the relevant portfolio company, the holding entities will secure their respective shareholder rights (including voting rights) through shareholder agreements and other transaction documentation.

The Group aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of renewable energy technologies.

Limits

Investments are made in the UK and other European countries (including France, Ireland, Germany and Scandinavia) where the Directors, the Investment Manager and the Operations Manager believe there is a stable renewable energy framework. Not more than 65 per cent. of the Portfolio Value (calculated at the time of investment) may be invested in investments that are located outside the UK.

Investments will be made in onshore and offshore wind farms and solar PV parks, with the amount invested in other forms of energy technologies (or infrastructure that is complementary to, or supports the roll-out of, renewable energy generation) limited to 20 per cent. of the Portfolio Value, calculated at the time of investment.

In respect of investments in Portfolio Companies which have assets under development or construction (including the repowering of existing assets), the cost of works on such assets under development or construction (and not yet operational) to which Portfolio Companies are exposed may not in aggregate account for more than 15 per cent. of the Portfolio Value, calculated at the time of investment or commitment.

The Company will not invest more than 15 per cent., in aggregate, of the value of its total assets in other investment companies or investment trusts that are listed on the Official List. In order to ensure that the Group has an adequate spread of investment risk, it is the Company's intention that no single asset will account for more than 20 per cent. of the Portfolio Value, calculated at the time of investment.

The Group may enter into borrowing facilities in the short term, principally to finance acquisitions. Such short-term financing is limited to 30 per cent. of the Portfolio Value. It is intended that any acquisition facility used to finance acquisitions is likely to be repaid, in normal market conditions, within a year through further equity fundraisings.

Wind farms and solar parks, generally assumed to have operating lives in excess of 25 years, with 30 years or more increasing being assumed, held within Portfolio Companies generate long-term cash flows that can support longer term project finance debt. Such debt is nonrecourse and typically is fully amortising over a 10 to 15-year period. There is an additional gearing limit in respect of such non-recourse debt of 50 per cent. of the Gross Portfolio Value (being the total enterprise value of such Portfolio Companies), measured at the time the debt is drawn down or acquired as part of an investment. The Company may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of Portfolio Companies and may acquire Portfolio Companies which have project finance arranged in this way.

Revenue

Generally, the Group will manage its revenue streams to moderate its revenue exposure to merchant power prices with appropriate use of power purchase agreements, Feed-in-Tariffs and green certificates.

Hedging

The Company may borrow in currencies other than Pounds Sterling as part of its currency hedging strategy. The Group may enter into hedging transactions in relation to currency, interest rates and power prices for the purposes of efficient portfolio management. The Group will not enter into derivative transactions for speculative purposes.

Cash Balances

When the Company is not fully invested and pending reinvestment or distribution of cash receipts, cash received by the Group will be held as cash, or invested in cash equivalents, near cash instruments or money market instruments.

Origination of Further Investments

Each of the investments comprising the portfolio complies with the Company's investment policy and further investments will only be acquired if they comply with the Company's investment policy. It is expected that further investments will include operational onshore wind and solar PV investments that have been originated and developed by Renewable Energy Systems Limited, the Company's Operations Manager. The Company will also review investment opportunities originated by third parties, including from investment funds managed or advised by the Investment Manager or its affiliates.

Pursuant to the First Offer Agreement, the Company has a contractual right of first offer, for so long as the Operations Manager remains the operations manager of the Company in respect of the acquisition of investments in projects of which the Operations Manager wishes to dispose and which are consistent with the Company's investment policy. It is envisaged that the Operations Manager will periodically make available for sale further interests in projects although there is no guarantee that this will be the case. Investment approvals in relation to any acquisitions of investments from the Operations Manager are made by the Investment Manager through the Investment Committee.

Furthermore, any proposed acquisition of assets by the Group from InfraRed Funds will be subject to detailed procedures and arrangements established to manage any potential conflicts of interest that may arise. In particular, any such acquisitions will be subject to approval by the Directors (who are all independent of the Investment Manager and the Operations Manager) and will also be subject to an independent private valuation in accordance with valuation parameters agreed between the InfraRed Funds and the Company.

A key part of the Company's investment policy is to acquire assets that have been originated by RES by exercising the Company's rights under the First Offer Agreement. As such, the Company will not seek the approval of Shareholders for acquisitions of assets from the Operations Manager or members of its group in the ordinary course of its Investment Policy. However, in the event that the Operations Manager is categorised as a substantial shareholder of the Company for the purposes of the Listing Rules (i.e. it holds 10 per cent. or more of the Company's issued share capital and for a period of 12 months after its shareholding first drops below this threshold), the related party requirements of Chapter 11 of the Listing Rules will apply to the acquisition of solar assets from the Operations Manager or any member of its group and accordingly the Company will seek Shareholder approval, as necessary, for such acquisitions. Further Investments will be subject to satisfactory due diligence and agreement on price which will be negotiated on an arm's length basis and on normal commercial terms. It is anticipated that any Further Investments will be acquired out of existing cash resources, borrowings, funds raised from the issue of new capital in the Company or a combination of the three.

Repowering

The Company has the opportunity to repower the sites in some of the projects in the investment portfolio. For these purposes, repowering will include the removal of substantially all of the old electricity generating equipment in relation to a project, and the construction of new electricity generating equipment excluding, for the avoidance of doubt, repair, maintenance and refurbishment of existing equipment. Where the Company determines to repower a project originally acquired from the Operations Manager, the Operations Manager has the first option to repower such assets in partnership with the Company, whilst the Company has the right to acquire the newly constructed assets on completion, subject to satisfactory due diligence and for a price determined in accordance with a preagreed valuation mechanism and on normal commercial terms. Repowering projects will be treated as development or construction activity which, when aggregated with the cost of works to assets under development or construction to which Portfolio Companies are exposed, may not in aggregate account for more than 15 per cent. of the Portfolio Value, calculated at the time of investment or commitment.

Material amendments

Material changes to the Company's investment policy may only be made in accordance with the approval of the Financial Conduct Authority and the Shareholders (by way of an ordinary resolution) and, for so long as the Ordinary Shares are listed on the Official List, in accordance with the Listing Rules. The investment limits detailed above apply at the time of the acquisition of the relevant investment. The Company will not be required to dispose of any investment or to rebalance its investment portfolio as a result of a change in the respective valuations of its assets. Non-material changes to the investment policy must be approved by the Board, taking into account advice from the Investment Manager and the Operations Manager, where appropriate.

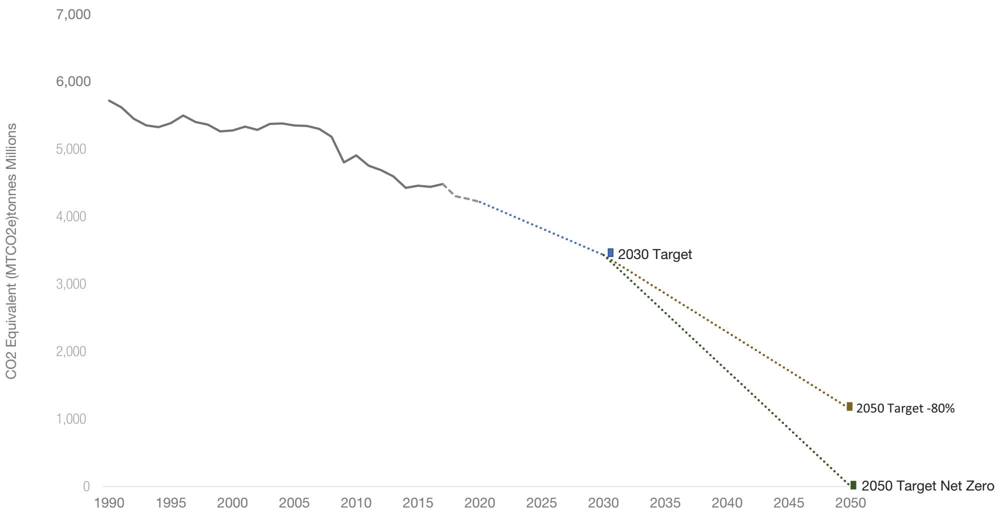
2.4
Market Development

Emissions Reduction Targets and Climate Change

Action on climate change is becoming increasingly embedded within the political agenda. Europe has essentially achieved its 20% greenhouse emissions reduction target for 2020 but, notwithstanding the increasing volumes of renewable energy being deployed (renewables now accounts for almost a third of all electricity generated in the EU), significant additional policy initiatives across the entire energy sector will be needed if it is to meet its current binding 2030 targets of a 40% cut in greenhouse gas emissions and 32% share of renewables of total energy consumption (i.e. all sectors, not just power) and 80% by 2050.

Under the comprehensive proposed European Green Deal announced in December 2019, the European Commission plans to increase these 2030 targets, with the greenhouse gas emissions reduction target for 2030 increasing from 40% to a proposed level of 50-55% and a new law enshrining a commitment to net zero carbon emissions for 2050[1].

Historic Total Greenhouse Gas Emissions and Targets in the EU



Source: Data taken from European Environmental Agency 2019

The UK government has already set in law a target to reach net zero emissions by 2050, a bigger cut in emissions than the 80% target legislated in the Climate Change Act of 2008, although not the route to achieving this. Were this even more stringent target to be achieved globally, the UK government's advisory Committee on Climate Change estimates that there would then be a 50-50 chance of staying below the recommended 1.5°C temperature rise by 2100.

Power Prices and the Impact of Renewables

Given the critical importance of reducing emissions, estimates for additional renewables capacity across Europe have consistently increased over the past few years. Renewables has minimal marginal cost, impacting the base load price if more expensive marginal generation is not required in any period. There have been instances of negative power prices for short periods in some European power markets where the mismatch between generation and demand has been most significant. The increases in expected renewables deployment has had a dampening effect on power price forecasts, as renewables are expected to set the power price more than previously expected over the long term.

These increased expectations may also have an impact on the specific achieved power prices for renewable energy assets, to the extent that favourable weather conditions result in excess power production compared to power demand – a "cannibalisation" effect – notwithstanding the introduction of increasingly smart ways of using, storing and transporting power to better match with generation, which is expected to mitigate this effect. We discuss this further in Section 2.8, Valuation of the Portfolio.

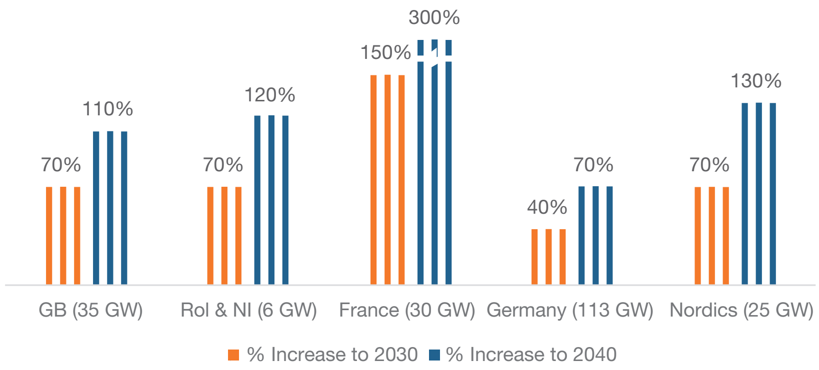
1 "Net zero" refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere.

Allowances are made in the power price forecasts used by TRIG for reductions in the base load prices where renewables set the marginal price more often and for the cannibalisation effect, reducing the captured prices beneath that which would be expected for a base load (i.e. "24/7") generator. Such allowances increase over time in keeping with power price forecasters' assumptions for renewables deployment. Investors should note that these factors do increase the complexity associated with power price forecasting (alongside other assumptions such as gas and carbon pricing and electricity demand) and that significantly accelerated or deeper renewables build-out scenarios may represent downside risks on power prices.

Assumed Renewables Capacity Deployment

The power price forecasts used by the Company assume a certain level of build out of intermittent renewables (solar and wind) as an input into the power price forecasting models. The average levels of build out assumed in the forecasts used by the Company are indicated in the graphs below.

Forecast Wind and Solar Capacity Growth

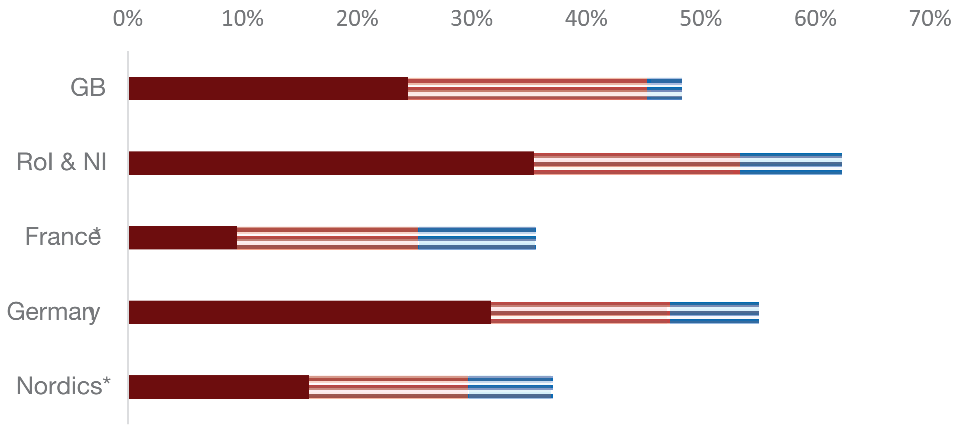


Numbers in brackets indicate current solar and wind capacity

These forecasts are typically based on a combination of national policies, EU level targets, and the relative economics of intermittent renewables. There is a significant amount of intermittent renewables capacity assumed to be added in the Company's current markets. Given the slowdown in onshore development in Germany and UK (where there is very little onshore wind development) and the relatively long lead time for offshore wind projects (7-12 years), combined with challenging economics as the roll out of renewables accelerates, there may be difficulties in reaching these deployment forecasts. The Company considers that achieving levels materially above these forecasts to be stretching and would require a redesign of the energy market.

2.4 Market Development (continued)

Forecast Wind and Solar Generation Proportion



*Note that due to the high availability of low carbon electricity sources through nuclear and hydro energy in these regions, the amount of intermittent renewable generation required to decarbonise the energy systems is lower than in the UK, Ireland and Germany.

Solutions for Integrating Renewables

As renewables penetration increases, solving the problem of integrating large proportions of intermittent renewable energy into the grid is likely to be achieved via a variety of ways. Energy storage is set to play a key role, and as costs continue to decline, revenues from "load shifting", frequency response services and capacity markets is strengthening the economic case for battery storage provision. Part of the solution will also come from power users who will be incentivised to use power when it is available through more favourable pricing. Such intelligent use of energy, known as Demand Side Response, or "DSR", can help soften peak demand and fill-in troughs to respond to when power is most abundant, affordable and clean. This enables the grid to better integrate high levels of renewable output by making the demand on the grid more flexible. In the UK, currently the amount of dedicated DSR capacity the National Grid can call on is approximately 3GW, compared to a UK peak demand of c.60GW. Growth in DSR and the scale adoption of electric vehicles can significantly aid the transition to a lower carbon future by mitigating the intermittency of the renewables generation.

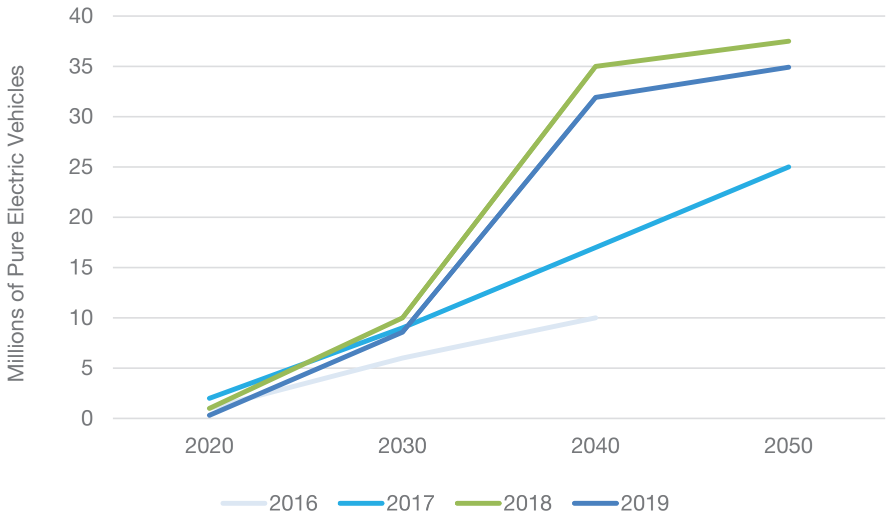
Where carbon intensive sources, such as natural gas, continue to be used as is likely for flexible generation and for heating and industrial processes, including the use of hydrogen that is produced through a process requiring natural gas, emissions will need to be mitigated through carbon capture and storage. Grid upgrades and in particular the build out of interconnectors joining markets (e.g. GB to Norway and GB to France) will also increase the respective grids ability to provide more consistent levels of power from intermittent resources by reducing dependency on localised weather conditions.

Increased Electrification

Due to the relative ease of decarbonising electricity compared to fossil fuels, used for example in heating and transportation, the electrification of energy usage will have a central role in delivering a decarbonised future.

Electricity is expected to be increasingly used to power vehicles. For example, in the UK, the National Grid Future Energy Scenarios, which forecasts the long-term energy demand in the UK, suggests that around 35 million pure electric vehicles could be on the road by 2050, with a rapid acceleration in deployment between 2030 and 2040 as the ban approaches and electric vehicle costs drop. Since this forecast was prepared, the government has brought forward its target of ending the sales of new petrol, diesel and hybrid cars to 2035 (previously 2040).

National Grid Future "two degrees" scenario Electric Vehicle forecasts



Source: National Grid

Electrifying vehicles has potential benefits for the renewables sector, increasing electricity demand but also smoothing electricity usage through the hours of the day and providing a source of electricity storage. Smart charging and vehicle-to-grid technologies are expected to be able to store electricity during peak renewables production times and feed power back to the grid during peak hours. This has the potential to help balance electricity demand and stabilise prices.

A further source of increased electricity demand is expected to arise from space heating. Currently much of Europe uses natural gas for space heating, which leads to carbon emissions. One solution to reduce the carbon footprint of heating is to use clean hydrogen that can then either be blended with natural gas to heat spaces or be burned alone as a clean fuel. The cleanest way to produce this hydrogen would be to use the electrolysis (utilising electricity from renewable sources), which would then be used for heating. Furthermore, forecasters expect increased use of electric heat pumps (already used in Germany, France, Italy and Spain) across Europe.

The extent to which electrification is increased beyond current expectations, through demand from new sectors such as space heating and transport, may provide support to long-term power prices.

United Kingdom & Ireland

There have been significant developments relevant to the renewable sector in the UK in 2019. Under the prior Conservative government, the UK became the first country in the world to set a net-zero emissions target for 2050. This target was then confirmed in the Conservative party manifesto prior to the election victory for Prime Minister Boris Johnson. The new UK government's policies include a commitment to 40GWs of installed offshore wind capacity by 2030, continued support for new nuclear and a ban on new internal combustion engine vehicles by 2030.

The year also saw over 5GW of offshore wind capacity procured through the contract-for-difference auction mechanism at lower than expected clearing prices of £39-£42/MWh in 2012 terms (equivalent to around the £46-£50/MWh today), although it should be noted that these are still to be financed and built. There was no appreciable onshore wind or solar deployment. In Ireland, the government approved the first auction under its Renewable Energy Support Scheme (RESS) with the longer-term goal of reaching 70% renewable electricity by 2030.

With a relatively stable political outlook, notwithstanding Brexit, renewables policy looks set to continue to be favourable. Key questions remain around future UK carbon pricing policy and membership of the EU's internal energy market, as well as any future referendum on Scottish independence and any impact this could have on local energy policy and liability for existing subsidies.

France

Offshore wind progressed significantly in France in 2019, though still a nascent market compared to the UK and Germany, with supportive subsidy policies for onshore wind and solar remaining largely unchanged. In October 2019, a law was passed by the French parliament requiring an increase in the capacity of offshore wind tenders to an average of 1GW a year to 2024.

2.4 Market Development (continued)

With significant low carbon generation, through hydro power and nuclear generation, France's renewables agenda (113GW by 2028 from c.50GW today) will largely be driven by the plan to close four to six nuclear reactors by 2028 and a further 14 reactors by 2035 (as confirmed during 2019). With regular auctions confirmed under the 10-year energy strategy plan, subsidised wind and solar remain central pillars to France's renewables agenda.

Germany

The deployment of renewables continues under the implementation of the long-term 'Energiewende' transition to a low carbon energy sector, with a target 80-95% reduction in carbon emissions. Offshore wind represents a crucial aspect of Germany's transition and in October 2019 the government increased the offshore wind capacity target to 20GW. However, 2019 saw very little onshore wind deployment with resulting stresses being put on the sector's supply chain and notably Senvion, a turbine manufacturing company, going into administration before the Operations and Maintenance part of the business was acquired by Siemens Gamesa.

Low gas prices and high renewable energy output also helped reduce coal, including lignite, generation, and it was announced that Germany's coal capacity will reduce from over 40GW in 2017 to 17GW by 2030, and be completely phased out by 2038, confirming long-awaited proposals. Long term political support for renewables deployment remains.

Sweden

A continuing favourable political background combined with the land available for large-scale installations and strong wind resource makes Sweden a European leader for unsubsidised (or near-unsubsidised) onshore wind development. Integration of high levels of renewable generation into the Swedish grid is aided by a significant hydro resource, helping to balance the system by storing energy (rather than generating) when renewable resource is high.

Spain

Spain is seeing the deployment of subsidy free solar PV. Due to a combination of declining capital costs, favourable land conditions enabling large scale installations and strong solar irradiation, solar projects in Spain are now viable without recourse to any state subsidy. This has resulted in over 3GW being installed in 2019, and with a further 12GW in various stages of development, Spain is currently the leading European market for solar deployment.

Spain has ambitious decarbonisation targets (74% renewable electricity consumption by 2030), supported by the governing coalition parties, and benefits from a significantly improved financial outlook following the strong performance of its economy over the past five years. With projects now no longer reliant on government subsidies, and viable purely based upon market fundamentals, the risk of regulatory change is significantly mitigated.

Market and Policy Outlook

Across TRIG's core markets, civil activism has brought climate change to the forefront of public attention this year keeping climate change firmly on the political agenda. A thriving renewables industry looks to be essential in order for the UK and Europe to achieve its climate related targets, with energy supply (power, heat and transport) currently still representing over c.30% of greenhouse gas emissions in Europe.

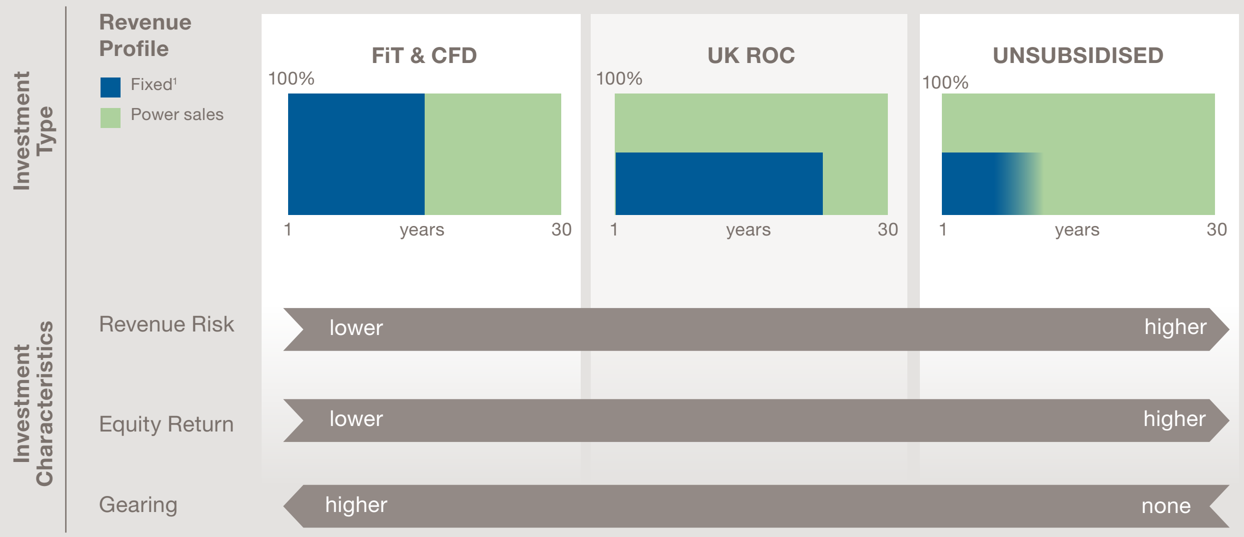
Decarbonisation makes it difficult to predict what power markets may look like over the longer term. However, because of the significant investment needed to increase new sources of renewable generation and then to replace renewables generation that have reached the end of their lives ("repowering"), there is a favourable context for continuing political and regulatory support for renewables.

Portfolio Construction

TRIG invests across Europe in geographies that have a stable regulatory framework in wind, solar and related technologies such as battery storage. Diversification of geography and technology gives the portfolio exposure to different weather systems, regulations and electricity markets while avoiding reliance on any single market. This strategy of portfolio growth and diversification supports the long-term investment proposition of delivering stable and sustainable dividends together with NAV resilience.

Combining assets across the available range of revenue options (from fully subsidised to completely unsubsidised) allows returns to be maintained at attractive levels whilst keeping power price exposure consistent. This is shown as a simplified illustration on the following page.

Range of revenue options within a balanced portfolio



▲ **FiT & CFD** contracts (France, Ireland, Germany and UK) typically have subsidy revenues of 15 years then market revenues for the balance of a project's life

- Least revenue risk (early on), scope for highest gearing, lower equity return

▲ **ROC** projects (UK) have a mix of subsidy and market revenues for the first 20 years of a project's life

- Medium revenue risk, moderately geared, average returns

▲ Unsubsidised projects without subsidies (may have hedging or PPAs which mitigate power price exposure). Equity returns correlate with revenue risk, with safer capital structure

- Highest revenue risk (long term), least/no gearing, higher equity returns

For each of our core and prospective markets, the table on the following page provides a brief and simplified summary of the current subsidy mechanisms in place. By combining revenues from largely unsubsidised markets such as our onshore wind assets in Sweden with subsidised assets such as our German offshore wind farm investments which benefit from long dated feed-in-tariffs, we are able to maintain returns and power price sensitivity at consistent levels.

1. Fixed includes subsidies, hedges or fixed price PPAs

2.4
Market Development (continued)

With the levels of growth targeted by European governments and ambitious emissions reduction targets, we expect our approach to portfolio construction to remain appropriate for years to come with attractive opportunities to continue to diversify the fund.

Country	Technology	Current Subsidy mechanism	Gap to Capacity targets/ Planned auction capacity	Targets
United Kingdom	Onshore Wind	None	No explicit target	Net-zero carbon emissions by 2050
	Offshore Wind	Contract for Difference fixed for 15 years and inflation indexed.	32GW (to 2030)	
	Solar	None	No explicit target	
Sweden	Onshore Wind	El-certificates are issued for renewable energy which can be sold by suppliers. Price is market based and currently not significant compared to the power price[1]	No explicit target	100% renewable electricity by 2040
	Offshore Wind	None	No explicit target	
	Solar	None	No explicit target	
Germany	Onshore Wind	FiT fixed for 20 years.	15.9GW (to 2030)	80% renewable electricity consumption by 2050
	Offshore Wind	20 years, with a FiT fixed for part followed by a floor for the remaining period.	9.2GW (to 2030)	
	Solar	FiT for 20 years.	3GW (to 2021)	
France	Onshore Wind	FiT for up to 20 years, inflation indexed	8.6GW (to 2023)	32% renewable energy consumption by 2050
	Offshore Wind	FiT	5.2 GW (to 2028)	
	Solar	FiT for up to 20 years, inflation indexed	10GW (to 2024)	

[1]Very low levels of receipt are assumed in the valuation case.

2.5 Sustainability

ESG Objective: to Mitigate Climate Change

Importance

Global warming is causing major changes to our environment. Climate change looks to be increasing the frequency and intensity of extreme weather events such as heat waves, droughts, floods and tropical cyclones, damaging critical infrastructure and interrupting the provision of basic services such as food, water, sanitation, education, energy and transport.

The main cause of global warming is the burning of fossil fuels, releasing greenhouse gasses which absorb heat. Global energy requirements need to be supported by low carbon generation, such as renewable energy.

Our business is focussed on owning and operating renewable energy assets. TRIG's primary sustainability goal is to mitigate climate change, and all of the investments in the portfolio contribute towards this.

TRIG's Investment Policy only permits investment in renewables and other forms of infrastructure that is complementary to, or supports the roll-out of, renewable energy generation. TRIG's Investment Policy can be found in Section 2.3.

By investing in renewables, TRIG is supporting the roll-out of greater levels of clean energy by enabling developers to recycle their capital into more projects.

2019 Performance

CO_2

800,000
tonnes of Carbon Emissions Avoided[1]
(2018: 550,000 tonnes)

720,000
homes powered by clean energy[2]
(2018: 650,000 homes)

generation of
3,036 GWh
of electricity from renewables
(2018: 2,011 GWh)

52%
of portfolio sourcing electricity under Renewable Energy Tariffs[3]

1 In accordance with the IFI Approach to GHG Accounting for Renewables Energy. Portfolio at year end on a committed basis is capable of mitigating 1.1m tonnes of carbon emissions.
2 The number of homes that the portfolio could have powered the equivalent of over 2019. Based on average regional household electricity consumption figures.
3 This relates to electricity used on site.

2.5
Sustainability (continued)

Mapping TRIG's Contribution to the United Nations Sustainability Goals

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

TRIG supports the roll out of renewable energy enhancing the supply of clean energy. While TRIG constructs some assets, it generally acquires operational assets enabling developers to recycle capital into the build out of more renewables.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

TRIG is responsible for developing quality, reliable, sustainable and resilient infrastructure which makes renewable energy more available for all and supports increased renewables penetration. Where possible, TRIG seeks to upgrade its assets to improve their efficiency and longevity, and the best, often innovative, O&M techniques to enhance asset productivity.

13 CLIMATE ACTION

TRIG invests in renewable energy assets which provide clean power and displace carbon emissions which would have otherwise been generated from carbon intense sources such as fossil fuels. TRIG also seeks to maintain our natural environment and promote environmental management procedures which support climate change mitigation efforts.

ESG Objective: to Preserve the Natural Environment

Importance

Maintaining our natural environment positively impacts our ecosystems which in turn supports climate change mitigation and adaptation efforts.

Our natural environment supports global life. Our ecosystems provide raw materials for construction and energy, food, the capture of carbon, maintenance of soil quality, provision of habitat for biodiversity, maintenance of water quality, as well as regulation of water flow and erosion control, therefore contributing to reduce the risks of natural disasters such as floods and landslides, regulating climate and maintaining the productivity of agricultural systems.

RES as Operations Manager works with asset managers to help preserve the natural environment by executing environmental management plans agreed with the authorities during the project consenting process, undertaking vegetation surveys, preventing biodiversity loss, recycling where possible and careful usage of materials. Further opportunities with landowners and other stakeholders are also sought. These activities are carried out in accordance with site specific Construction Method Statements and Habitat Management plans where applicable.

Examples of portfolio level initiatives implemented that support this goal include:

- Farming crops and livestock between rows of solar panels;
- Habitat management measures to protect species that are found at or near TRIG's sites;
- Monitoring of wildlife and species at or near TRIG sites;
- Planting trees and shrubs not only to replace any removed for asset construction and/or maintenance, but also to supplement those already there; and
- Thoughtful construction techniques to reduce lorry movements and/or materials usage.

2019 Performance

12

Active Environmental Management Projects[1]

1 Number of operational TRIG sites engaged in pro-active habitat management plans that exceed standard environmental maintenance.

2.5
Sustainability (continued)

Case Study
Solwaybank

20,000 m³
of materials was sourced on site

4,000 m³
of concrete waste avoided

90,000
trees planted

Construction at Solwaybank, an onshore wind construction asset, displays careful consideration of the environment and material use, with local stone utilised for the site. A total of 20,000m³ of materials was sourced on site using the local borrow-pits. This reduced onsite traffic and pollution, resulting in the equivalent of approximately 4,000 vehicle movements being taken off the road.

During construction it was necessary to convert the turbine bases to accept an new turbine type following the original supplier entering into administration. An innovative solution devised by engineers at RES resulted in the avoidance of 4,000m³ of concrete waste, as well as 800 vehicle movements being removed from the project.

Furthermore, compensatory planting has meant that more than 90,000 trees of varying variety including 14,000 native non-commercial broadleaf trees. This project will help increase biodiversity and provide an attractive scenic location for people and local wildlife.

Mapping TRIG's Contribution to the United Nations Sustainability Goals

SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In its day-to-day asset management and operations maintenance, TRIG uses materials in a sustainable and efficient way where possible.

15 LIFE ON LAND

When managing TRIG's assets, consideration is given how to limit waste through prevention, reduction, recycling and reuse. Many of TRIG's assets have implemented measures to reduce the degradation of natural habitats and to protect local flora and fauna, including endangered species.

ESG Objective: to Impact Positively the Communities in which TRIG works

Importance

Large renewables assets require local community support to obtain planning contents and to operate over the longer term. We are sensitive to the impact that a large renewables asset has on a local community. It is important that not only do our assets make a positive contribution overall, but they also make a positive contribution to the local communities that host them.

Frequently, TRIG's assets are in rural areas where communities may have unemployment, fewer social facilities and limited access to health facilities. Local initiatives can produce tangible local benefits.

Positive impact arises from job creation; boosting the local economy; development of the local infrastructure and environment; and providing direct community investment. Examples include:

- Using local employment and sourcing materials locally where possible;
- The Local Electricity Discount Scheme (LEDS), whereby properties closest to the wind farms are eligible for a discount on their electricity bills;
- Educating the next generation about sustainability and renewable energy through school education days on TRIG sites; and
- Supporting local good causes, often via community funds, through, for example, donating to help fund social hubs, local healthcare, schools and entertainment.

TRIG's Operations Manager RES and its asset managers proactively engage with the community, meeting with the public on a regular basis and has protocols in place to govern community benefit arrangements which are administered by local organisations who are best placed to understand local priorities.

2019 Performance

£950,000
Community Investment

1,125
properties supported by Local Electricity Discount Schemes

32
Community Funds

2.5
Sustainability (continued)

Case Study
Educational site visits

> "Thank you TRIG for an outstanding visit. The children were thrilled to see the turbines up close and learnt so much about renewable energy and climate change."

Educational site visits continued in 2019, with visits at windfarms across Scotland. Rothes 1 and 2 were visited by Gordonstoun School, with the students attending as part of their GCSE Geography course. Rashielea Primary School also visited Green Hill Wind Farm in late June of 2019. The group consisting of 28 pupils engaged in educational activities, with a presentation about renewable energy in a meeting room on site followed by a quiz and turbine talk.

Lucinda Whiteford, Teacher from Rashielea Primary School said; "Thank you TRIG for an outstanding visit. The children were thrilled to see the turbines up close and learnt so much about renewable energy and climate change."

Top: Children from Rashielea Primary School visiting Green Hill Wind Farm. Above: Rothes 1 and 2 Gordonstoun School Visit

Mapping TRIG's Contribution to the United Nations Sustainability Goals

SUSTAINABLE DEVELOPMENT GOALS

11 SUSTAINABLE CITIES AND COMMUNITIES

TRIG implements measures to improve the quality of life for the local communities in which it operates, for example through hiring local contractors to improve local employment or donating to community funds. Such measures enable communities to be inclusive, safe and sustainable.

4 QUALITY EDUCATION

TRIG is able to help local schools add colour to their curriculum relating to climate change, energy and renewables and also to inspire young people about potential careers in an evolving industry. This is especially important because many of TRIG's assets are located in rural areas where employment options are limited.

ESG Objective: to Maintain Ethics and Integrity in Governance

Importance

To continue to operate over the longer-term, it is necessary that organisations are run responsibly. TRIG strives to maintain the highest standards of ethics and integrity in governance.

Ensuring the health, safety and wellbeing of anyone that comes into contact with TRIG assets is especially important with exposure to health and safety risks including those related to construction, working at height, high electrical currents or working with heavy materials.

Health and Safety

TRIG's Operations Manager seeks to achieve market-leading performance in health and safety across all of its sites, including those it manages for TRIG. Each quarter RES report on health and safety to TRIG's Board including details of Lost Time Accidents, Non-Lost Time Accidents/ Incidents, Near Misses / Good Catches/ Safety Observations and Accident Frequency Rates as well as providing an update on proactive measures taken across the portfolio to minimise risk and continually improve safety performance.

The Investment Process

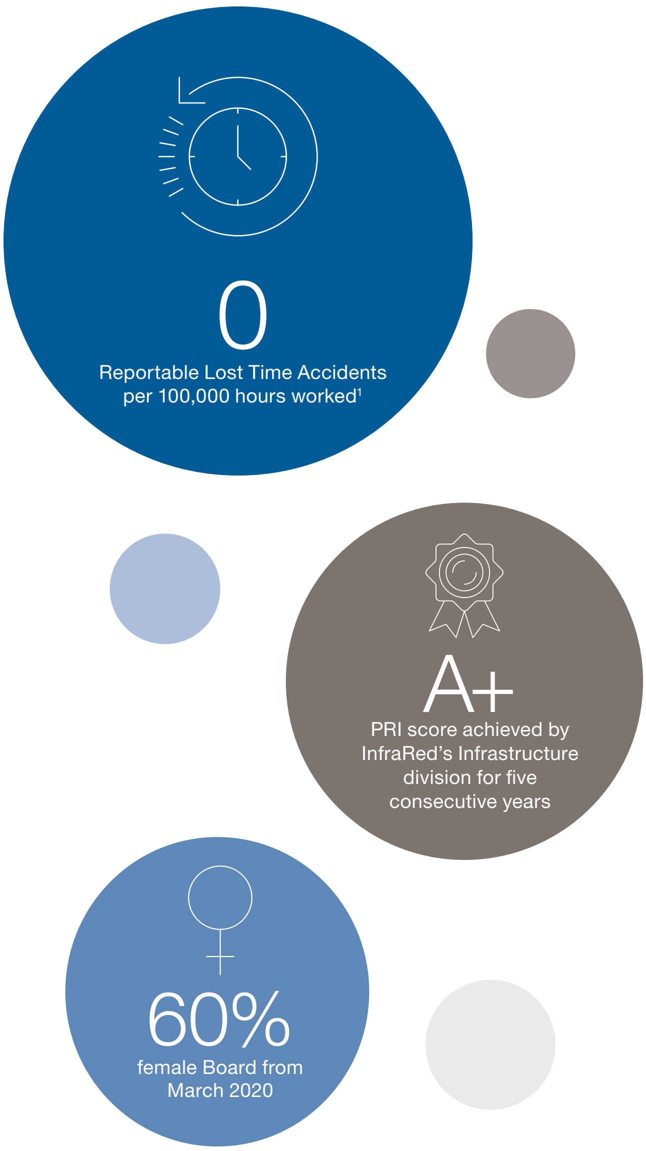
TRIG's Investment Manager, InfraRed, has systems and processes which are reviewed and refreshed periodically. InfraRed incorporates sustainability into each stage of the investment process; from the initial screening, the investment decision, and together with RES, throughout the ownership period of an asset.

Managing Conflicts of Interest

Conflicts of interest can arise when multiple parties perform several activities on a project. Whilst this can achieve efficiencies in managing the performance of a project, TRIG and its Managers ensure proper oversight via:

- Project company Directors with appropriate skills and experience are appointed from both RES and IRCP to represent TRIG as appropriate;
- Project company board meetings at least every quarter;
- Clear approvals processes for project company expenditure to avoid conflicts; and
- Use of Owner's Engineer on construction projects where turbine supplier and construction manager are the same.

2019 Performance



1 The LTAFR is calculated on the basis of the number of accidents which have occurred in the period divided by the number of hours worked multiplied by 100,000 to give a rate for every 100,000 hour worked. Whilst all accidents are recorded by RES, only accidents that have resulted in the incapacitation of a worker for more than seven days are included in this calculation in line with reportable accidents as defined UK HSE RIDDOR regulation.

2.5 Sustainability (continued)

Governance Policies
TRIG has a Sustainability Policy and an Investment Policy in place. InfraRed and RES have strict policies in place covering ESG/ Responsible investment, equal opportunities and diversity, anti-bribery and corruption policies, whistleblowing and anti-Modern Slavery. RES periodically reviews risks in relation to modern slavery and has focused on major suppliers with a global manufacturing footprint, such as suppliers of wind turbines and electrical equipment to our projects.

Policies are also in place for all UK and Irish project companies covering Health & Safety, ESG, Tax and cyber-security, with extension to other regions planned for 2020.

The Investment Manager also undertakes the responsibility of reviewing an anti-bribery risk assessment annually as per the UK Bribery Act and anti-bribery measures at the investment process level, whilst the Operations Manager is responsible for monitoring the implementation and on-going compliance at operations level.

The TRIG Board has chosen to adopt a definitive policy with quantitative targets for Board diversity. The Managers report to the Board on their progress on inclusion and diversity in the promotion and inclusion of their workforce, across genders, backgrounds and ethnicities.

Employee Wellbeing, Culture and Workforce Engagement
While TRIG has no employees beyond its non-executive Board, both RES and InfraRed believe in creating a sustainable workplace where employees are fulfilled and where their ongoing personal and professional development is prioritised. Both businesses strive to engage with their employees to achieve a corporate culture where employee wellbeing and happiness is maximised which in turn improves productivity and output over the long term. For example, RES recently introduced monthly mental health walks and a confidential helpline staffed by trained professionals and InfraRed has an active social committee and wellbeing committee to encourage staff to relax and prioritise their health.

Charity and Volunteering
Staff at both companies are encouraged to take a genuine, hands-on role helping to support charities and to carry out volunteering work. For example, InfraRed maintains relationships with two schools providing students with opportunities for learning and personal development and RES offers all staff four days paid leave a year to participate in charity work and matches up to £500 a year per person for staff fundraising activities.

Case Study
Neilston

TRIG's Site Manager for Neilston facilitated multiple visits for emergency services over 2019 to continue the strong emphasis on safety across the group. These have included visits to Neilston from the Barrhead Fire crews, and a joint visit to Freasdail for fire service and coastguard. We encourage active safety engagements such as these between TRIG's Operations Manager and local services.

Mapping TRIG's contribution to the United Nations Sustainability Goals

SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY

TRIG's Board have chosen to adopt definitive policies with quantitative targets for Board diversity. The Managers report to the Board their progress on inclusion and diversity in the workplace.

3 GOOD HEALTH AND WELL-BEING

Health and Safety matters are reported to the Board on a quarterly basis. Asset managers and operations and maintenance contractors are required to have appropriate health and safety procedures in place and these are monitored on a regular basis.

2.6 Portfolio

The TRIG portfolio as at 31 December 2019 plus Blary Hill wind farm (acquisition announced on 21 January 2020), includes 74 investments in the UK, Republic of Ireland, France, Sweden and Germany comprising 45 wind projects, 28 solar PV projects and one battery storage project.

Project	Market (Region)[1]	TRIG's Equity Interest	Net Capacity (MW)[2]	Year Commissioned[3]	Equipment[4]
Onshore wind Farms					
Roos	GB (England)	100%	17.1	2013	Vestas (1.9)
Grange	GB (England)	100%	14.0	2013	Vestas (2.0)
Tallentire	GB (England)	100%	12.0	2013	Vestas (2.0)
Garreg Lwyd	GB (Wales)	100%	34.0	2017	Vestas (2.0)
Crystal Rig 2	GB (Scotland)	49%	67.6	2010	Siemens (2.3)
Hill of Towie	GB (Scotland)	100%	48.3	2012	Siemens (2.3)
Mid Hill	GB (Scotland)	49%	37.2	2014	Siemens (2.3)
Blary Hill[5,6]	GB (Scotland)	100%	35.0	2022	Nordex (2.5)
Paul's Hill	GB (Scotland)	49%	31.6	2006	Siemens (2.3)
Crystal Rig	GB (Scotland)	49%	30.6	2003	Nordex (2.5)
Solwaybank[6]	GB (Scotland)	100%	30.0	2020	Vestas (2.0)
Green Hill	GB (Scotland)	100%	28.0	2012	Vestas (2.0)
Little Raith	GB (Scotland)	100%	25.0	2012	GE (2.75)
Rothes 1	GB (Scotland)	49%	24.8	2005	Siemens (2.3)
Freasdail	GB (Scotland)	100%	22.6	2017	Senvion (2.1)
Rothes 2	GB (Scotland)	49%	20.3	2013	Siemens (2.3)
Earlseat	GB (Scotland)	100%	16.0	2014	Vestas (2.0)
Meikle Carewe	GB (Scotland)	100%	10.2	2013	Gamesa (0.9)
Neilston	GB (Scotland)	100%	10.0	2017	Nordex (2.5)
Forss	GB (Scotland)	100%	7.5	2003	Siemens (1.0-1.3)
Altahullion	SEM (N. Ireland)	100%	37.7	2003	Siemens (1.3)
Lendrum's Bridge	SEM (N. Ireland)	100%	13.2	2000	Vestas (0.7)
Lough Hill	SEM (N. Ireland)	100%	7.8	2007	Siemens (1.3)
Pallas	SEM (Rep. of Ireland)	100%	55.0	2008	Enercon (2.1-2.3)
Taurbeg	SEM (Rep. of Ireland)	100%	25.3	2006	Siemens (2.3)
Milane Hill	SEM (Rep. of Ireland)	100%	5.9	2000	Vestas (0.7)
Beennageeha	SEM (Rep. of Ireland)	100%	4.0	2000	Vestas (0.7)
Venelle[6]	France (North)	100%	40.0	2020	Envision (2.5)
Epine	France (North)	100%	36.0	2019	Nordex (3.0)
Haut Languedoc	France (South)	100%	29.9	2006	Siemens (1.3)
Haut Cabardes	France (South)	100%	20.8	2006	Siemens (1.3)
Rosières	France (North)	100%	17.6	2018	Vestas (2.2)
Montigny	France (North)	100%	14.2	2018	Vestas (2.0-2.2)
Cuxac Cabardes	France (South)	100%	12.0	2006	Vestas (2.0)
Energie du Porcien[7]	France (North)	27.7%	10.8	2012	Senvion (2.1)
Roussas–Claves[7]	France (South)	100%	10.5	2006	Vestas (1.8)
Fontaine-Mâcon[7]	France (North)	34.6%	4.3	2011	Senvion (2.1)
Les Vignes[7]	France (North)	34.6%	4.3	2009	Nordex (2.5)
Rully[7]	France (North)	34.6%	4.2	2010	Vestas (2.0)
Val de Gronde[1]	France (North)	30.8%	3.7	2011	Vestas (2.0)
Jädraås	Sweden	100%	212.9	2013	Vestas (3.2)
Ersträsk[5]	Sweden	75%	171.8	2019/2020	Enercon (2.3-4.0)
Total onshore wind at 31 December 2019			**1,263.7**		

2.6
Portfolio (continued)

Project	Market (Region)[1]	TRIG's Equity Interest	Net Capacity (MW)[2]	Year Commissioned[3]	Equipment[4]
Offshore wind Farms					
Merkur[5]	Germany	25%	95.0	2019	GE Haliade (6.0)
Gode Wind 1	Germany	25%	82.5	2017	Siemens (6.0)
Sheringham Shoal	GB (England)	14.7%	46.6	2012	Siemens (3.6)
Total offshore wind at 31 December 2019			**224.1**		
Solar Photovoltaic Parks					
Parley Court	GB (England)	100%	24.2	2014	ReneSola
Egmere Airfield	GB (England)	100%	21.2	2014	ReneSola
Stour Fields	GB (England)	100%	18.7	2014	Hanwha SolarOne
Tamar Heights	GB (England)	100%	11.8	2014	Hanwha SolarOne
Penare Farm	GB (England)	100%	11.1	2014	ReneSola
Four Burrows	GB (England)	100%	7.2	2015	ReneSola
Parsonage	GB (England)	100%	7.0	2013	Canadian Solar
Churchtown	GB (England)	100%	5.0	2011	Canadian Solar
East Langford	GB (England)	100%	5.0	2011	Canadian Solar
Manor Farm	GB (England)	100%	5.0	2011	Canadian Solar
Marvel Farms	GB (England)	100%	5.0	2011	LDK/Q.Cells
Midi	France (South)	51%	6.1	2012	Sunpower
Plateau	France (South)	49%	5.8	2012	Sunpower
Puits Castan	France (South)	100%	5.0	2011	Fonroche
Chateau	France (South)	49%	1.9	2012	Sharp
Broussan	France (South)	49%	1.0	2012	Sharp
Pascialone	France (Corsica)	49%	2.2	2011	CSUN
Olmo 2	France (Corsica)	49%	2.0	2011	CSUN
Santa Lucia	France (Corsica)	49%	1.7	2011	CSUN
Borgo	France (Corsica)	49%	0.9	2011	Suntech
Agrinergie 1 & 3	France (Réunion)	49%	1.4	2011	Suntech/CSUN
Chemin Canal	France (Réunion)	49%	1.3	2011	CSUN
Ligne des 400	France (Réunion)	49%	1.3	2011	Canadian Solar
Agrisol	France (Réunion)	49%	0.8	2011	Sunpower
Agrinergie 5	France (Réunion)	49%	0.7	2011	Sunpower
Logistisud	France (Réunion)	49%	0.6	2010	Sunpower
Sainte Marguerite	France (Guadeloupe)	49%	1.2	2011	Sunpower
Marie Galante	France (Guadeloupe)	49%	1.0	2010	GE
Total Solar 31 December 2019			**156.1**		
Battery Storage					
Broxburn	GB (Scotland)	100%	20.0	2018	Samsung (SMA)
Total Portfolio at 31 December 2019[5]			**1,664 MW**		
Operating assets			**1,338 MW**		
Construction assets[6]			**105 MW**		
Contracted to acquire[5]			**256 MW**		
Total Portfolio as at 31 December 2019[5]			**1,664 MW**		

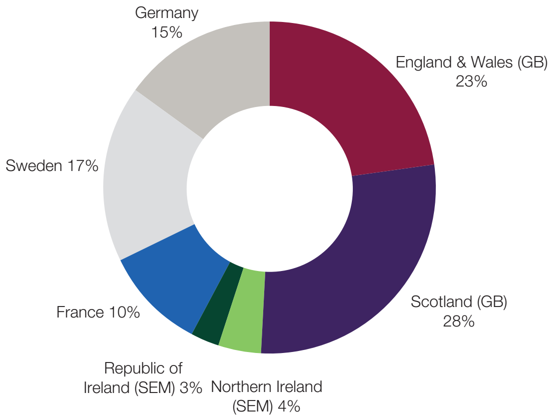
1 SEM refers to the Irish Single Electricity Market.
2 This is TRIG's equity share of the nominal capacity of the wind farm.
3 Where a project has been commissioned in stages, this refers to the earliest commissioning date.
4 MW per turbine shown for wind assets in brackets.
5 Including investment commitments. TRIG has contracted to acquire Phase 2 (126 MW) of the Ersträsk wind farm in Sweden once operational, expected in H2 2020.TRIG is also contracted to acquire Merkur offshore wind farm and Blary Hill wind farm when certain conditions precedent are met during H1 2020.
6 Solwaybank, Venelle and Blary Hill are under construction.
7 These wind farms are part of the Fujin portfolio investment.

Portfolio Diversification

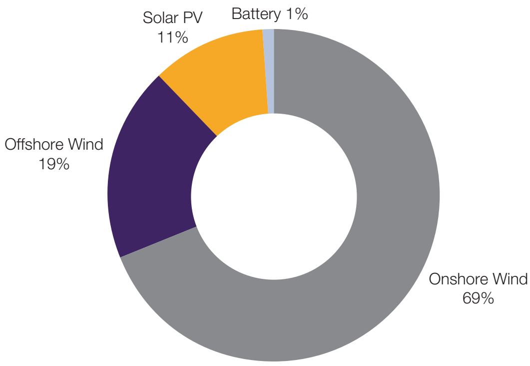
The TRIG portfolio benefits from being diversified across jurisdictions, power markets and generating technologies providing multiple revenue sources (contracted and/or subsidy sources and merchant sales into wholesale markets) as well as a variety of geographic areas with differing meteorological conditions (affecting wind speeds and solar irradiation applicable to each of TRIG's projects) and regulations. This is illustrated in the segmentation analysis below, which is presented by project value as at 31 December 2019.

The graphs below include all assets on a fully invested basis, including Merkur, Ersträsk Phase 2, Solwaybank and also Blary Hill which was announced post year-end.

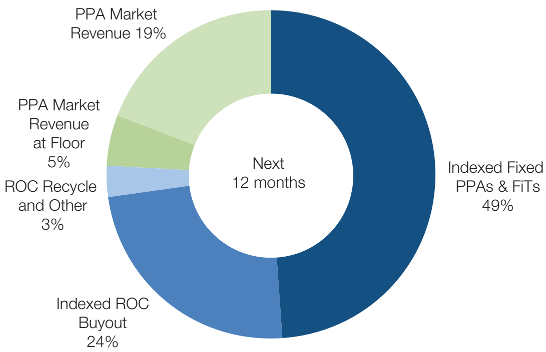
By Country/Power Market[1,2]



By Technology[1]



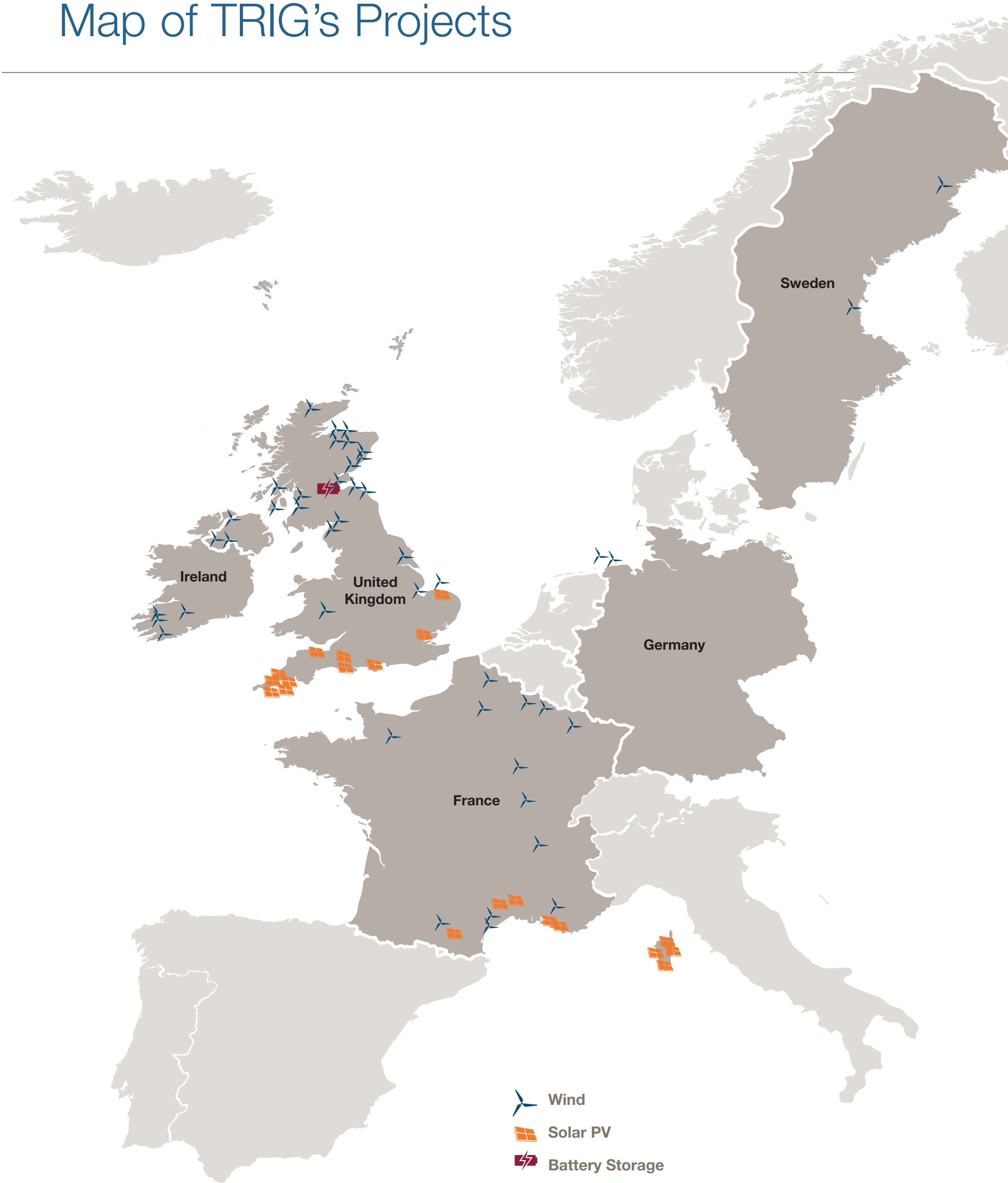
By Project Revenue Type



1 The diagrams above are on a fully committed basis and include assets under construction. Other investment commitments include commitments on Ersträsk, Merkur, Blary Hill and construction costs on Solwaybank.
2 Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.

2.6
Portfolio (continued)

Map of TRIG's Projects



United Kingdom

Wind

Altahullion
Blary
Crystal Rig I & II
Earlseat
Forss
Freasdail
Garreg Lwyd
Grange
Green Hill
Hill of Towie
Lendrums Bridge
Little Raith
Lough Hill
Meikle Carewe
Mid Hill
Neilston
Paul's Hill
Roos
Rothes I & II
Sheringham Shoal
Solwaybank
Tallentire

Solar

Churchtown
East Langford
Egmere Airfield
Four Burrows
Manor Farm
Marvel Farms
Parley Court
Parsonage
Penare Farm
Stour Fields
Tamar Heights

Battery Storage

Broxburn

Republic of Ireland

Wind

Beennageeha
Pallas
Milane Hill
Taurbeg

Sweden

Wind

Ersträsk
Jädraås

France

Wind

Cuxac Cabardes
Haut Cabardes
Haut Languedoc
Montigny
Rosières
Roussas-Claves
Venelle
Epine
Energie du Porcien
Fontaine-Mâcon
Les Vignes
Rully
Val de Gronde

Solar

Borgo
Broussan
Château
Midi
Olmo 2
Pascialone
Plateau
Puits Castan
Santa Lucia

French Overseas Departments

Guadeloupe

Solar

Marie Galante
Sainte Marguerite

La Réunion

Solar

Agrinergie 1 & 3
Agrinergie 5
Agrisol
Chemin Canal
Ligne des 400
Logistisud

Germany

Wind

Gode Wind 1
Merkur

2.6
Portfolio (continued)

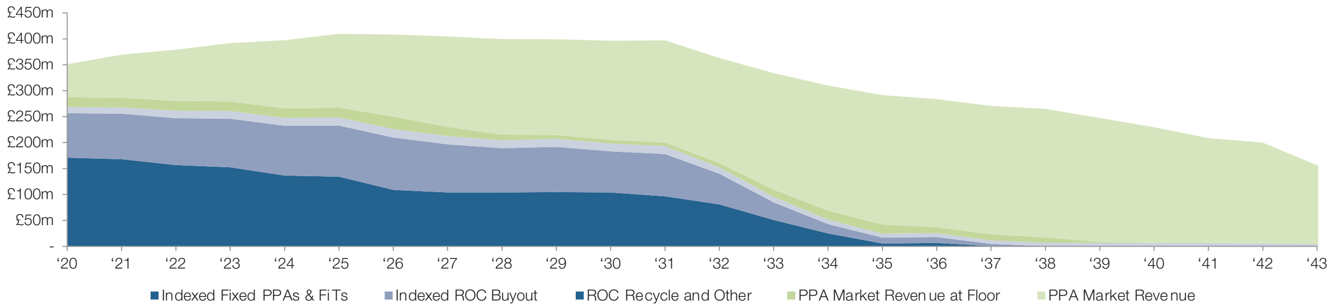
Revenue Profile

TRIG has the benefit of being diversified across several separate power markets: Great Britain, the Single Electricity Market (of The Republic of Ireland and Northern Ireland), France and Germany (which sits within the main continental European power market) and Sweden (which sits in the Nordic electricity market).

The TRIG portfolio has substantial near-term protection in cash revenues from movements in wholesale power prices as the portfolio receives a high proportion of its revenue from selling electricity generated via Power Purchase Agreements ("PPAs") with fixed prices and from government subsidies such as Feed-in-Tariffs ("FiTs"), Contract for Differences ("CfDs"), Renewable Obligation Certificates ("ROCs") or other hedges.

In the longer term, TRIG, based on its current portfolio, is expected to have greater exposure to future wholesale electricity prices as subsidies and contracts with pre-determined pricing run-off. As existing fixed-price contracts expire, the replacement contracts may also have fixed-price elements, decreasing the merchant proportion shown below.

Illustration of the Split of Project Revenues by Contract Type for the Portfolio (nominal)[1]



Acquisitions and Outstanding Commitments

In 2019 the Group entered into commitments to acquire seven investments, totalling £612m. The Group made investments in the year of £508m (including Ersträsk Phase 1) and has commitments at the date of this report of £350m relating to the Solwaybank and Blary Hill wind farms (in construction), Phase 2 of the Ersträsk wind farm (also in construction although the Group's investment commitment is only payable as phases are successfully completed) and the operational Merkur offshore wind farm. These further payments are mainly due over 2020 and early 2021.

Acquisitions Made During the Year

Date Acquired	Project	Equity Share	Net Capacity (MW)	Revenue Type	Location
Feb-19	Jädraås	100%	212.9	Market rate, hedged to 2023	Sweden
Mar-19	Venelle	100%	40.0	CfD	France
Jun-19	Gode Wind 1 (offshore wind farm)	25%	82.5	FiT	Germany
Jun-19	Fujin portfolio	34.6%	27.3	FiT	France
Jun-19	Epine	100%	36.0	FiT	France
Oct-19	Little Raith	100%	25.0	ROC	UK
Dec-19	Merkur (offshore wind farm)	25%	95.0	CFD	Germany

Outstanding Commitments

	H1 2020	H2 2020	H1 2021	Later	Total
Outstanding Commitments (£m)	174.2	141.2	19.4	15.6	350.4

1 This chart includes revenues from the 31 December 2019 portfolio including Merkur and Blary Hill. This chart assumes assets in construction (Solwaybank, Venelle and Blary Hill) will commence generation in accordance with their build programmes.

The Company currently has c.£100m of surplus cash balances following the October 2019 equity fund raise. Following the completion of the investment in Merkur and deployment of other H1 2020 commitments, the Company expects to be approximately £70 million drawn on its revolving credit facility.

Outstanding Investment Commitments are in relation to the following investments:

Name	Country	Type	Acquired	Net MW	Status	Completion Date	Outstanding Commitment*	Value (fully committed)*
Solwaybank	UK	Onshore Wind	Jun-18	30.0	Construction	Q4 2020	2%	4%
Ersträsk	Sweden	Onshore Wind	Dec-18	171.8	Operational**	Q4 2020	6%	8%
Merkur	Germany	Offshore Wind	Dec-19	149.7	Operational	n/a	7%	7%
Blary Hill	UK	Onshore Wind	Jan-20	35.0	Construction	Q1 2022	2%	2%

*Expressed as a percentage of fully committed valuation of £2,095.6m
**Phase 1 of the project is operational. Phase 2 of the project is expected to commence operations in Q4 2020

Solwaybank and Blary Hill wind farms are projects in construction with investment commitments outstanding, and construction completion expected over 2020 and 2021.

Ersträsk Phase 1 was completed and became operational in H1 2019. Phase 2 of the project is under construction and completion is now expected in Q4 2020 (delayed by approximately 9 months due to supply chain issues). The payment mechanism in place, whereby payment is made as turbines become operational, provides the Company with protection on both construction risk and delay.

Contracts have been exchanged for the investment by TRIG and other co-investors in Merkur offshore wind farm, which is operational. The investment is expected to complete shortly following the satisfaction of certain conditions including competition clearance.

Projects Under Construction

By acquiring assets at an earlier stage in their development, TRIG has been able to access improved returns and enhanced deal flow. Moreover, TRIG has been able to seek value by capitalising on its Managers' expertise in the construction process: InfraRed as greenfield investor across its unlisted vehicles over many years and RES as a developer and/or constructor of over 16GW of renewable assets globally.

During 2019 TRIG acquired and commenced construction on the Venelle project, scheduled to complete in H1 2020. Post period end, TRIG has exchanged contracts to acquire a 100% interest in the Blary Hill project, a UK onshore wind farm. Subject to certain conditions being met, completion of the Blary Hill acquisition is expected during H1 2020, with commencement of commercial operations in Q1 2022.

The intended turbine supplier at Solwaybank, Senvion, entered administration during the year. The decision was taken to change turbine supplier and a new agreement has been entered into with Vestas. Following the transition to Vestas, construction is progressing in line with expectations and the revised target completion date is now Q4 2020, which remains within the time limits for securing the project's subsidy.

At the balance sheet date, 8% of TRIG's portfolio by value, on a fully committed basis, was allocated to investments in construction assets, against an investment policy limit of 15%. While Ersträsk Phase 2 is still under construction, TRIG is not exposed to its construction risk and payment will only be made it its vendor once Phase 2 becomes operational.

TRIG's Construction Exposure:

Name	Country	Type	Acquired	Net MW	Status	Completion Date
Solwaybank	UK	Onshore Wind	Jun-18	30.0	Construction	Q4 2020
Venelle	France	Onshore Wind	Mar-19	40.0	Construction	Q1 2020
Blary Hill	UK	Onshore Wind	Jan-20	35.0	Construction	Q1 2022

2.6 Portfolio (continued)

Ten Largest Investments

Set out below are the ten largest investments in the portfolio. As at 31 December 2019, the largest investment (Jädraås) accounted for approximately 11% of the portfolio by value. In total, the 10 largest projects accounted for approximately 52% of the project portfolio by value (2018: 51%).

			Ten Largest Investments – Invested to date basis	
			% of portfolio by value at	
Project	Location	Type	31 December 2019	31 December 2018
Jädraås	Sweden	Onshore Wind	11%	–
Gode	Germany	Offshore Wind	9%	–
Garreg Lwyd	Wales	Onshore wind	7%	9%
Sheringham Shoal	England	Offshore Wind	5%	7%
Crystal Rig II	Scotland	Onshore wind	4%	8%
Pallas	Ireland	Onshore wind	4%	5%
Solwaybank	Scotland	Onshore wind	3%	4%
Mid Hill	Scotland	Onshore wind	3%	5%
Altahullion	N. Ireland	Onshore wind	3%	3%
Little Raith	Scotland	Onshore wind	3%	–
December 2019 largest ten investments			**52%**	**41%**
Hill of Towie	Scotland	Onshore wind		4%
Green Hill	Scotland	Onshore wind		3%
Rothes II	Scotland	Onshore wind		3%
December 2018 largest ten investments				**51%**

At 31 December 2019 the Group had three projects with investment commitments outstanding, being the Solwaybank wind farm in Scotland, the Ersträsk wind farm in Sweden and the Merkur offshore wind farm in Germany. In addition, on 21 January 2020 a fourth commitment for Blary Hill in Scotland was made.

When considering these projects on a fully invested basis, the valuation at 31 December 2019, the ten largest investments would be as follows:

			Ten Largest Investments – Committed Investment basis
Project	Location	Type	% of project portfolio by value at 31 December 2019 [2]
Jädraås	Sweden	Onshore wind	9%
Ersträsk	Sweden	Onshore wind	8%
Gode	Germany	Offshore wind	8%
Merkur	Germany	Offshore wind	7%
Garreg Lywd	Wales	Onshore Wind	6%
Sheringham Shoal	England	Offshore wind	4%
Solwaybank	Scotland	Onshore wind	4%
Crystal Rig II	Scotland	Onshore wind	4%
Pallas	Ireland	Onshore wind	2%
Mid Hill	Scotland	Onshore wind	2%
December 2019 ten largest investments			**54%**

2 Columns may not sum due to rounding differences.

2.7
Operational Review

The Company sets out below its Key Performance Indicators ("KPIs") which it utilises to track its performance over time against its objectives.

Operational KPIs[1]

KPI		Largest single investment	Largest ten investments	Operating history (portfolio weighted average) years	Electricity Production % increase	Average Revenue (£/MWh)
		as % of portfolio by value				
(Year to) 31 December	2019	9%	52%	5.6 years	3,036GWh +51%	90.55
	2018	9%	51%	5.4 years	2,042GWh +16%	105.63
	2017	10%	52%	5.7 years	1,766GWh +20%	92.44
	2016	11%	52%	6.7 years	1,469GWh +9%	82.83
	2015	12%	56%	5.9 years	1,344GWh +65%	78.63
	2014	10%	65%	5.0 years	814GWh +136%	84.43

TRIG Portfolio Update
Total portfolio achieved price for 2019 was £90.55/MWh, down 14% from £105.63/MWh for 2018 primarily due to the addition of Swedish projects in the portfolio where market prices are lower than average elsewhere in the portfolio. Excluding the new additions to the portfolio in 2019, the like-for-like achieved portfolio price is 3% lower than 2018 at £101.98/MWh. Revenue per MWh includes electricity sales, payments under subsidy regimes, payments for grid services and embedded benefits.

The decrease in total achieved price was predominantly driven by lower electricity prices, notably in the UK and Sweden. However, the impact of lower electricity prices was mitigated by the portfolio's exposure to fixed price subsidy regimes across the French and solar portfolios as well as fixed-price electricity sales agreements in GB and Ireland executed at favourable prices. A strong ROC recycle result, driven by lower-than-expected renewables generation across the UK market, also mitigated lower electricity prices.

Operating Lives
The Company considers asset lives on an asset-by-asset basis taking into account technical advice on the structural durability of the asset in question, maintenance costs and asset downtime. The likelihood of obtaining planning and lease extensions is also considered.

At IPO in 2013, the assumed operating life of the assets averaged 25 years and has been revisited periodically. In February 2019 the Operations Manager undertook a detailed technical review of the asset lives of TRIG's assets to consider if longer lives should be assumed. Whilst increases were not appropriate in all cases, an increase of between 2 and 3 years on average across the portfolio was considered reasonable for the wind assets. Following this detailed technical review, assumptions adopted in the year-end valuation typically range from 25 to 30 years from the date of commissioning, with an average 29 years for the wind portfolio and 30 years for the solar portfolio. The overall average across the portfolio as at 31 December 2019 was 29 years (31 December 2018: 27 years). The impact of this is discussed in Section, 2.8 Valuation of the Portfolio.

A sensitivity on the increase in asset lives is given in Section 2.8 and indicates that an increase in asset life of one year would increase the portfolio valuation by the equivalent of 1.2p per share.

Portfolio Generation
In 2019 the TRIG portfolio generated 3,036 GWh of electricity, including compensated curtailment. Overall TRIG's generation had a 4.4% shortfall to budget mostly due to low wind in GB and grid curtailments in Ireland. Without the portfolio's geographic and technological diversification beyond GB wind, this position would have been worse. Stronger wind speeds in other regions and good solar performance mitigated the low GB wind resource, improving TRIG's position. Generation has increased by 50% compared to 2018, driven by the enlarged generating capacity of the portfolio.

1 On an invested basis.

2.7 Operational Review (continued)

The following table sets out the energy production performance of TRIG's portfolio by category for the year against the respective P50 central estimates:

TRIG's Portfolio – Analysis of Production

		Electricity production GWh		Performance vs P50 estimates	
Technology	**Region**	**2019**	**2018**	**2019**	**2018**
Wind	GB	1,146	1,147	-5.5%	-4.3%
	Sweden	681	n/a	-4.1%	n/a
	France	376	211	-2.9%	-4.8%
	Ireland	328	322	-8.5%	-5.3%
	UK & German Offshore	326	154	-4.0%	-3.9%
Solar PV	UK & France	180	178	+6.9%	+4.5%
Total Portfolio		**3,036**	**2,011**	**-4.4%**	**-3.7%**

1 Excludes construction sites: Solwaybank (30MW), Ersträsk Phase 2 (126MW), Tille et Venelle (48MW), Blary Hill, and the recently signed Merkur offshore operational project.
2 Excludes Broxburn storage site, which provides frequency services to the grid, rather than generating MWh.

GB: GB production was impacted by low wind speeds, particularly in January, February and November, but this was partially offset by very good March and December wind speeds. The GB portfolio performed well overall, with a positive variance to the weather-adjusted expectation due to consistently good availability across the portfolio, driven by attentive asset management and pro-active maintenance regimes.

Sweden: The two Swedish projects accounted for over 20% of total generation in 2019. Jädraås, the larger of the two projects located in the south, was impacted by low wind in Q4. Ersträsk Phase 1, located in the north, had some teething issues during its initial operating period, having begun generating in January. Subsequently Ersräsk's performance improved in the second half of the year following resolution of the construction-related issues mitigated by availability warranties within contracts.

France: The north of France benefited from good wind resource where the newly acquired Epine and Fujin portfolio projects are located along with two other projects which achieved their first full year of operations. This strong performance helped mitigate a significant grid outage and operational challenges on two older projects in the south, where wind resource was in line with long-term expectations.

Ireland: Grid constraints in the Republic of Ireland drove an 8.5% adverse variance to budget. Without these, the Irish portfolio would have generated above budget as wind speeds were generally good. The Pallas project in the South West was particularly impacted by a transformer failure at the ESB-owned and Eirgrid operated Moneypoint power station, leading to higher than usual constraints for an extended period. RES represented Pallas on working group to the Irish Wind Energy Association to discuss with Eirgrid how to restore the South West regional grid to normal levels.

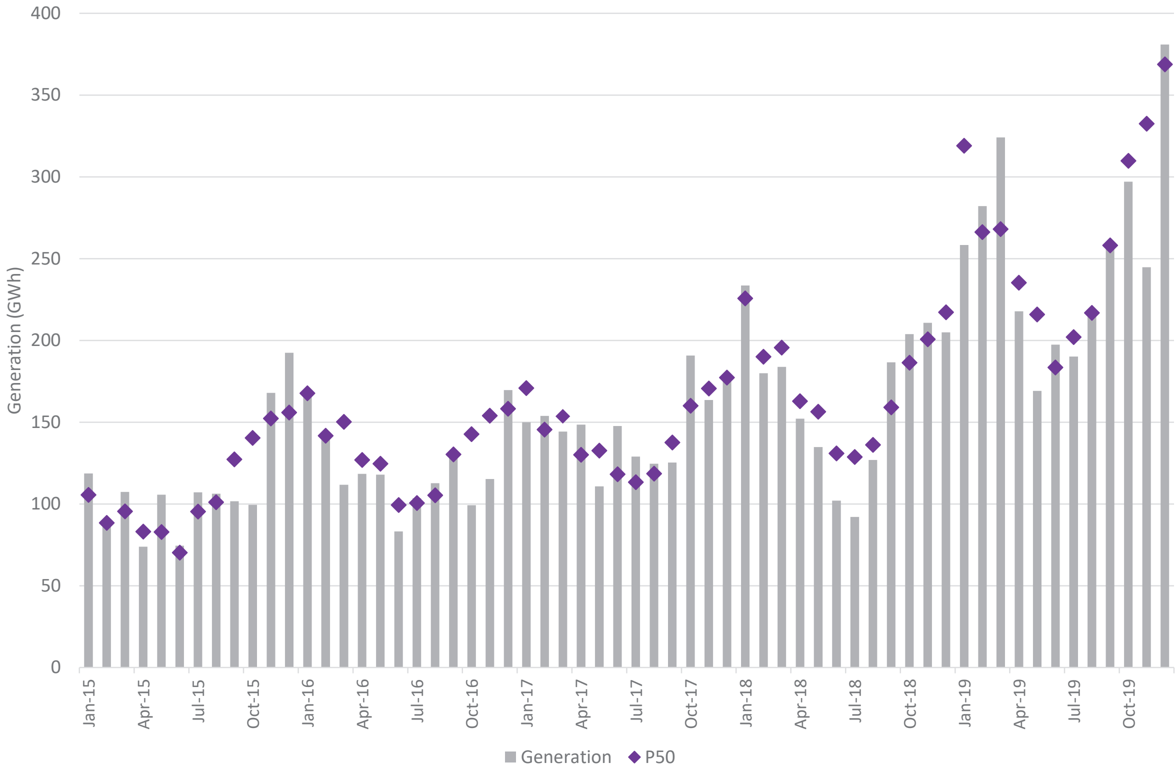
Offshore: From July, TRIG benefited from good generation at the German offshore project, Gode although performance was just below budget due to grid issues. Sheringham Shoal was slightly below budget due to low wind speeds but still delivered diversification benefits relative to the shortfall in wind experienced by the onshore GB wind portfolio. Merkur, an operational German offshore wind farm, will be included in future periods once acquisition completion occurs.

Solar and Storage: Production at TRIG's solar sites in the UK and France exceeded budget by 7%, driven by consistently good solar irradiation and continued strong operational performance, with RES' contract renewed as operation and maintenance provider to the UK Solar projects following an independently managed tender process. TRIG's storage site at Broxburn continues to perform well and in line with expectations.

Long-term Portfolio Performance against Budget

The graph below shows monthly production against P50 budget for the last five years. While there is some variance from month to month and year to year, performance during 2019 remains within long-term expectations. The geographical and technological diversity of the TRIG portfolio has provided good resilience to varying weather conditions, with total production close to budget since IPO.

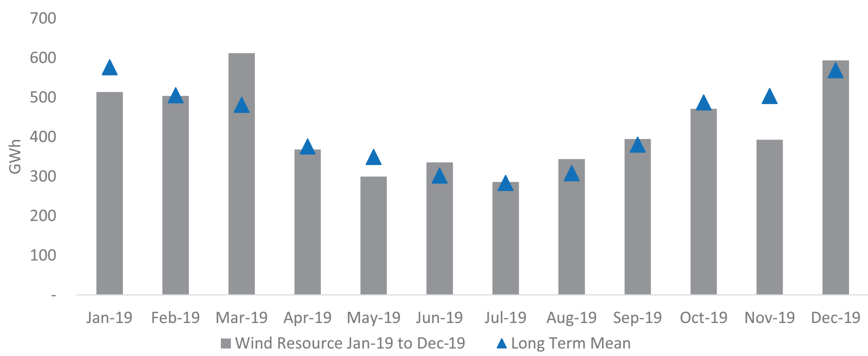
Monthly Generation against P50 budget – 5 year history



Weather Analysis

The graphs below show monthly percentage variances of wind and solar resource against the long-term average resource available to TRIG's operating portfolio.

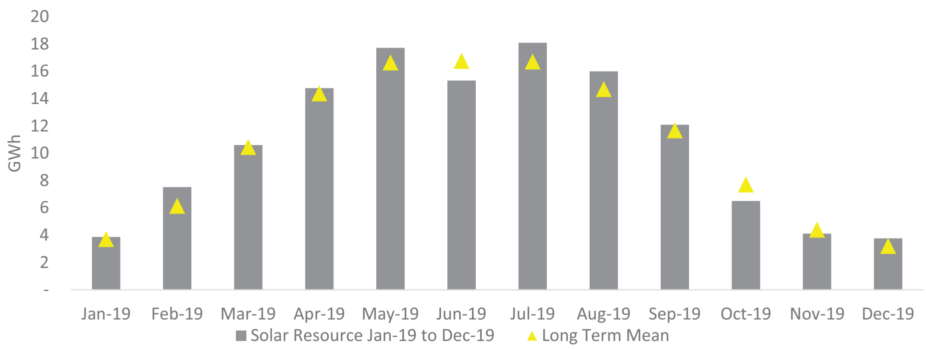
TRIG Wind Portfolio – Gross Wind Energy Resource



Wind resource for TRIG's wind portfolio was slightly below budget for the year with below budget wind in January, May and November in GB and Ireland offset by a strong March across all regions and other smaller positive variances. Below budget resource in GB by -3%, was offset by good resource in France and Ireland over the year, each 4% above long-term expectations.

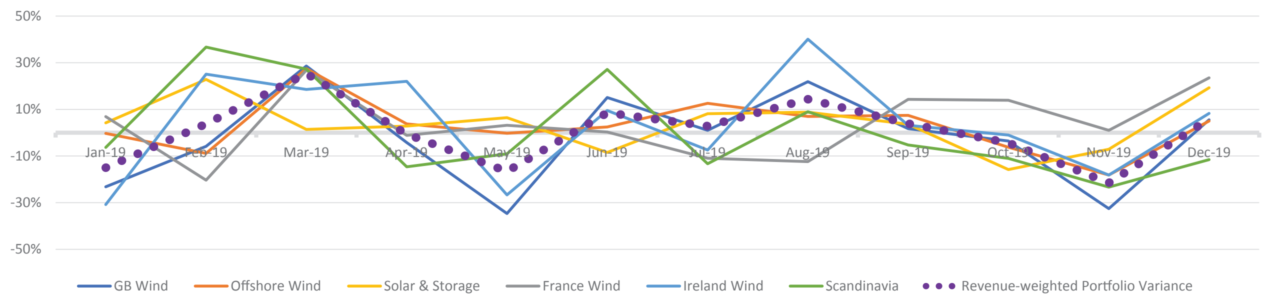
2.7
Operational Review (continued)

TRIG Solar Portfolio – Gross Solar Energy Resource



TRIG's solar portfolio benefitted from good irradiation, overall 4% above long-term expectations, with only two months dipping below. Once again, we see UK solar broadly inversely correlated to wind.

Wind/Solar Resource Variation with respect to the Long-Term Mean



Source: RES

The monthly variance to the long-term expectations clearly differ by region such that the TRIG portfolio is less impacted by large deviations in any one region due to its exposure to different weather systems.

Operational Enhancements

As TRIG Operations Manager, RES continues to identify, assess and implement initiatives to enhance the value of the TRIG portfolio. Examples of some of the commercial and technical value enhancements secured in 2019 include:

- *Reliability assessments on the solar portfolio*, using statistical analysis to evaluate single points of failure, component failure rates, lead times and production impact, and develop a cost-effective strategic spares strategy encompassing intra-site compatibility as appropriate. This approach is further supported by detailed contingency planning and pre-prepared work instructions to shorten the replacement timeframes. For example, a transformer at Parsonage was replaced within 3 days of fault identification, saving £0.2m in avoided downtime compared to a typical 8-week Original Equipment Manufacturer ("OEM") lead time;
- *Optimising Power Purchase Agreements (PPAs)*, with new PPAs negotiated for Northern Ireland & Republic of Ireland sites securing significantly increased revenue (c.£1m/year uplift for two years), plus demonstrated market value of Renewable Energy Guarantees of Origin to offtakers to secure additional revenue stream;
- *Optimising O&M contractual structures*, for example inverter maintenance is now included within the core solar O&M scope and therefore covered by availability warranty at a significantly reduced price than some OEMs were proposing, whilst also providing a faster response time and more flexibility than OEM;
- *Intelligent wind turbine curtailment solutions* implemented, accommodating environmental operating restrictions whilst reducing production losses when compared to OEM software. For example, specific sites in France require curtailment for bat protection. Newly implemented software only curtails those turbines on the observable flying routes during the specific times of day,

windspeeds and in the absence of rain, which are the periods during which bats are known to fly, thereby minimising the associated downtime;

- *Close working relationships with grid operators* to remove, reduce and make best use of planned grid outages. For example, at Hill of Towie, downtime savings were secured through the agreement of new high voltage maintenance outage protocols with the local grid operator, reducing from site outage to individual turbine isolation; and
- *Yield-enhancing turbine software upgrades* assessed and implemented, including Vestas' Power Plus Upgrade, which improves the efficiency of the turbines, and Siemens' High Wind Ride Through, which increases production by enabling turbines to continue generating at higher wind speeds. Yield uplifts were independently verified by RES.

Health and Safety

Health and Safety ("H&S") continues to be an important consideration for the Managers of the portfolio with a number of new measures implemented in 2019 to monitor and target market leading performance.

The TRIG working group has been formed bringing together the eight asset managers from across the TRIG portfolio covering all technologies and regions. The aim of this group is to achieve close co-ordination and co-operation from an H&S perspective for all the TRIG assets and to support the sharing of information and greater alignment across the group. Focus has been on proactive actions to minimise incidents and not just reporting of events that have or could have occurred. In addition to this internal group, many of the asset managers are active on wider industry safety groups.

Dedicated H&S software is being increasingly used across the portfolio to enable easier recording of incidents and better visibility of issues assisting with risk management. This year, the use of an Accident Frequency Rate ("AFR") metric has been adopted to help track performance and allow comparison of the safety performance of the group.

Third party assurance audits are performed by H&S professionals to ensure that sites are being operated in line with Asset Manager procedures and where necessary identify where operating practices or procedures could be improved.

Liaison with stakeholders continues with close engagement with local Fire Services and landowners to ensure robust emergency procedures exist and are understood. Evacuation exercises have been held on multiple wind sites.

2.8
Valuation of the Portfolio

Introduction

The Investment Manager is responsible for carrying out the fair market valuation of the Group's investments which is presented to the Directors for their approval and adoption. A valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

For non-market traded investments (being all the investments in the current portfolio), the valuation is based on a discounted cash flow methodology and adjusted in accordance with the European Venture Capital Associations' valuation guidelines where appropriate to comply with IFRS 13 and IFRS 10, given the special nature of infrastructure investments. Where an investment is traded, a market quote is used.

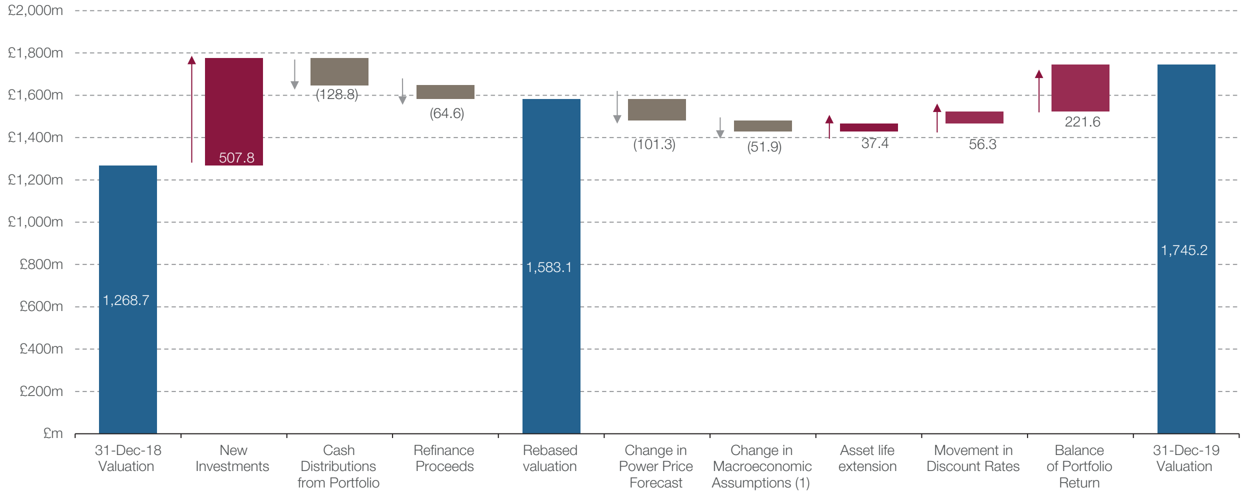
The valuation for each investment in the portfolio is derived from the application of an appropriate discount rate to reflect the perceived risk to the investment's future cash flows to give the present value of those cash flows. The Investment Manager exercises its judgment in assessing both the expected future cash flows from each investment based on the project's expected life and the financial models produced by each project company and the appropriate discount rate to apply. This methodology has not changed since the inception of the Company.

The Directors' Valuation of the portfolio as at 31 December 2019 was £1,745.2m. This valuation compares to £1,268.7m as at 31 December 2018 and £1,620.9m at 30 June 2019.

Valuation Movements

A breakdown of the movement in the Directors' valuation in the year is illustrated in the chart and set out in the table below.

Valuation movement in the year to 31 December 2019



1 Change in macroeconomic assumptions includes: movements in foreign exchange and update of UK corporation tax rate.

Valuation movement during the period to 31 December 2019	£m	£m
Valuation of portfolio at 31 December 2018		**1,268.7**
Cash investments	507.8	
Cash distributions from portfolio	(128.8)	
Refinancing proceeds	(64.4)	
Rebased valuation of portfolio		**1,583.1**
Changes in power prices forecast	(101.3)	
Change in macroeconomic assumptions*	(51.9)	
Asset life extension	37.4	
Movement in discount rates	56.3	
Balance of portfolio return	221.6	
Valuation of portfolio at 31 December 2019		**1,745.2**
(does not cast due to rounding differences)		

*Changes in macroeconomic assumptions comprises change in foreign exchange rates (£42.2m loss) and change in UK corporation tax rate assumptions (£9.6m loss). Foreign exchange movement is stated before the offsetting effect of hedges which are held at the Company level. Foreign exchange losses reduce to £21.5m after the impact of foreign exchange hedges.

The opening valuation at 31 December 2018 was £1,268.7m. Allowing for investments of £507.8m, cash receipts from investments of £128.8m and the proceeds of the refinancing of the Fred Olsen projects of £64.6m, the rebased valuation as at 31 December 2019 is £1,583.1m.

Cash investments of £507.8m during the year comprise the following investments:

Investment during 2019	% of committed Portfolio Value[2]
Ersträsk	2%*
Jädraås	9%
Venelle, Epine[3] and Fujin	4%
Gode	8%
Little Raith	2%
True ups and performance related payments	Less than 1%

*Represents Phase 1 investment only, the Phase 2 investment is expected to be made during Q4 2020 and represents a further 6%

Further detail on each investment is included in Section 2.6, Portfolio.

Each movement between the rebased valuation of £1,583.1m and the 31 December 2019 valuation of £1,745.2m is considered in turn below:

(i) Forecast power prices:

Forecasts for wholesale power prices have reduced materially across the forecast period, having the impact of decreasing the valuation of the portfolio at 31 December 2019 by a net £101.3m. The valuation uses updated power price forecasts for each of the markets in which TRIG invests.

Power prices are one of the key risks faced by the Company: a number of factors go into power price forecasting to estimate electricity demand and the mix of generation technology meeting this demand and their associated costs of supply. As such, it is inherently difficult to estimate and then apply these factors to forecast the outcome of this dynamic market.

2 Committed Portfolio Value is £2,095.6m and includes £350.4m of investment commitments outstanding at the Balance Sheet date, as described in Section 2.6 and includes amounts due in respect of the Blary Hill wind farm announced by the company on 21 January 2020.
3 At acquisition the original project financing of Epine wind farm project was repaid and new long-term project finance on improved terms was put in place.

2.8 Valuation of the Portfolio (continued)

Material factors influencing the movement in the forecasts are an expectation for greater volumes of renewables within the generation mix (which has a low marginal cost so has the effect of reducing power price forecasts) and reductions in the forecast cost of gas (reducing the costs of gas generation and therefore expectations for power prices when gas generation is the marginal price setter).

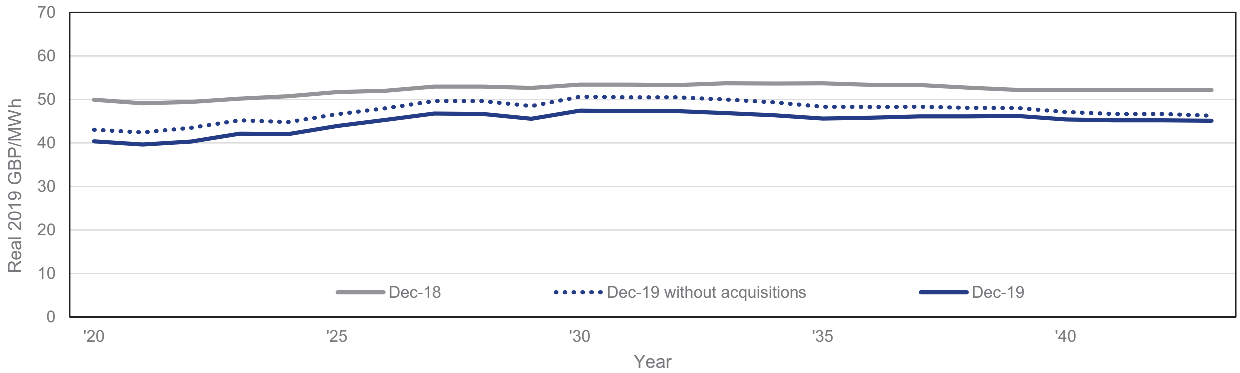
Increased assumptions on renewables penetration reflects lower than expected build costs for offshore wind in the UK following the bidding for Round 3 of the CfD subsidy, coupled with increased political ambition across Europe for decarbonisation with several countries including the UK pushing for net-zero carbon emissions by 2050.

Gas prices are forecasted to be are lower due to a well-supplied gas market (having had a benign winter and gas stores in Europe are high) and new LNG sources originating in the US and Australia.

Forecasters expect wholesale electricity prices to remain at current levels in the near term mostly driven by an expectation of low gas prices (due to an expected continued over-supply of gas globally) before lifting over the longer term as global gas demand is assumed to increase and exceed supply. The impact of this, however, is expected to be muted as a result of the increased penetration of renewables resulting in largely flat forecasts in real terms.

The weighted average power price used to determine the Directors' valuation is shown below in real terms – this is comprised of the blend of forecasts for each of the power markets in which TRIG is invested after applying expected PPA power sales discounts and reflecting cannibalisation[4]. The equivalent power price curve assumed at 31 December 2018 is also shown, as is the curve based upon the 31 December 2018 portfolio as at 31 December 2019. Acquisitions during the year have slightly reduced the blended curve as German and particularly Swedish prices tend to be lower than the average prices for the other markets. Sweden is a net exporter of power with significant production from hydroelectric power and other generally low marginal cost sources.

Illustrative blended power price curve (real prices) for TRIG's portfolio[5]



Cannibalisation is assumed within the adopted power price forecasts across each jurisdiction. The reduction in captured wholesale electricity power price assumed is forecast to increase in each geography over time as the proportion of production coming from renewables in each market increases. The average level of reduction to the baseload forecast power price assumed to renewable generation across the portfolio is approximately 10%.

(ii) Changes in macroeconomic assumptions:
This comprises two components as follows:

Foreign exchange: Over the year, sterling has appreciated by 6% versus the euro, leading to a net £42.2m valuation loss on foreign exchange in relation to the euro-denominated investments located in Germany, Sweden[6], France and the Republic of Ireland, which reduces to a £21.5m loss after the beneficial impact of hedges held outside the portfolio at company level. At 31 December 2019, euro-denominated investments comprised c.39% of the portfolio. Once the committed investments in Merkur (Germany), Ersträsk (Sweden),

4 Cannibalisation is the term given to the tendency for renewables (an intermittent generator) to achieve an overall power price which is lower than the average which would be expected of a continuous base load generator, caused by prices being influenced by the additional supply when renewables are generating. Rates differ over time and between markets but all are affected.

5 Power price forecasts used in the Directors' valuation for each market are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by the P50 estimate of production for each of the projects in the 31 December 2019 portfolio. Forecasts are shown net of assumptions for PPA discounts and cannibalisation.

6 The majority of the Ersträsk and Jädraås wind farm income is from wholesale power sales which in the Nord Pool are denominated in euros. Accordingly, the investment is treated as euro denominated notwithstanding that the smaller subsidy element of the revenues and some operating costs are denominated in Swedish krona.

Blary Hill (UK) and Solwaybank (UK) wind farms are fully subscribed the proportion of euro denominated investments based on the current portfolio increases to 45%.

UK Corporation Tax rate: Following the Conservative majority secured in the UK general election on 12 December 2019, the Company has reflected the pledge to cancel the legislated corporation tax reduction to 17% (from 19%), to commence April 2020. The valuation now assumes an ongoing corporation tax rate of 19% in the UK. This change in taxation assumptions led to a negative impact of £9.6m in the valuation[7].

(iii) Asset life extension:
The Company announced on 5 March 2019 the decision to recognise longer assumed asset lives across most of the Company's wind farm investments following the completion of a technical review carried out by the Company's Operations Manager, RES. The impact of extending assumed asset lives within the majority of the wind portfolio is to add £37.4m to value as at 28 February 2019. No further asset life extensions have been assumed during the year.

See Section 2.7 Operational Review: Operating lives for the factors which are considered in estimating asset lives.

As a result of the technical review, the overall asset life across the Current Portfolio as at 31 December 2019 is an average of 29 years for the wind portfolio and an average of 30 years for the solar portfolio.

(iv) Movement in valuation discount rates:
The weighted average portfolio valuation discount rate as at 31 December 2019 was 7.25% (31 December 2018: 7.6%). The discount rate used for valuing each investment represents an assessment of the rate of return at which infrastructure investments with similar risk profiles would trade on the open market. In addition, the mix of investments made in the period increased the discount rate by approximately 0.1% and the discount rates applicable to Montigny, Rosières and Broxburn each experienced a reduction resulting from the commencement of operations.

During the year we have observed continuing strong competition for renewables infrastructure, which remains a very sought-after asset class, and several new entrants to the market seeking to buy assets. This has resulted in a continued reduction in the prevailing discount rates applied to renewables investments. Other factors include the continued abundance of low-cost debt and very low risk-free returns. Overall the Investment Manager, based on its experience of bidding and transacting in the secondary market for renewable infrastructure assets, has applied an average reduction of 0.4% to discount rates compared to 31 December 2018.

During the year, the Company engaged an independent valuation of the portfolio and a further review of the discount rates adopted for the December 2019 valuation, which confirmed that the rates used were appropriate. This change in assumption has led to an increase in the valuation of the investments of £56.3m.

(v) Balance of portfolio return:
This refers to the balance of valuation movements in the year (excluding (i) to (iv) above) and represents an uplift of £221.6m, equivalent to an 14% increase over the rebased value of the portfolio. The balance of portfolio return comprises the expected return, reflecting the net present value of the cash flows brought forward by a year at the average prevailing portfolio discount rate (7.6% before the discount rate reductions in the year), and outperformance comprising exceptional value enhancing items. Value enhancing items include:

- Portfolio wide tendering processes have secured significant savings, including on maintenance contracts on the portfolio of wholly owned solar assets, as well as maintenance contracts on groups of wind farm assets, and improved power purchase agreement terms across multiple markets.
- Completion of a large debt refinance with TRIG's partner Fred. Olsen of the six co-owned Scottish wind farms with improved senior debt terms. As part of the refinancing the investments repaid TRIG £64.6m above usual equity and shareholder debt payments. This is shown separately within the bridge and has been reinvested in the period.[8]
- Increased portfolio level tax reliefs. Some tax jurisdictions the company operates in consider all of the entities with common ownership (defined differently by jurisdiction) as a group allowing for the offsetting of profits and losses across different projects. The increasing size of the portfolio (in both the number of and value of assets) and the mixed vintage of assets results in an increased tax base (across the jurisdictions invested in) with more instances of offsetting profits and losses.
- We released the balance of the provision for the reform of embedded benefits in relation to the GB electricity market, in line with the Ofgem announcement in November 2019. At 31 December 2018 and 30 June 2019 the Company had provided for both

7 This value includes the impact that the change in tax rate has upon the portfolio level tax reliefs, which partially mitigates the impact at an individual investment level.
8 Consistent with TRIG's approach to other term project finance debt, the new debt will be repaid over each asset's subsidy period. The debt is committed for its full duration with no refinancing risk and the interest is predominantly fixed via swaps, thereby limiting exposure to increasing interest rates.

2.8 Valuation of the Portfolio (continued)

the removal of revenues from and the imposition of charges in relation to Balancing Services Use of System (BSUoS) currently received by the majority of the Company's GB assets (those connected to the distribution network – larger, transmission connected assets were not included). In November, Ofgem confirmed that revenues will be removed from these assets, but charges will not be imposed at this time. This provision has been removed in the project forecasts.

Investment Obligations

At the balance sheet date, the Company had outstanding investment commitments in relation to four wind farms.

Name	Acquired	Net MW	Status	Completion Date	Outstanding Commitment*	Value (fully committed)*
Solwaybank	Jun-18	30.0	Construction	Q4 2020	2%	4%
Ersträsk	Dec-18	171.8	Operational**	Q4 2020	6%	8%
Merkur	Dec-19	149.7	Operational	n/a	7%	7%
Blary Hill	Jan-20	35.0	Construction	Q1 2022	2%	2%

*Expressed as a percentage of fully committed valuation of £2,095.6m
**Phase 1 of the project is operational. Phase 2 of the project is expected to commence operations in Q4 2020.

Following the completion of the Merkur investment and deployment of other H1 2020 commitments the Company expects to be around £70 million drawn on its revolving credit facility.

Solwaybank and Blary Hill wind farms are projects in construction with investment commitments outstanding and construction completion expected over 2020 and 2021.

Ersträsk Phase 1 is complete and operational. The Company invested in that project during 2019. Ersträsk Phase 2 is under construction and the Company has no obligation to purchase Phase 2 until its completion, expected later in 2020.

The Merkur offshore wind farm is operational and TRIG and its other shareholder have exchanged contracts to acquire the investment. Completion of the investment is expected shortly following the satisfaction of conditions including lender consent and competition clearance.

The timeline of outstanding commitments is presented below:

	H1 2020	H2 2020	H1 2021	Later	Total
Outstanding Commitments (£m)	174.2	141.2	19.4	15.6	350.4

TRIG's Construction Wind farms

The three construction projects being managed by the company are as follows and represent 8% of the fully committed portfolio value.

Name of Asset	Location	Capacity (MW)	Expected Completion Date
Solwaybank	GB (Scotland)	30	Q4 2020
Venelle	France (North)	40	Q1 2020
Blary Hill	GB (Scotland)	35	Q1 2022

Although Phase 2 of the Ersträsk asset is currently under construction, TRIG is not taking construction risk because it pays the vendor only as it successfully completes construction and commences its operations.

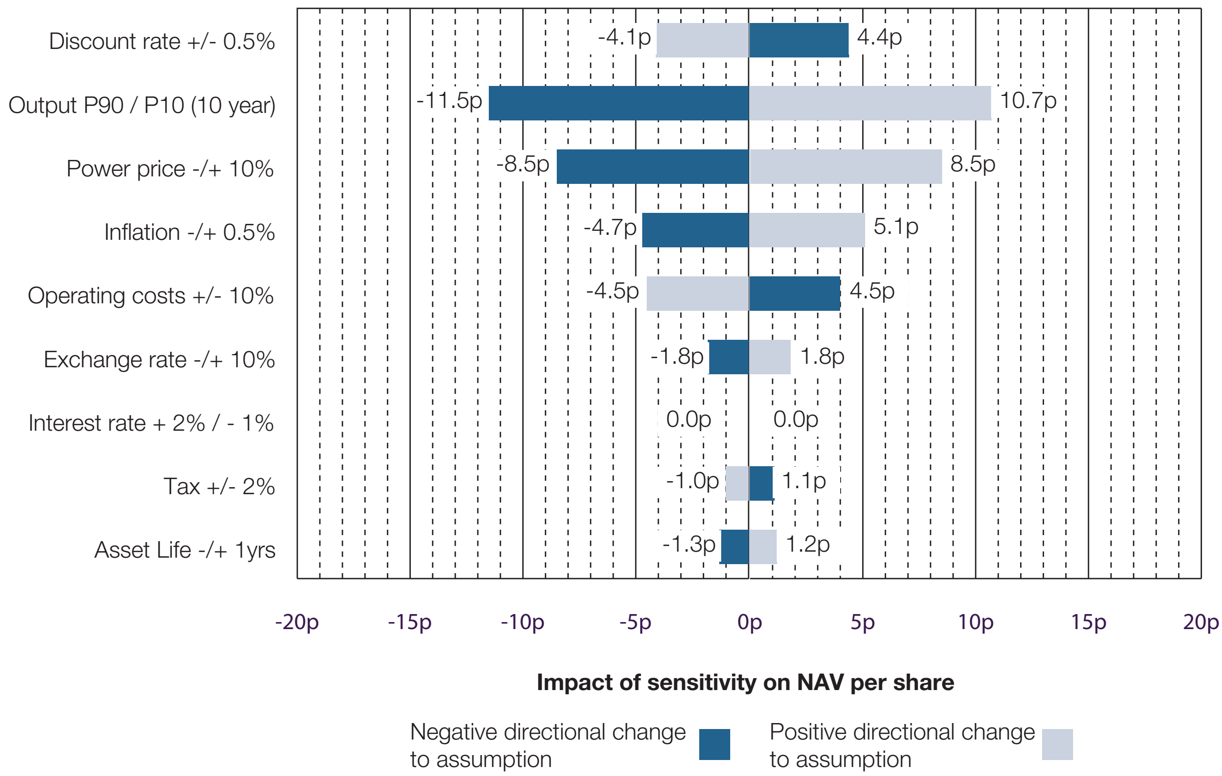
Fully Invested Portfolio Valuation

The valuation of the portfolio on a fully invested basis can be derived by adding the valuation at 31 December 2019 and the expected outstanding commitments as follows:

Portfolio valuation 31 December 2019	£1,745.2m
Future investment commitments	£350.4m
Portfolio valuation once fully invested	£2,095.6m

Key Sensitivities

The following chart illustrates the sensitivity of TRIG's NAV per share to changes in key input assumptions (with the labels indicating the impact on the NAV in pence per share of the sensitivities):



For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 31 December 2019 (£1,745.2m) and the outstanding investment commitments as set out above (£350.4m), i.e. £2,095.6m.

Accordingly, the NAV per share impacts shown above assumes the issue of further shares to fund the balance of these commitments.

All of TRIG's sensitivities above are stated after taking into account the impact of project level gearing on returns.

The output sensitivity above incorporates an updated calculation of the portfolio effect which reduces the variability as a result of the diversification of the portfolio. The increased diversification of the portfolio has increased this effect and consequently reduced the sensitivity of the portfolio.

2.9
Analysis of Financial Results

At 31 December 2019, the Group had investments in 73[1] projects. As an investment entity for IFRS reporting purposes, the Company carries these 73 investments at fair value. The results below are shown on a statutory and on an "expanded" basis as we have done in previous years. See the box below for further explanation.

Basis of Preparation

In accordance with IFRS 10 the Group carries investments at fair value as the Company meets the conditions of being an Investment Entity, which are discussed further in Note 2c "Basis of Consolidation". In addition IFRS 10 states that investment entities should measure their subsidiaries that are themselves investment entities at fair value. Being investment entities, The Renewables Infrastructure Group (UK) Limited ("TRIG UK") and The Renewables Infrastructure Group (UK) Investments Limited ("TRIG UK I"), the Company's subsidiaries, through which investments are purchased, are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash, debt and working capital balances are included as an aggregate number in the fair value of investments rather than the Group's current assets. In order to provide shareholders with more transparency into the Group's capacity for investment, ability to make distributions, operating costs and gearing levels, adjusted results have been reported in the pro forma tables below.

The pro forma tables that follow show the Group's results for the year ended 31 December 2019 and the prior year on a non-statutory "Expanded basis", where TRIG UK and TRIG UK I are consolidated on a line-by-line basis, compared to the Statutory IFRS financial statements (the "Statutory IFRS basis").

The Directors consider the non-statutory Expanded basis to be a more helpful basis for users of the accounts to understand the performance and position of the Company because key balances of the Group including cash and debt balances carried in TRIG UK and TRIG UK I and expenses incurred in TRIG UK and TRIG UK I are shown in full rather than being netted off.

The necessary adjustments to get from the Statutory IFRS basis to the non-statutory Expanded basis are shown for the primary financial statements. The commentary provided on the primary statements of TRIG is on the Expanded Basis.

Income Statement

The Statutory IFRS basis nets off TRIG UK and TRIG UK I's costs, including overheads, management fees and acquisition costs against income. The Expanded basis includes the expenses incurred within TRIG UK and TRIG UK I to enable users of the accounts to fully understand the Group's costs. There is no difference in profit before tax or earnings per share between the two bases.

Balance Sheet

The Statutory IFRS basis includes TRIG UK and TRIG UK I's cash, debt and working capital balances as part of portfolio value. The Expanded basis shows these balances gross. There is no difference in net assets between the Statutory IFRS basis and the Expanded basis.

The majority of cash generated from investments had been passed up from TRIG UK and TRIG UK I to the Company at December 2019.

At 31 December 2019, TRIG UK I was £nil drawn on its revolving acquisition facility (2018: £nil drawn) equalling the difference between the Statutory IFRS basis and the Expanded basis.

Cash Flow Statement

The Statutory basis shows cash movements for the top company only (TRIG Limited). The Expanded basis shows the consolidated cash movements above the investment portfolio which are relevant to users of the accounts. Differences include income received by TRIG UK and TRIG UK I applied to reinvestment, proceeds from portfolio financings and expenses incurred by TRIG UK and TRIG UK I that are excluded under the Statutory IFRS basis.

The purchase of investments on the Expanded basis is funded by both the company's revolving acquisition facility and amounts passed down after capital raises. The remaining balance is that of reinvestment.

1 In January 2020 TRIG announced the investment in the Blary Hill wind farm, its 74th investment. This wind farm is not included in the 31 December 2019 valuation.

Income Statement

Summary income statement	Statutory IFRS Basis	Adjustments[1]	Expanded Basis	Statutory IFRS Basis	Adjustments[1]	Expanded Basis
	Year to 31 December 2019 £'million			Year to 31 December 2018 £'million		
Operating income	145.6	16.7	162.3	125.0	17.8	142.8
Acquisition costs	–	(2.1)	(2.1)	–	(1.5)	(1.5)
Net operating income	145.6	14.6	160.2	125.0	16.3	141.3
Fund expenses	(1.6)	(14.2)	(15.8)	(1.3)	(11.4)	(12.7)
Foreign exchange (loss)/ gains	18.3	2.4	20.7	(0.5)	(0.3)	(0.8)
Finance costs	(0.3)	(2.8)	(3.1)	–	(4.6)	(4.6)
Profit before tax	162.0	–	162.0	123.2	–	123.2
EPS[2]	11.4p	–	11.4p	11.7p	–	11.7p

1 The following were incurred within TRIG UK and TRIG UK I; acquisition costs, the majority of expenses and acquisition facility fees and interest. The income adjustment offsets these cost adjustments.
2 Calculated based on the weighted average number of shares during the year being approximately 1,422.9 million shares.

Analysis of Expanded Basis Financial Results

Profit before tax for the year to 31 December 2019 was £162.0 million, generating earnings per share of 11.4p, which compares to £123.2 million and earnings per share of 11.7p for the year to 31 December 2018.

The EPS of 11.4p reflects strong valuation growth in the year with the adverse impact of reductions in power price forecasts being more than offset by reductions to discount rates, efficient portfolio management, portfolio level tax relief and other valuation enhancements. These additional valuation adjustments include items such as reduced maintenance costs on renewal of contracts, improved power purchase agreement terms and the completion of a large debt refinance in March 2019 across six Scottish wind farms co-owned with our Joint Venture partner Fred. Olsen.

The gain in the year also includes the Company's decision, announced 5 March 2019, to recognise longer assumed asset lives across most of the Company's wind farm investments following the completion of a technical review carried out by the Company's Operations Manager, RES. The impact of extending assumed asset lives within the majority of the wind portfolio was to add approximately 2.7p to the NAV.

Other gains in the year include the release of a provision held against the outcome of the Ofgem Targeted Charging Review which was partially offset by the small adverse impact on valuation of removing the previously planned reduction in UK Corporation Tax rate from 19% to 17%.

Operating Income reflects the portfolio value movement in the year and is more fully described in Section 2.8

Increases in both net operating income and fund expenses in the year to 31 December 2019 as compared to the year to 31 December 2018 also reflect the increase in the size of the portfolio.

Fund expenses of £15.8 million (2018: £12.7 million) include all operating expenses and £14.3 million (2018: £11.4 million) fees paid to the Investment and Operations Managers. Management fees are tiered and charged at 1% of Adjusted Portfolio Value up to £1 billion and 0.8% of Adjusted Portfolio Value from £1 billion up to £2 billion as set out in more detail in the Related Party and Key Advisor Transactions note, Note 18 to the financial statements.

During the year sterling strengthened against the euro resulting in negative foreign exchange valuation movements for existing euro denominated assets resulting in a loss of £42.3 million (2018: £3.6 million gain), partially offset by gains on foreign exchange hedges and cash and debt balances held at Company level of £20.7 million (2018: £0.8 million loss). Accordingly, the net foreign exchange loss in the period is hence £21.6 million (2018: £2.8 million gain).

Finance costs relate to the interest and fees incurred relating to the Group's revolving acquisition facility. The finance costs in the period are lower than the comparative period reflecting a lower average level of drawings of the revolving acquisition facility.

2.9 Analysis of Financial Results (continued)

Acquisition costs relate to wind farm investments in the year, being Jädraås, Fujin, Epine, Gode, Venelle, Merkur and Little Raith. The Company has future commitments relating to Solwaybank, Ersträsk, Merkur and Blary Hill[2] with approximately half of the payments being due in H1 2020 and half thereafter.

	Year to 31 December 2019 (£'million)	Year to 31 December 2018 (£'million)
Acquisition costs	2.1	1.5
Total acquisition commitments made in the year	612.1	348.0
Acquisition costs as % of investments	0.3%	0.4%

Ongoing Charges

Ongoing Charges (Expanded Basis)	Year to 31 December 2019 £'000s	Year to 31 December 2018 £'000s
Investment and Operations Managers' fees	14,263	11,353
Audit fees	164	131
Directors' fees and expenses	237	225
Other ongoing expenses	1,161	834
Total expenses[1]	15,825	12,543
Average net asset value[2]	1,610,883	1,117,929
Ongoing Charges Percentage (OCP)	0.98%	1.12%

1 Total expenses excludes £nil (2018: £0.2 million) of lost bid costs incurred during the year.

2 Average net asset value is calculated using the Net Asset Value at 31 December 2018, 30 June 2019 and 31 December 2019.

The Ongoing Charges Percentage is 0.98% (2018: 1.12%). The ongoing charges have been calculated in accordance with AIC guidance and are defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the year. The Ongoing Charges Percentage has been calculated on the Expanded Basis and therefore takes into consideration the expenses of TRIG UK and TRIG UK I as well as the Company's.

The reduction in OCP level includes the benefit of growth in net assets so the fixed costs of the Company are being spread over a larger capital base and the reduction in Manager fees charged on incremental acquisitions as the portfolio has become larger. Managers' fees for incremental assets are charged at a lower rate of 0.8% as the Company has expanded past £1bn in assets and the Manager fees will further reduce (to 0.75%) for incremental acquisitions as the portfolio grows beyond £2bn, as is expected taking into account the outstanding investment commitments. There is no performance fee paid to any service provider.

2 TRIG exchanged contracts to acquire Blary Hill wind farm from RES in January 2020 with completion and construction commencement expected shortly. Expected construction completion is early 2022.

Balance Sheet

Summary balance sheet	As at 31 December 2019 £'million			As at 31 December 2018 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Portfolio value	1,741.5	3.7	1,745.2	1,267.3	1.4	1,268.7
Working capital	14.3	(3.9)	10.4	(0.2)	(1.5)	(1.7)
Debt	–	–	–	–	–	–
Cash	127.6	0.2	127.8	16.8	0.1	16.9
Net assets[1]	1,883.4	–	1,883.4	1,283.9	–	1,283.9
Net asset value per share	115.0p	–	115.0p	108.9p	–	108.9p

Analysis of Expanded Basis financial results

Portfolio value grew by £476.5 million in the year to £1,745.2 million, primarily as a result of the investments made in the year to 31 December 2019 as described more fully in the "Valuation Movements" section of this Strategic Report.

Group cash at 31 December 2019 was £127.8 million (2018: £16.9 million). The Acquisition Facility was undrawn at 31 December 2019 was £nil (2018: £nil).

Net assets grew by £599.5 million in the year to £1,883.4 million. The Company raised £522.8 million (after issue expenses) of new equity during the year and produced a £162.0 million profit in the year, with net assets being stated after accounting for dividends paid in the year (net of scrip take up) of £86.3 million. Other movements in net assets totalled £1.0 million, being the Managers' shares accrued at 31 December 2019 and to be issued on or around 30 March 2020.

Net asset value ("NAV") per share as at 31 December 2019 was 115.0p compared to 108.9p at 31 December 2018.

Net Asset Value ("NAV") and Earnings per share ("EPS") Reconciliation

	NAV per share	Shares in issue (m)	Net assets (£m)
Net assets at 31 December 2018	108.9p	1,179.3	1,283.9
Profit/EPS to 31 December 2019	11.4p[1]	–	162.0
Shares issued (net of costs)[2]	1.3p[3]	450.9	522.8
Dividends paid in 2019	(6.6)p		(94.3)
Scrip dividend take-up[4]	–	6.4	8.0
H2 2019 Managers' shares to be issued	–	0.9	1.0
Net assets at 31 December 2019	115.0p	1,637.5	1,883.4

1 Calculated based on the weighted average number of shares during the year being 1,422.9 million shares.
2 Includes shares issued to managers (less costs) during the year.
3 The increase in earnings per share of 1.3p was the result of accretive share issues where shares were issued above the net asset value per share.
4 Scrip dividends were offered as an alternative to cash for each quarterly dividend in the year – the sum of scrip shares issued to shareholders in lieu of dividends paid in 2019 was 6.4m shares equating to dividends of £8.0m.

2.9
Analysis of Financial Results (continued)

Cash Flow Statement

Summary cash flow statement	Year to 31 December 2019 £'million			Year to 31 December 2018 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Cash received from investments	84.8	44.0	128.8	54.6	43.9	98.5
Operating and finance costs	(1.1)	(13.8)	(14.9)	(1.3)	(12.7)	(14.0)
Cash flow from operations	83.7	30.2	113.9	53.3	31.2	84.5
Debt arrangement costs	–	–	–	–	(2.8)	(2.8)
Foreign exchange gains/ (losses)	3.4	3.2	6.6	(1.0)	(0.3)	(1.3)
Issue of share capital (net of costs)	523.8	(1.9)	521.9	234.8	(1.9)	232.9
Acquisition facility drawn/(repaid)	–	–	–	–	(106.4)	(106.4)
Portfolio refinancing proceeds	–	64.6	64.6	–	–	–
Purchase of new investments (including acquisition costs)	(413.8)	(96.0)	(509.8)	(224.0)	80.1	(143.9)
Distributions paid	(86.3)	–	(86.3)	(56.9)	–	(56.9)
Cash movement in year	110.8	0.1	110.9	6.2	(0.1)	6.1
Opening cash balance	16.8	0.1	16.9	10.6	0.2	10.8
Net cash at end of year	127.6	0.2	127.8	16.8	0.1	16.9

Analysis of Expanded Basis Financial Results

Cash received from investments in the year was £128.8 million (2018: £98.5 million). The increase in cash received compared with the previous year reflects the increase in the size of the portfolio.

Dividends paid in the year totalled £86.3 million (net of £8.0m scrip dividends). Dividends paid in the prior year totalled £56.9 million (net of £10.6 million scrip dividends).

Cash flow from operations in the year was £113.9 million (2018: £84.5 million) and covers dividends paid of £86.3 million in the year (2018: £56.9 million) by 1.3 times (or 1.2 times without the benefit of scrip take up), or 1.9 times before factoring in amounts invested in the repayment in project-level debt. The Group repaid £49 million of project-level debt (pro-rata to the Company's equity interest) in the year.

Share issue proceeds (net of costs) totalled £521.9 million (2018: £232.9 million) reflecting the net proceeds of the 450 million shares issued during the year under the share issuance programme.

In the year, a portfolio of wind assets jointly owned with Fred. Olsen was refinanced providing TRIG with a capital distribution of £64.6m.

£509.8m was invested in acquisitions. These were funded through the share capital raise and the refinancing proceeds and surplus cashflow available for reinvestment.

The Company's acquisition facility was drawn in euros in the period to fund the investments in Ersträsk, Jädraås, Epine and Gode and then fully repaid from the proceeds of the equity fund raises in the year.

Cash balances increased in the period by £110.9m partially reflecting the share capital raised in October 2019 with some of those proceeds yet to be deployed into acquisitions at 31 December 2019 and partially reflecting cash flows generated exceeding distributions paid which are available for reinvestment. The Company expects to deploy surplus cash balances during Q1 2020 as the Merkur wind farm completes.

The Company has Investment Commitments at the Balance Sheet date of £350.4m in relation to four projects as set out below.

Following the completion of the Merkur investment and deployment of other H1 2020 commitments the Company expects to be around £70 million drawn on its revolving credit facility.

Solwaybank and Blary Hill wind farms are projects in construction with investment commitments outstanding and construction completion expected over 2020 and 2021.

Ersträsk Phase 1 is complete and operational. The Company invested in that project during 2019. Ersträsk Phase 2 is under construction and the Company has no obligations to purchase Phase 2 until its completion that is expected later in 2020. This is approximately 9 months later than previously expected.

The Merkur offshore wind farm is operational and TRIG and its other shareholders have exchanged contracts to acquire the investment. Completion of the investment is expected to complete shortly following the satisfaction of conditions including ender consent and competition clearance.

	H1 2020 (£'m)	H2 2020 (£'m)	H1 2021 (£'m)	Later (£'m)	Total (£'m)
Outstanding Commitments	174.2	141.2	19.4	15.6	350.4

Going Concern

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. See Section 10.0 for further details of the processes carried out by the Group in determining that the going concern basis continues to be appropriate.

Related Parties

Related party transactions are disclosed in Note 18 to the set of financial statements.

2.10
Financial KPIs and Review of the Year

	(Year to) 31 December 2019	(Year to) 31 December 2018	(Year to) 31 December 2017	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014
Dividend per share (declared)	6.64p	6.50p	6.40p	6.25p	6.19p	6.08p
Share price	138.4p	113.2p	108.6p	109.6p	102.3p	104.00p
Net Asset Value per share	115.0p	108.9p	103.6p	100.1p[2]	99.0p[2]	102.4p
Total Shareholder Return[3] for the year (share price basis)	+29.3% (FTSE All Share: 19.2%)	+10.7% (FTSE All Share: -9.5%)	+ 5.11% (FTSE All Share: +13.1%)	+ 15.8% (FTSE All Share: + 16.8%)	+ 4.4% (FTSE All Share: + 1.0%)	+ 7.5% (FTSE All Share: + 1.2%)
Portfolio Value	£1,745m	£1,269m	£1,081m	£819m	£712m	£473m
Year-on-year growth	+38%	+17%	+32%	+15%	+51%	+57%
Number of projects	74[1]	62	57	53	36	29
Aggregate capacity	1,664MW[1]	1,110MW	821MW	710MW	658MW	439MW
Market capitalisation	£2,265.0m	£1,333.9m	£1028.8m	£912.9m	£749.7m	£432.1m
Year-on-year growth	+70%	+30%	+13%	+28%	+73%	+36%
Number of shares in issue at year end	1,636.5m	1,178.4m	947.3m	833.0m	732.8m	415.5m
Ongoing Charges Percentage	0.98%	1.12%	1.11%	1.10%	1.20%	1.25%

1 Including investment commitments as at 31 December 2019 for Ersträsk Phase 2, Solwaybank, Merkur and the investment in Blary Hill, announced in January.

2 NAV per share in 2015 was in particular affected by the removal, in the UK's 2015 Summer Budget, of the benefit to renewables generators of selling Levy Exemption Certificates, effective 1 August 2015. NAV per share in 2016 is expressed after the payment of an additional quarter's worth of dividends as a result of the switch to quarterly dividends from semi-annual dividends. In aggregate, 7.7975p per share of dividends were paid in 2016.

3 Total Shareholder Return ("TSR") measures the internal rate of return based on the share price at the beginning and end of the financial year together with dividends per share reinvested in the Company.

The weighted average portfolio discount rate is 7.25%. Adjusted to take account of fund-level costs, the weighted average portfolio discount rate implies the expected level of return to investors from a theoretical investment in the Company made at NAV per share.

Financing

The Group's £340m revolving acquisition facility is with Royal Bank of Scotland International, National Australia Bank and ING Bank NV. The facility expiry date is 31 December 2021 with an option to extend it for a further 12 months. Margins on the facility when drawn are 1.90%.

The revolving acquisition facility enables the Group to fund new acquisitions and to provide letters of credit for future investment obligations should they be required. The facility includes a £20m working capital element.

The short-term financing provided by the revolving acquisition facility is limited to 30% of the portfolio value. It is intended that any facility used to finance acquisitions is repaid, in normal market conditions, within a year through equity fundraisings.

The acquisition facility, which was fully repaid following both the March and October equity capital raises, was drawn down to fund investments several times in the year.

In addition to the revolving acquisition facility, the projects may have underlying project level debt. There is an additional gearing limit in respect of such debt, which is non-recourse to TRIG, of 50% of the Gross Portfolio Value (being the total enterprise value of such portfolio companies), measured at the time the debt is drawn down or acquired as part of an investment. The Company may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of portfolio companies.

The project-level gearing at 31 December 2019 across the portfolio was 36% (2018: 35%). The slight increase in gearing in the year reflects net impact of the completion of a large debt refinance with TRIG's partner Fred. Olsen of the six co-owned Scottish wind farms with improved senior debt terms[1] and debt repayments made in the year. Acquisitions made in the year did not have a significant impact on the project level gearing ratio as their average gearing was similar to the existing portfolio.

The vast majority of the debt is fixed and has an average cost of 3.6% (including margin). The project level debt is fully amortising and repaid in each case over the period of the subsidy term. The portfolio weighted average subsidy life remaining is 12 years.

Foreign Exchange Hedging

At the year-end, 39% of the portfolio was located within France, the Republic of Ireland, Sweden[2] and Germany and hence is invested in euro-denominated assets. Once the committed investments in Solwaybank, Ersträsk, Merkur and Blary Hill wind farms are fully subscribed the proportion of euro-denominated investments based on the current portfolio and valuation will increase to c.45%.

The Group enters into forward hedging contracts against expected income from the euro-denominated investments' distributions over the next three to four years. In addition, the Group aims to enter into further forward hedging contracts such that, when combined with the "income hedges", the overall level of hedge achieved in relation to the euro-denominated assets is at least 50% of their aggregate value. The group may also make drawings under the revolving acquisition facility in euros which provides further foreign exchange hedging.

During the majority of 2019 the Group targeted hedging approximately 60% of the overall euro portfolio value. Towards the end of the year as the October 2019 Brexit deadline approached and a subsequent general election was called, the Group increased this proportion to approximately 80% in light of increased exchange rate volatility.

The Investment Manager keeps under review the level of euros hedged, with the objective of minimising variability in shorter-term cash flows and reducing NAV volatility. It seeks to maintain a balance between managing the sterling value of cash flow receipts and mark-to-market cash outflows.

As well as addressing foreign exchange uncertainty on the conversion of the expected euro distributions from investments, the hedge also provides a partial offset to foreign exchange movements in the portion of the portfolio value relating to the euro-denominated assets.

The impact on NAV per share of a 10% movement in the euro exchange rate after the impact of hedges held by the Group outside of the investment portfolio is 1.8p assuming an effective euro foreign exchange hedge of 60% – this is explained in more detail in Section 2.7 and Note 4 in the Notes to the Financial Statements (Valuation Sensitivities – euro/sterling exchange rate).

1 Consistent with TRIG's approach to other term project finance debt, the new debt will be repaid over each asset's subsidy period. The debt is committed for its full duration with no refinancing risk and the interest is predominantly fixed via swaps, thereby limiting exposure to increasing interest rates.

2 The majority of the Ersträsk and Jädraås wind farm income is from wholesale power sales which in the Nord Pool are denominated in Euros. Accordingly the investment is treated as Euro denominated notwithstanding that the smaller subsidy element of the revenues and some operating costs are denominated in Swedish Krona.

2.11
Risks and Risk Management

Risks and Uncertainties

While there are a broad range of risk elements that may potentially impact TRIG including risks relating to general macro-economic factors, there are three particular variables that the Managers believe are most relevant, given the nature of its business: (1) portfolio energy production; (2) electricity price movements; (3) regulation, including levels of government support schemes.

TRIG's approach to risk is one of systematic assessment, on an investment project basis on acquisition, and as part of the overall portfolio management over time as external dynamics shift. The Managers and the Board have considered and reviewed the key risks and have concluded that there has been no material change to the major risk categories in the year.

Major Risk Category	Key Mitigants
Portfolio electricity production falling short of expectations	▲ Established nature of wind and solar technologies ▲ Geographical spread of wind assets and complementary seasonal bias of solar production ▲ Number and diversity of portfolio projects by generating technology, weather system and specific locality ▲ Experience of RES as Operations Manager in monitoring and improving portfolio production ▲ Diversity of underlying equipment manufacturers and O&M suppliers ▲ Improvements in technology providing future opportunities for enhancement and repowering
Electricity prices moving adversely	▲ A significant portion of TRIG's near-term portfolio-level revenue is fixed in nature, without power price exposure ▲ Electricity is sold into distinct electricity markets (GB, Irish SEM[1], France, Nordics and Germany) ▲ Long-term nature of revenues and forward pricing mechanisms provides some protection against short-term fluctuations ▲ Revenues from different projects shift towards greater power exposure at different times depending on support scheme, commissioning date and contractual arrangements ▲ In the longer term, storage technologies may provide ability for renewables to become partly dispatchable and able to capture higher prevailing prices at times of higher demand ▲ The increasing electrification of the transport and heating sector could support long-term demand for power
Government or regulatory support for renewables changes adversely	▲ UK and Western European economies expected to continue to demonstrate a robust approach to grandfathering commitments to existing installed capacity ▲ Future subsidies generally tracking the fall in development costs of maturing technologies, providing appropriate public value-for-money ▲ Emphasis on energy security as a key item on the public agenda, in light of both dwindling North Sea fossil fuel production and broader geopolitical concerns ▲ Strong public and political momentum in TRIG's markets of focus towards meeting long-term United Nations, European Union and national decarbonisation efforts.

1 SEM refers to the Irish Single Electricity Market

Further comment on these categories is provided below:

Portfolio Electricity Production: The Company has been structured to provide the Investment Manager with the flexibility to invest across a variety of markets and technologies, to enable diversification across weather systems, renewables technologies and regulatory regimes.

Wind power and solar PV, while both intermittent sources of electricity, compared to coal or gas whose energy outputs can be planned, in combination, provide a smoothing effect, with solar more productive in the summer and wind more productive in the winter and with the absolute level of the two energy sources month by month being uncorrelated. Geographical spread of assets within each technology also has a smoothing effect. In addition, solar provides greater predictability through the year, compensating for wind which is more variable in the short term. Wind also typically offers a slightly higher return on investment reflecting this variability.

An important element in maintaining high levels of energy production is minimising operating downtime (or maximising "availability"). RES, as Operations Manager, has an extensive track record in both developing and managing renewables and has the experience of global operations, bringing considerable expertise both to the prediction of energy yields prior to acquiring assets and to the operation of assets in order to optimise energy production. This is done through careful planning and execution of project operations and prompt repair works both directly and through subcontractors. As onshore wind and solar PV are now well-proven technologies, typical levels of availability in a given year are around 96% to 99%.

Electricity Prices: In valuing the TRIG portfolio, it is necessary to take a long-term view on wholesale electricity prices which represent a significant part of the revenues alongside the receipt of subsidies. This is done in consultation with independent energy price forecasters.

In 2020, the portfolio expects to benefit from approximately three-quarters of its project-level revenues coming from fixed PPAs, FiTs, renewables obligation certificates and other embedded benefits, i.e. revenue sources other than those based on electricity market prices. Over the longer term the proportion of revenues subject to market prices increase.

The capture price for renewables is also expected to be lower than that of the average baseload capacity. This is a result of the fact that renewables are a low marginal cost generator, and therefore continue to generate electricity independent of power price levels. At times where the abundance of renewable power exceeds demand, renewables become the price setting technology resulting in a lower overall power price capture level than the average wholesale level.

Progress in storage technologies may assist with dispatching wind and solar generation to a market with increasingly intermittent generation, mitigating this risk. As battery storage becomes increasingly cost-efficient, this supply time-shifting (over hours or even days) should become increasingly economical. This can support the average price received for power sales.

The forecast power curve adopted by the Company in its valuation are shown in Section 2.8. Whilst the Company's weighted average power curve has reduced over the long term for the portfolio overall, particularly due to changes in expectations in the UK on the deployment of offshore wind, there are factors that may mitigate this outcome, such as the increase in demand from the electrification of the heat and transport sectors being underestimated.

Outturn power prices and movements in long-term forecast power prices provide both upside and downside risk to a renewables portfolio. With many factors influencing outturn power prices it is likely that future power prices will continue to fluctuate.

Material factors that influence power price forecasts include electricity demand, the volume of renewables in the energy mix, natural gas prices and carbon pricing.

As TRIG's portfolio is split across several jurisdictions, the Company has the benefit of diversification across electricity markets. Finally, projects are purchased at different points in the power price "cycle", producing a cost-averaging effect. The Group may be expected to acquire some portfolio projects at times when the long-term power price forecasts utilised turn out to be relatively high, though these may be offset over time by projects purchased when the power forecasts turn out to have been at relatively low levels.

Government Regulations: The Company benefits from receiving subsidies on most of it's projects for each unit of electricity generated, and this forms the bulk of the portfolio's revenues along with sales into the wholesale electricity markets. The Group is therefore reliant on the continuing support of governments and regulators to pay these subsidies in accordance with the expectations they have set.

The fundamental challenges for the future of the UK and EU energy market, in which renewables play an increasing part, remain in place. These challenges include the imperative of reducing carbon dioxide and other noxious emissions, the desire to improve energy security and the requirement to replace inefficient or aging energy infrastructure. This is demonstrated by the European Commission's proposals to increase carbon emissions reduction targets under the New Green Deal and the UK and other countries' commitments to a net-zero carbon emissions economy by 2050. The expectation is that governments will continue to require a significantly increased contribution by renewables technologies to meet the region's needs for energy security and carbon reduction.

Geographically, the Company makes its investments in the UK and Europe, in markets where there is a strong emphasis on meeting decarbonisation targets and showing consistency in grandfathering prior subsidy commitments to operating plants where reliance is being placed on such support mechanisms. Strong public pressure for continuing focus on combating climate change provides favourable impetus for this to continue.

In addition, with the reductions in costs of deploying renewables driving renewable energy to grid parity, the Company is now seeing assets being developed without reliance on government subsidies. This shifts the investment focus for such assets from sovereign strength and grandfathering to the relevance of the location for production yield and the sensitivity of the equity return to wholesale power price changes, taking into account the robustness of any hedging or other fixes in place and the capital structure and the mix of the revenues within the portfolio as a whole. This opening up additional markets up to TRIG, enabling it to maintain and enhance the diversification of its portfolio.

Other Risk Factors

There are a range of other risks, for example those that are more macroeconomic in nature, including the potential impact of material changes in market discount rates, inflation, interest rates, tax rates or exchange rates. The estimated impact of these on NAV, together with the impact of power price, energy yield and operating cost variability, is illustrated in the sensitivities section of

2.11
Risks and Risk Management (continued)

the Company's portfolio valuation in Section 2.8 and in Note 4 of the accounts.

Other risk factors which TRIG has been monitoring closely include:

Interest rates: Interest rates remain low by historic standards in our markets of focus. Modest UK and European GDP growth rates and inflation suggest that any recovery of interest rates would be slow and follow a manageable trajectory. To the extent that higher rates are correlated with higher inflation, the portfolio has protection by a natural hedge through exposure to inflation-linked subsidies and to power prices to the extent that over the long-term prices have a positive correlation with inflation. In addition, TRIG's project-level debt is structured (including with swaps) to fix the levels of interest payments.

UK/European Union Trade Deal: The UK's vote in June 2016 to leave the EU resulted in political and economic uncertainty with consequent market volatility. The Government's strengthened position as a result of the December 2019 elections has resulted in some clarity on the process that will now take place. The UK left the European Union on 31 January 2020 and is now in an 11 month transition period. With the present government policy that the UK will not under any circumstances extend this deadline, there is some concern that this may not present sufficient time for a suitably comprehensive trade deal to be reached.

An additional uncertainty is how Brexit may affect Scotland and any further potential independence initiatives. An independent Scotland's energy policies may have implications on the renewables market, including future new capacity deployment, the treatment of historic subsidies or the trajectory of power prices.

Further depreciation of Sterling may result in overseas acquisitions appearing more expensive in Sterling terms, relative to transactions at historic rates, while also increasing the valuation in Sterling terms of such assets held in the portfolio. The Company has foreign exchange hedges in place that aim to offset at least 50% of the Group's foreign exchange exposure leading to a manageable NAV per share and mark to market exposure in the event of significant foreign exchange movements. Exchange rate movements can also be expected to influence the GB power price due to the region's reliance on imported gas (priced in either Euros or US Dollars). Over the longer term, the impacts of Brexit on electricity pricing are harder to assess. In a low GDP growth scenario, demand will be lower which will adversely impact electricity prices. However, there may simultaneously be upward pressures on pricing if generating capacity margins tighten.

We set out in the table below how some of the factors which may be expected to arise were the UK to reach the end of the transition period without a trade deal with the European Union might be mitigated.

Major Brexit Risks	Key Mitigants
Workforce skills shortage	• Managers well resourced • Wide range of subcontractors in place mitigates individual asset risks
Supply chain disruption with and import tariffs on imported parts	• All key suppliers reviewed for approach to anticipated challenges and uncertainties • Additional spares being stored both sides of Irish border
Revenue disruption to sale of electricity in Great Britain	• Potential disruption to interconnectors with the UK outside the Internal Energy Market, but UK a net importer - tighter supply positive for GB wholesale prices
Revenue disruption to sale of electricity in the SEM[1]	• No immediate impact on electricity generation and flow is anticipated • Significant support for cross border interconnection to ensure the "lowest-cost pathway to decarbonisation"
Revenue disruption with the loss of carbon taxes outside EU ETS[2]	• Replacement Carbon Price Support expected (Budget announcement Nov 2018) • Carbon taxes support decarbonisation targets and generate tax revenues

1 SEM refers to the Irish Single Electricity Market.
2 EU ETS refers to the European Union Emissions Trading System.

Counterparty Failure: Given the importance of counterparties to the ongoing operation and maintenance of operating assets, to the construction of new assets and to the sale of electricity through power purchase agreements, counterparty failure is a risk that The Managers and Board discuss and consider at each Board meeting. The Company employs a creditworthiness check and continuous monitoring on all counterparties and takes remedial measures should creditworthiness deteriorate to levels not acceptable to the Company.

Emerging Risks: The Managers and Board discuss and consider what emerging risks there are to the Company each quarter at the Board Meeting. The Company has a range of advisers in addition to its Managers, including corporate brokers and technical, legal and market advisors. These Advisors report on key topics and potential events which may present potential risks that the Board and the Manager need to monitor. In addition, the Company is registered with various industry bodies which alert both the Board and the Managers of emerging risks as key events and news items unfold.

An example of an emerging risk is disruption caused by the Covid-19 coronavirus. The Managers do not currently expect there to be any adverse impact on the Company's supply chain, but are monitoring the risk as it develops.

Climate Change related Risks and Opportunities

The Company is aware that there is a growing demand for consistent, comparable, reliable, and clear climate related financial disclosure from many participants in financial markets.

Being cognisant of this, the Company has decided to begin specific disclosures on risks the business faces relating to climate change in line with the recommendations by the **Task Force on Climate-Related Financial Disclosures (TCFD)**.

On 2 July 2019, the UK Government announced, in its Green Finance Strategy, the expectation that listed companies and large asset owners should make disclosures in line with the TCFD recommendations by 2022. Also, in October 2019, the Financial Reporting Council (FRC) has reported that whilst there is no formal requirement yet, reporting against TCFD would be one step in fulfilling a Company's obligations to provide information about how the Directors have performed their duty to promote the success of the company under Section 172 of The Companies Act 2006, and how opportunities and risks to the future success of the business have been considered in line with the UK Corporate Governance Code 2018. TRIG is adopting early disclosure under TCFD guidance in line with the Company's approach to promoting best practice.

We have split out disclosure below into the four thematic areas defined by the TCFD.

Governance

The TRIG Board and Managers meet on a quarterly basis, during which a key process is the review of the risks facing the Company, including discussions on emerging risks, with the aid of a risk reporting and management matrix (see the Risk Management Framework described later in this section). The discussions can lead to near-term quantification and long-term action plans to mitigate specific risks faced by the business. One of the explicit risk areas considered as part of these discussions are risks related to climate change.

Risks are also discussed by the Managers at the Advisory Committee level on a quarterly basis. As part of this process, one of the explicit risk areas considered by the Advisory Committee are risks related to climate change.

Due to the nature of TRIG's business, being solely invested in renewables and related infrastructure, the opportunities presented by the transition to a decarbonised future are regularly discussed by the Board and Managers.

Strategy

TRIG's business model is specifically designed to take advantage of the investment opportunities arising from the decarbonisation of energy usage. The pace of the transition to a zero-carbon future will dictate the size of the investment opportunity for TRIG. Under current plans for renewables deployment spread over the range of European countries in which TRIG invests, coupled with the expected need for the replacement of existing installations in due course, the Managers expect there to be significant investment opportunities for the Company over the long-term. Notwithstanding this, TRIG recognises that risks relating to climate change could have an impact on the Company.

With increasing deployment of renewables, to the extent that demand for power does not keep up such that generation levels exceeds power demand on a regular basis, reductions in the average achieved power price for renewables may occur (known in the renewables industry as "cannibalisation"). For more details regarding anticipated renewables deployment and the impact this may have on TRIG's investments see Section 2.4, Market Developments.

Physical damage may arise with more frequency due to extreme weather events. This includes damage to equipment such as turbine blades and transmission infrastructure, as well as access roads, which impact operational performance. Risks also include long-term changes to weather patterns causing material change to an asset's energy yield from that expected at the time of investment.

The Company's strategy is to invest in a diversified portfolio comprising a number of investments spread over several countries across Europe involving different technologies (onshore wind, offshore wind, solar and storage). This is expected to provide greater resilience to portfolio returns compared with a narrower, more concentrated, portfolio and helps mitigate the impact of physical damage events on the overall portfolio.

The financial impact of these risks can be estimated through the disclosure of power price sensitivity and energy yield (P10/P90) sensitivity in Note 4.

2.11
Risks and Risk Management (continued)

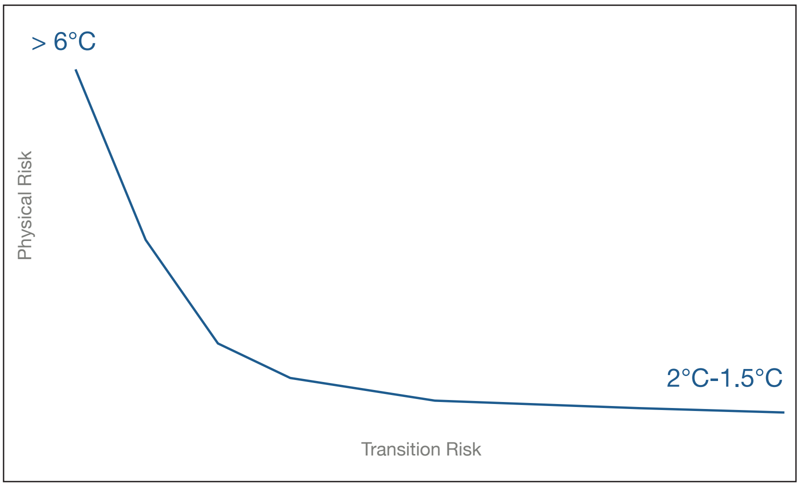
Scenario Analysis

TRIG's portfolio returns and potential to grow the portfolio are subject to both transition risks and physical risks, as defined by the TCFD, and laid out below.

Transition Risks: Risks related to the transition to a lower-carbon economy. The risks can be grouped into four categories: policy and legal risk; technological risk; market risk (e.g. consumer preferences); and reputational risk.

Physical Risks: Risks associated with physical impacts from climate change that could affect carbon assets and operating companies. These impacts may include "acute" physical damage from variations in weather patterns (such as severe storms, floods, and drought) and "chronic" impacts such as sea level rise, and desertification.

Transition-Physical Risk Conceptual Trade-Offs



Source: The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities, Task Force for Climate-related Financial Disclosure

We have conducted a qualitative scenario analysis for the extreme scenarios of Physical Risk and Transition risk, and describe these below:

High physical risk scenario (typically associated with a greater temperature increase)

This is a climate change scenario that results in temperature change of greater than 4°C, resulting in extreme weather events which could threaten the successful operation of assets within the portfolio. We assume that under this scenario, renewables buildout lags expectations and energy is not decarbonised to an extent consistent with a lower impact from climate change and that insurance for damages may become unavailable or more expensive.

In a high physical risk scenario, TRIG's portfolio has a number of characteristics that enhance resilience. TRIG is diversified over a number of asset types (largest investment is 9% of portfolio), a large number of asset locations and over a broad geographic reach (currently five European countries) reducing the impact of localised climate events.

The potential financial impact from a high physical risk scenario on long term energy yields, which could be higher or lower, can be estimated using the sensitivity analysis in Note 4.

High transition risk scenario (typically associated with a smaller temperature increase)

Under this scenario, we assume that policy measures are put in place that accelerate the decarbonisation of energy production, including higher than expected levels of renewables deployment. Physical risks from extreme weather events are less frequent and effective insurance coverage remains generally available.

In a high transition risk scenario, demand for investment in renewables would support TRIG's business model. However, greater renewables deployment means greater risks of discrepancy between electricity supply and demand leading to a reduction in power prices achieved by renewable potentially generators ("cannibalisation"). The financial impact of a reduction in long term power price assumptions can be approximated through the sensitivity analysis in Section 2.8.

Risk Management

Climate related risks are a specific item on the Company's Risk Register and are identified and discussed through the business' wider risk management processes, by both the Investment Manager and the Operations Manager. The Company's Risk Management Framework is explained later in this section.

When acquiring assets, specific consideration is given to climate-related risks through a formal ESG checklist completed for each potential acquisition. This checklist considers a number of environmental and social factors including the resilience/ vulnerability of the asset to climate change risks.

The condition of the portfolio assets are closely monitored with preventative maintenance undertaken, strategic spares held in stock and insurance against physical damage is always purchased. This allows physical risks to be managed continuously. The generation of the portfolio is regularly monitored and compared to energy yield budgets, with variances identified and assessed for the underlying causes of departures from expectations. Asset valuations are updated to reflect changes in expectations for energy yield, future power prices and asset lives.

Metrics

The Company utilised a range of metrics to monitor the performance of the portfolio that relate to mitigating climate change. These can be found in the Section 2.5, Sustainability, and includes the following:

- Tonnes of carbon emissions avoided
- Renewable energy generation
- Homes powered by clean energy
- Proportion of portfolio sourcing electricity under renewable energy tariffs
- Number of Active Environmental Management projects

Future disclosure

The Managers intend to expand the scenario analysis to apply specific published scenarios (such as scenarios published by the IEA and the IPCC) on an asset by asset level and report the financial impact under each scenario. The Company expects to provide more disclosure on this in next year's annual report.

Over the next 12 months the Investment Manager is looking to further embed Climate related risk assessment into the investment process and will report on its progress in the Company's next annual report.

Risk Management

Risk Management Framework

The Company has put a risk management framework in place covering all aspects of the Group's business. Given the nature of the Company (being an Investment Company where the Company outsources key services to the Investment Manager, Operations Manager and other service providers), reliance is placed on the Group's service providers' own systems and controls.

The identification, assessment and management of risk are integral elements of the Investment Manager's and the Operations Manager's work in both managing the existing portfolio and in transacting new investment opportunities. The Managers have established internal controls to manage these risks and they review and consider the Group's key risks with the Board on a quarterly basis. If a new risk arises or the likelihood of a risk occurring increases, a mitigation strategy is, where appropriate, developed and implemented together with enhanced monitoring by the Investment Manager and/or Operations Manager.

The Board's Management Engagement Committee also reviews the performance of the Investment Manager and Operations Manager (as well as all key service providers) annually and in particular this review includes a consideration of the Managers' internal controls and their effectiveness and the maintenance of a risk control matrix.

Given the limited number of expected disposals from the portfolio and the similar risk profile of the investments within the portfolio (i.e. they are all renewable energy infrastructure projects in the UK or Europe with broadly similar contractual structures), the type and nature of the risks in the Group are not expected to change materially from period to period.

The following table summarises some important areas considered on a regular basis in the risk assessment process by risk category as set out in the Alternative Investment Fund Managers Directive:

Category	Key Elements
Operational	Health and safety, risk of regulatory changes or breaches, fraud and management override, valuation error, political/regulatory changes, conflicts of interest, key man and service provider failure, breach of company policies or contractual covenants, energy yield, technology risk, project-level availability, equipment failure, project insurance, grid curtailment and outage, sub-contractor failure.
Liquidity	Fund-level portfolio liquidity, fund-raising, project-level liquidity and gearing
Counterparty	Contractual concentration, with several manufacturers, constructors and service suppliers involved across a number of projects
Credit	Risk of counterparty failure
Market	Power price, macro-economic (currency, interest rates, inflation), share price, competition
Tax	Limitation of tax relief on interest deductions, changes in corporation tax rates and other tax risks

2.11
Risks and Risk Management (continued)

Counterparty Exposures

Given the importance of state subsidies for investment in renewables, TRIG has exposure to the creditworthiness of and policy commitments by national governments and is reliant on the consistency of government policy, for example “grandfathering” within the UK whereby renewables generators continue to receive the same level of subsidy, set upon commissioning, for the duration of the incentive. In addition, each project company enters into a commercial PPA[2] with a utility or energy trading company to enable them to sell the electricity generated and to receive the FiT[3] or ROC[4] subsidy payments. The project companies have entered into PPAs with a range of providers. Each project company enters into a contract for the maintenance of the plant. In the case of wind, this is often with the turbine manufacturer. There are also contracts with construction companies who may be building or maintaining plant and/or have defect guarantees for past works. For both wind and solar sectors, projects may also benefit from equipment provider warranties. Failure of any of these counterparties represents a risk for the group.

The chart below provides an analysis of the exposure to PPA counterparties, equipment providers and maintenance contractors as measured against the portfolio valuation and against the number of projects in which the counterparty is involved.

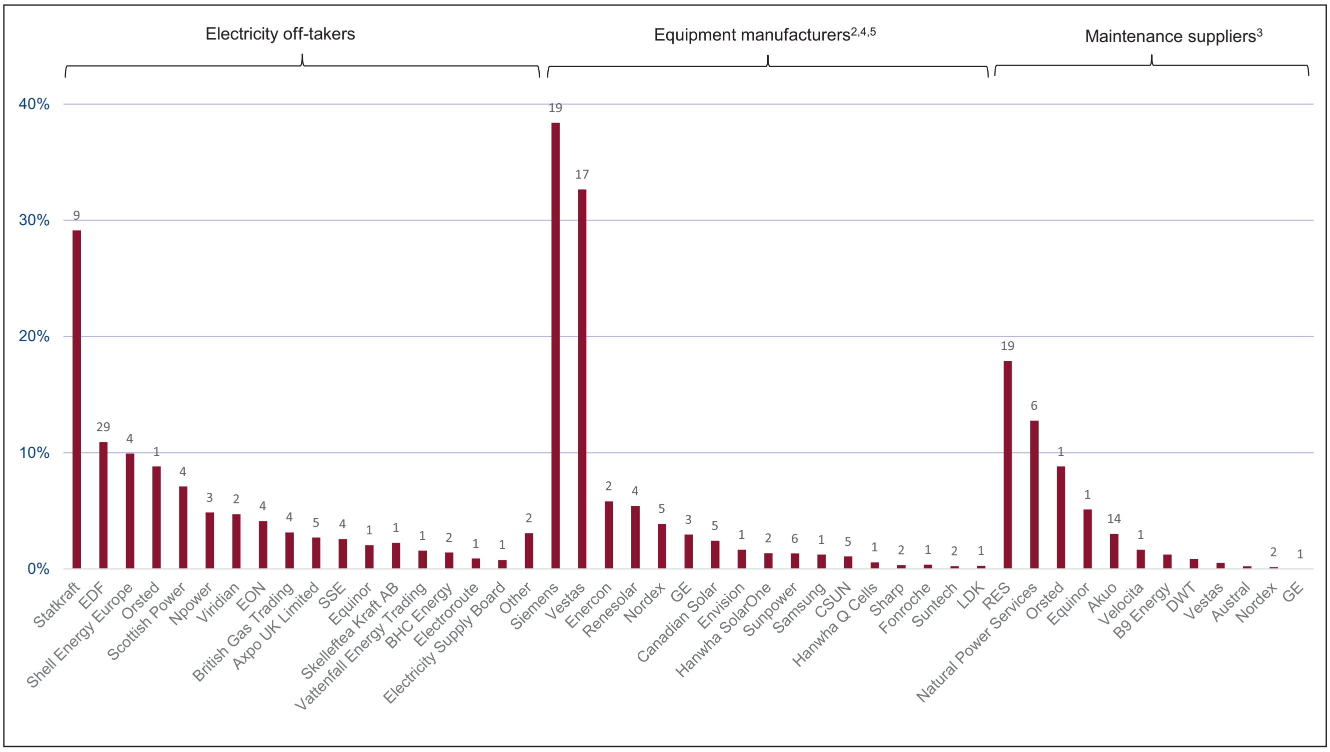
There are significant exposures to counterparties, for example, Statkraft (as PPA provider), Siemens and Vestas (as turbine suppliers and maintainers) and Natural Power Services and RES (as service providers). In the event that a counterparty or guarantor enters insolvency, then there is a risk of disruption while counterparties are replaced and a risk of distribution lock-up for the assets that are project financed.

Due to German turbine manufacturer Senvion going into administration during the period, and financial difficulties faced by some other turbine suppliers, there is concern around the future of turbine suppliers in the sector. Whilst TRIG has the largest exposures to Siemen and Vestas, the largest turbine suppliers in Europe, the Company does use a wide range a suppliers to help mitigate concentration risk. The fundamentals behind the industry, policies supporting wind energy globally, remain in place and we believe that although certain turbine suppliers may be facing difficulty, the risk is not systemic.

Some project companies have more than one counterparty in each category – where that is the case, the relative valuation of the associated project in the illustration below has been apportioned between counterparties.

2 Power Purchase Agreement.
3 Feed-in Tariff.
4 Renewables Obligation Certificates.

Illustration of the range of PPA counterparties, equipment manufacturers and maintenance suppliers as at 31 December 2019 by relative value of associated projects[1] and number of projects:



1 By value, on an invested basis, as at 31 December 2019, using the Directors' valuation. Some projects have more than one counterparty in a category, in which cases the valuation of the associated project is apportioned.
2 Equipment manufacturers generally also supply maintenance services.
3 Where separate from equipment manufacturers.
4 Following the administration of Senvion, the turbine supplier at the Solwaybank wind farm, which is in construction, was changed to Vestas.
5 Following the administration of Senvion, the O&M services on five wind farms (Freasdail, Solwaybank, and three of the Fujin projects) have now transferred to Siemens Gamesa who took over the Senvion O&M contracts.

2.12
Stakeholders and Corporate Culture

Stakeholder Management:
The Board believes in the importance of conducting business responsibly. That means behaving ethically, respecting people and respective the environment.

TRIG aims to maintain high standard of business conduct and stakeholder engagement and to ensure a positive impact on the community and environment in which it operates. This requires monitoring and consideration of its stakeholders by building strong relationships with suppliers, customers, communities and authorities among others.

TRIG's relationships with its stakeholders and its dedication to maintaining a responsible approach to investment, is essential to position TRIG well for the longer term – and is expected by its shareholders.

TRIG and its appointees work with many stakeholders in the management of the business in the following categories:-

Shareholders & the Board: The Board of Directors is ultimately accountable to the Shareholders for the running of the business and the making of key strategic decisions and all key appointments of service providers. The Board delegates certain activities including day-to-day investment management and operations management and works closely with all the key service providers. Shareholder interaction is regarded as a critical component of the management of TRIG and the Board works closely with the Managers, InfraRed and RES, with the Company Secretary, Aztec, and with the Company's brokers, Investec and Liberum, in order to keep abreast of the needs and concerns of shareholders. In 2019, the Board commissioned an Investor Perception survey, undertaken by an independent company, involving interviews with a range of shareholders representing 45% of the shareholder base by holding. This provided useful feedback from investors on how they regard their investment in TRIG.

Corporate-level suppliers: As well as the critical day-to-day oversight of the portfolio provided by InfraRed and RES, TRIG has a set of corporate providers which ensure the smooth running of the Company. In administration, Aztec provides consistent support for corporate and company secretarial activities, while Investec and Liberum act as key intermediaries between the Company and our shareholder base, working with the Managers to arrange meetings with current and prospective investors, monitoring equity market conditions and advising on capital raising activities, which have been regular given the growth of our industry. TRIG benefits from the commitment and flexibility of three corporate lenders for the Company's revolving acquisition facility, namely RBS, NAB and ING. Carey Olsen and Norton Rose Fulbright provide corporate legal support for the business in Guernsey and London respectively and tax services are provided by KPMG. Our registrar, Link Market Services (formerly Capita) maintains the shareholder register and manages the processing of shareholder communications with our other advisers. On the public relations side TRIG receives advice and practical coordination from Maitland/AMO Strategic Advisers. TRIG also accesses a number of key data providers, including technical reports in relation to acquisitions and regular power price forecasts and commentary from several specialised providers. The Company's auditor is Deloitte. Additional valuation services are provided by independent valuers from time to time. The Company also receives a range of other services including shareholder list analysis, webhosting, design and remuneration consulting.

Operational partners: TRIG benefits from co-investing alongside a number of joint venture partners, some being developers and vendors, such as Equinor, Orsted, Fred. Olsen Renewables and Akuo Energy and others being financial co-investment partners, for example APG and Equitix. In each case, the Managers build on the relationship with the co-investor, providing representatives to attend project board meetings to coordinate and monitor the investment, with the additional potential to share best practices.

Illustration of principle stakeholders

The Company

TRIG

- Shareholders
- Board of Directors

Corporate-Level Stakeholders

- Investment Manager

InfraRed Capital Partners

- Operations Manager

res power for good

Other corporate suppliers

- Administration & secretarial
- Corporate broking
- Revolving facility providers
- Legal
- Registrars
- Public relations
- Auditing/tax
- Data services/other

External/Portfolio Stakeholders

Operational partners

- Developers, builders & operators
- Financial

Vendors

- Utilities & other developers
- RES or InfraRed (as vendor)

Portfolio customers

- PPA counterparties

Portfolio suppliers

- OEMs & spare part providers
- O&M providers
- Land owners
- Project financing & swaps

Local communities

- Local authorities
- Community funds
- Employment opportunities
- Events – schools/clubs
- Environmental maintenance

Other external stakeholders

- EU, Government & Ofgem
- Grid networks
- Renewables industry community
- AIC & London Stock Exchange
- Media
- Market analysts

Vendors: TRIG's reputation for reliability and efficiency in transaction management with a variety of vendor counterparties (having now transacted with 14 counterparties) helps the Company to continue to derive value in origination by accessing projects off-market (including from RES itself under the right of first offer agreement).

Portfolio Customers: As an energy provider, TRIG's key customers are PPA counterparties. These offtakers pay for and receive TRIG's portfolio companies' output – with revenues being payments for the renewables benefits as well as commercial power for those projects permitted to receive power market revenues.

Portfolio Suppliers: TRIG's key operational suppliers include Original Equipment Manufacturer's ("OEMs"), spare part O&M providers and increasingly Independent Service Providers ("ISPs"). On construction projects the key suppliers are the EPC Contractors, turbine suppliers and balance of plant contractors. Utilities also provide certain site-specific services such as meter readings. The operations teams maintain relationships with the site landowners who receive rental payments. Lenders to the project companies include many leading domestic and international banking groups, TRIG's Managers maintain discussions with key lenders as there are opportunities to refinance projects as market conditions allow and this has been done selectively within the portfolio to date.

Local Communities: TRIG is conscious of its role in the local communities in which its projects operate. Close consultation with local planning authorities is an important feature of renewables whether in construction, during operations or preparing for the potential repowering or dismantling of a project. Socially, TRIG seeks to provide educational events at its larger sites, while also contributing via community funds to local projects ranging from playgroups to cultural events.

2.12 Stakeholders and Corporate Culture (continued)

Economic activities around the sites provide additional demand for local goods and services as well as local employment opportunities for example in the maintenance of the sites and access. These are particularly valued in areas where a long-term urbanisation trend has resulted in reduction in the local rural economies.

TRIG seeks to promote best practices across the portfolio, in areas as diverse as noise monitoring, shadow flicker, ice throw, landscaping, the provision of community events and liaison with the local media.

We discuss how TRIG interacts with the local community further in Section 2.5, Sustainability.

Other External Stakeholders: The Company maintains a close dialogue, through its Managers, with key regulators as well as with the regulated networks, such as National Grid and the relevant network operators in the UK. At a policy level, TRIG's Managers monitor EU requirements and engage with key government departments and regulatory bodies. At the network level, TRIG's Managers and O&M providers communicate in several areas for example on grid outage issues, on the role of renewables assets as locally embedded suppliers of energy as well as on technical or contractual issues. In the investment company space, the Association of Investment Companies (AIC) plays a key role in shaping the influence of this growing segment of the London market and TRIG seeks to apply AIC guidelines where relevant to its business and maintains an active dialogue as one of the leading companies in its sub-sector. The Managers also keep market financial analysts appraised of TRIG's strategy, performance and outlook.

Section 172(1) Statement: The Company provides disclosure relevant to the requirements of Section 172(1) a)-f) throughout the Strategic Report. Please see the table below for a reference to where this information can be found:

Section 172(1) statement area	Reference
The issues, factors and stakeholders the Directors consider relevant in complying with section 172 (1) (a) to (f) and how they have formed that opinion.	During the Board's quarterly meetings, both Investment Manager and Operations Manager are required to provide updates on items that relate to section (a)-(f). The chief way this is done is through a quarterly Investment Manager and Operations Manager reports. The Company's relationships with suppliers, customers and contractors is a key part of the operations report, whilst items relating to shareholders, Company reputation and investment decisions are contained within the Investment Manager report. The Board challenges the Managers to be alert to the concerns of stakeholders and how best to address these concerns to ensure continuing positive stakeholder engagement. The Company's risk review framework also facilitates the identification of items relevant to the Section 172 (1) statement. The annual review of the Strategy by the Board encompasses the longer-term factors relating to the Company's decisions and the implications for the communities and environments in which our investments are made. As part of the Annual Strategic Review process, key stakeholders such as partners, suppliers, customers and local communities are also discussed. The Board's approach to engaging with these stakeholders are outlined above.
(a) the likely consequences of any decision in the long-term	Please see sections **2.2 Business Model and Strategy** and **2.3 Investment Approach and Policy**
(b) the interests of the Company's employees	Please see section **2.12 Stakeholders and Corporate Culture**
(c) the need to foster the Company's business relationships with suppliers, customers and others	Please see section **2.12 Stakeholders and Corporate Culture**
(d) the impact of the Company's operations on the community and the environment	Please see sections **2.12 Responsible Investment** and **2.12 Stakeholders and Corporate Culture**
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	Please see sections **2.5 Sustainability** and **2.12 Stakeholders and Corporate Culture**
(f) the need to act fairly as between members of the Company	Please see sections **2.5 Sustainability** and **2.12 Stakeholders and Corporate Culture** and **6 Corporate Governance Statement**

Corporate Culture

The Company's approach to corporate culture, including sustainability and diversity and inclusion, includes:

- Considering that the risk appetite of the Company is consistent with the risk appetite of the Company on a regular basis;
- Embedding and improving on good practices in the day-to-day management processes – which are assessed by the Board in the course of the quarterly Board meetings as well as in a wide range of ad hoc interactions during the year;
- Ensuring both Managers and the Board maintain specific initiatives to promote diversity and inclusion;
- Promoting an appropriate culture of stewardship, responsibility, accountability and openness; and
- A focus by the Board and Managers on appropriate interaction with key stakeholders, including shareholders, lenders, regulators, vendors, co-investors and suppliers.

The Chairman, Helen Mahy, sets a strong example in maintaining an effective corporate culture, for example, by her active advocacy of equal opportunities. Outside TRIG, Helen is a member of the steering committee of the Parker Review into the Ethnic Diversity of UK boards which was published in October 2017 and updated in February 2020. In addition she is a patron of a charity, the Social Mobility Business Partnership and an Equality and Human Rights Commissioner.

The Board has been at least 50% female since launch and following the appointment of Tove Feld (whose Directorship will be effective from 1 March 2020), three of the five Directors are female. Its members are drawn from the UK, Germany and Scandinavia, which are each a key market for TRIG's assets.

As TRIG has no employees beyond the non-executive Board. The Directors look through to the culture of TRIG's key service providers in annual review processes as well as on an ongoing basis. The executive management of TRIG is provided by its Managers, InfraRed and RES. Both are global businesses with broad representation across its employees reflecting the international nature of their activities.

Both Managers support equal opportunities for recruitment and when managing existing employees, regardless of age, race, gender or personal beliefs and preferences. Both Managers prioritise work force engagement and have implemented a range of initiatives to improve employee wellbeing, including fitness and mental health schemes, mentorship programs, promoting charity work and organising social activities. Both companies have HR systems in place which allow employees to raise any concerns in confidence. InfraRed and RES recognise that when their employees are engaged they will benefit from higher staff retention and lower turnover, better productivity and increased employee loyalty.

At InfraRed there are over 20 nationalities represented with an average age of 38 across the InfraRed business comprising over 190 professionals. In order to support diverse recruitment of candidates on merit and not on background, race or gender, InfraRed staff may undergo "unconscious bias" training and new staff are often recruited via a carefully considered process which is "name blind".

The Board interacts regularly with staff of the Managers both at senior and operational levels, in both formal and informal settings. This promotes greater openness and trust between the key individuals engaged in delivering against the Company's objectives and ensures the Managers remain fully aligned with the Company's corporate culture and approach to sustainability. The Board also engages closely throughout the year with the Company's administrator, brokers, and legal and public relations advisers to gauge the broader positioning and direction of the business.

In addition to the Board Meetings being attended by the core senior InfraRed and RES teams, other more junior members from InfraRed and RES are encouraged to join. Not only does this aid their development, but it also allows the Board to gain insight into how senior management are supported and how prepared the Managers are in relation to key man risk and long-term succession planning.

The Investment Manager, InfraRed Capital Partners, has a strong and clear set of Values – which it promotes and monitors both group-wide and at the individual level (through assessments) – focusing on the principles of Passion, Curiosity, Trust, Partnership and Fulfilment.

InfraRed also adopts and implements the Principles for Responsible Investment ("PRI") (an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact) which are widely recognised and highly regarded around the world. In the annual assessment by PRI, InfraRed has achieved excellent ratings, standing well above industry standards for the last five consecutive years. The PRI can be summarised as follows:

- to showcase leadership in responsible investment;
- to incorporate sustainability issues into investment analysis and decision-making;
- to be active owners and incorporate sustainability issues into ownership policies and practices;

2.12 Stakeholders and Corporate Culture (continued)

- to seek appropriate disclosures on sustainability issues by the entities in which the investments are made;
- to promote acceptance and implementation of PRI within the investment industry; and
- to report on activities and progress towards implementing the PRI.

Culture is very important for the Operations Manager, RES, from both a business perspective and to RES people. The RES culture is what enables its strategy and what motivates its people to perform. RES's senior leadership are of the view that empowering employees and a strong safety culture is necessary to make a positive impact in the communities it works in.

RES' leadership maintains that as the organisation grows and adapts, it remains true to its culture, heritage and vision to create a future where everyone has access to affordable low carbon energy. RES' core values are most simply reflected in their statement Passion, Accountability, Collaboration and Excellence. As a result, recruitment is often targeted junior personnel where possible in order to develop and promote the existing team into future leaders

RES supervises a range of activities at a corporate level, to support staff in their own volunteering and charitable fundraising endeavours. At a portfolio level, activities are designed to enhance the interaction with the local communities as well as to make a difference to the amenities available in often remote locations where TRIG's projects are sited.

More details on corporate life at InfraRed can be found at https://www.ircp.com/corporate-life/

More details on corporate life at RES can be found at https://www.res-group.com/en/careers/working-for-res/

Anti-Bribery and Corruption

Although TRIG has no employees, TRIG is committed to respecting human rights in its broader relationships.

TRIG does not tolerate corruption, fraud, the receiving of bribes or breaches in human rights. Both InfraRed and RES have anti-corruption and bribery policies in place in order to maintain standards of business integrity, a commitment to truth and fair dealing and a commitment to complying with all applicable laws and regulations.

Both Managers have training for anti-bribery and corruption which all employees are required to complete annually.

All counterparties undergo a stringent process to mitigate against bribery and corruption. When InfraRed completes acquisitions on behalf of TRIG, there is vendor due diligence and all sales and purchase agreements are required to have anti bribery and corruption protection clauses.

Disclosure

On the basis of the Managers' recommendations, the Directors have considered the existing sustainability and corporate culture policies relative to good industry practice as applicable to an infrastructure investment company and believe them to be current and appropriate.

The Board remains committed to high standards of corporate governance and keeps the Company's practices under review with respect to current best practice. Further details of how the Company complies with the various corporate governance standards are set out in the section on Corporate Governance and Regulatory Matters.

The Board wishes to be at the forefront of disclosure and reporting of the Company's performance and strategic intentions. The Board believes this is achieved by the communications as follows:

- annual report and accounts;
- interim statement and accounts;
- detailed presentations to accompany the results;
- announcements of all material acquisitions; and
- meetings with shareholders held by the Investment Manager and the Operations Manager.

The Company's website (www.TRIG-Ltd.com) which includes the Company's prospectuses, financial disclosures and other announcements since launch provides further information on TRIG and its investments.

Disclosure of key sensitivities and risks has been developed by the Board working with the Managers. The level and type of disclosure has been developed and refined in order to assist in a full and fair analysis of the Company and its investments.

This Strategic Report is approved by the Board of Directors of The Renewables Infrastructure Group Limited.

17 February 2019

Registered Office:
East Wind, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP

TRIG Board at Puits Castan, France

03
Board of Directors

3.0
Board of Directors

Members of TRIG's Board of Directors, all of whom are non-executive and independent of the Managers, are listed below.

Helen Mahy CBE
Chairman

Appointed 14 June 2013, aged 58, is an experienced chairman and non-executive Director. In addition to being Chairman of the Company, Helen serves as a non-executive Director for SSE plc and Bonheur ASA. She is Deputy Chairman and Senior Independent Director of Primary Health Properties plc (which she will leave in April 2020). Previous Directorships include SVG Capital plc, Stagecoach Group plc, Aga Rangemaster Group plc and she was also Chairman of MedicX Fund Ltd. Helen was Group Company Secretary and General Counsel of National Grid plc and was a member of its Executive Committee from September 2003 to January 2013 when she retired from National Grid plc. Helen qualified as a barrister and was an Associate of the Chartered Insurance Institute. In 2015 she was awarded a CBE for services to business, particularly relating to diversity in the workplace. Helen is a resident of the UK.

Shelagh Mason
Director and Senior Independent Director

Appointed 14 June 2013, aged 60, is an English property solicitor. She was Senior Partner of Spicer and Partners Guernsey LLP until November 2014 and is now a consultant with Collas Crill LLP, specialising in English commercial property. She is also non-executive Chairman of the Channel Islands Property Fund Limited which is listed on the The International Stock Exchange Authority Limited and Chairman of Riverside Capital PCC, recently appointed to the Board of Skipton International Limited and she also holds other non-executive positions. Previously Shelagh was a member of the board of Directors of Standard Life Investments Property Income Trust, a property fund listed on the London Stock Exchange for 10 years until December 2014. She retired from the board of MedicX Fund Limited, a main market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors and a member of the Chamber of Commerce, the Guernsey International Legal Association and she also holds the IOD Company Direction Certificate and Diploma with distinction. Shelagh is a resident of Guernsey.

Jon Bridel
Director and Audit Committee Chair

Appointed 14 June 2013, aged 55, currently serves across various listed and unlisted companies as a Director or non-executive Chairman. These include Starwood European Real Estate Finance Limited, Sequoia Economic Infrastructure Income Fund Limited and SME Credit Realisation Fund Limited, as well as DP Aircraft I Limited and Fair Oaks Income Limited. Jon previously worked as Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands and in senior management positions in the British Isles and Australia in banking, specialising in corporate and commercial credit and in private businesses as Chief Financial Officer. Graduating from the University of Durham with a degree of Master of Business Administration in 1988, Jon also holds qualifications from the Institute of Chartered Accountants in England and Wales where he is a Fellow, the Australian Institute of Company Directors and is a Chartered Marketer. Jon is a member of the Chartered Institute of Marketing, a Chartered Director and Fellow of the Institute of Directors and a Chartered Fellow of the Chartered Institute for Securities and Investment. Jon is a resident of Guernsey.

Klaus Hammer
Director and Management Engagement Committee Chair

Appointed 1 March 2014, aged 64, is a graduate of the University of Hamburg and gained an MBA at IMD Lausanne. He was previously Chief Operating Officer of the global combined-cycle gas turbine power plant business of EON, and also served on a variety of boards including EON Värmekraft Sverige AB, Horizon Nuclear Power Ltd. and the UK Association of Electricity Producers. Prior to EON, which he joined in 2005, he spent 20 years with Royal Dutch Shell in a variety of roles in both Europe and Africa. Among his other recent roles, he was a public member of Network Rail until mid-2014. Klaus also advises investors in energy-related businesses. In 2018, he supported the setting-up of a major defence contractor on an interim basis as Executive Finance Director in Australia. Klaus is a resident of Germany.

Tove Feld

In February 2020, the Board announced the appointment of Tove Feld to join the Board from 1 March 2020

Tove Feld is a Danish national and has more than 25 years' experience in the renewables sector, with a focus on offshore wind. Her previous roles include the Chief Technical Officer at DONG Energy Wind Power (now Ørsted) where she had a prominent role in preparing the company for IPO, as well Head of Engineering Solutions for Offshore Wind at Siemens Wind Power. Ms Feld also currently serves on the Board of Representatives of the Technical University, and the Boards of FORCE Technology, a leading technological service company, and CEKO Sensors ApS, an industrial monitoring and optimisation sensor technology business. Ms Feld has a Ph.D from Aalborg University (Denmark) and Executive MBA from IMD (Switzerland). Tove is a resident of Denmark.

TRIG Board RES and InfraRed teams at Puits Castan, France

04

Statement of Directors' Responsibilities

4.0
Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. The Companies (Guernsey) Law, 2008, as amended, requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Article 4 of the IAS Regulation and applicable law.

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- 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 in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

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 (Guernsey) Law, 2008. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and Corporate Governance Statement. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Chairman's Statement and Report of the Directors include a fair review of the development and performance of the business and the position of the Company and Group taken as a whole together with a description of the principal risks and uncertainties that it faces; and
- The annual report and financial statements when taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

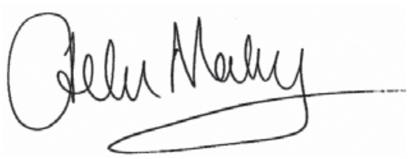
Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

On behalf of the Board of Directors of The Renewables Infrastructure Group Limited



17 February 2020

Registered Office:
East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, GY1 3PP

TRIG Board at Cuxac Cabardes, France.

Venelle turnbines being unloaded at Antwerp

05

Report of the Directors

5.0
Report of the Directors

The Directors present their report and accounts of the Company for the year to 31 December 2019.

Principal Activity

The Company is a closed-ended Guernsey incorporated investment company, investing in and managing a portfolio of investments in renewable energy infrastructure project companies. Its shares have a premium listing on the Official List of the UK Listing Authority and are traded on the main market for listed securities of the London Stock Exchange.

Results and Distributions

The results for the year are summarised in the Operational and Financial Review and Valuation of the Portfolio section of the Strategic Report (Sections 2.7 and 2.8) and set out in detail in the audited financial statements.

Distributions and Share Capital

The Company has declared four quarterly interim dividends for the year ended 31 December 2019 for an aggregate annual dividend of 6.64p (2018: 6.50p) per share as follows:

- 1.66p per share was declared on 8 May 2019, to shareholders on the register as at 17 May 2019, paid on 28 June 2019,
- 1.66p per share was declared on 1 August 2019, to shareholders on the register as at 16 August 2019, paid on 30 September 2019,
- 1.66p per share paid on 7 November 2019, to shareholders on the register as at 15 November 2018, paid on 31 December 2019, and
- 1.66p share was declared on 6 February 2020, to shareholders on the register on 14 February 2020, to be paid on 31 March 2020.

The Company had one class of share capital, Ordinary Shares, in issue as at 31 December 2019.

Shares in Issue

Ordinary Shares in issue have increased during the year from 1,178,372,755 to 1,636,563,717 as a result of further share issues, issues of shares to the Managers in lieu of fees pursuant to the Investment Management Agreement (in relation to InfraRed Capital Partners Limited) and the Operations Management Agreement (in relation to Renewable Energy Systems Limited) and take up of scrip shares in lieu of dividends.

Date	Description	New Ordinary Shares Issued	Number of Shares in Issue
31 December 2018	Opening Position	1,178,372,755	1,178,372,755
31 March 2019	Issue of scrip dividend shares in lieu of 2018 4th (Q4) interim dividend	648,747	1,179,021,502
31 March 2019	Issue of shares to the Managers in lieu of fees relating H2 2018	939,844	1,179,961,346
1 April 2019	Share issue	265,000,00	1,444,961,346
30 June 2019	Issue of scrip dividend shares in lieu of 2019 1st (Q1) interim dividend	1,334,682	1,446,296,028
30 September 2019	Issue of scrip dividend shares in lieu of 2019 2nd (Q2) interim dividend	1,521,956	1,447,817,984
30 September 2019	Issue of shares to the Managers in lieu of fees relating to H1 2019	875,047	1,448,693,031
7 October 2019	Share issue	185,000,000	1,633,693,031
31 December 2019	Issue of scrip dividend shares in lieu of 2019 3rd (Q3) interim dividend	2,870,686	1,636,563,717
31 December 2019	Closing Position	-	1,636,563,717

Share Issues in the Year

Over 2019, the Company issued 450m shares over two equity issues under a share issuance programme (excluding the issuance of Managers' shares and scrip issues). These issues raised gross proceeds of £530m at a premium to NAV.

These issues took place in April and October. The April fundraise resulted in the issue of 265m shares at 114.0p each. The October fundraise resulted in the issue of 185m shares at 123.0p each.

The net proceeds of these raisings have been used to acquire assets over the year for the TRIG portfolio and to pay down the Company's revolving acquisition facility. At the 31 December 2019, the Company's acquisition facility was not drawn.

Shares Issued to the Managers

The Managers are paid 20% of their annual management fee (up to an adjusted portfolio value of £1bn) and advisory fees in shares. In relation to this, 939,844 shares were issued in March 2019 (610,899 to the Investment Manager and 328,945 to the Operations Manager) relating to fees for the second six months of 2018. A further 875,047 shares were issued in September 2019 (568,781 to the Investment Manager and 306,266 to the Operations Manager) relating to fees for the first 6 months of 2019. Shares in lieu of fees relating to the second six months of 2019 (expected to be 889,550 shares in total – comprised of 578,208 to the Investment Manager and 311,342 to the Operations Manager) are to be issued in March 2020. (See Note 18 to the financial statements for further detail).

For the calculation of Net Asset Value ("NAV") per share as at 31 December 2019, the shares earned by the Managers but not yet issued at that date have been included in the number of shares meaning that the Net Assets are divided by 1,637,453,267 shares to arrive at the NAV per share.

For the calculation of Earnings per Share ("EPS"), the shares earned by the Managers but not yet issued have been included in the calculation of the weighted average number of shares based upon them being issued at the end of the quarter in which the management fees were earned. The resulting weighted average shares in issue used to calculate EPS is 1,422,876,357.

In addition, senior representatives and connected individuals of the Managers hold approximately two million shares.

As a result of the share issues during the year and the expected issuance to the Managers in March 2020, the number of shares in the Company held by the Investment Manager is expected to be 1,791,938 and the number of shares held by the Operations Manager is expected to be 3,487,815.

Scrip Shares

An annual ordinary resolution to authorise the Directors to offer the shareholders the right to receive further Ordinary Shares ("Scrip Shares") instead of cash in respect of all or part of any dividend that may be declared will be proposed at the forthcoming Annual General Meeting in 2020.

The Board believes that it would be in the general interest of shareholders, who may be able to treat distributions of Scrip Shares as capital for tax purposes or who may otherwise wish to roll over their dividend entitlement into further investment in the Company, to have the option of electing to receive part or all of their dividends in the form of Scrip Shares. Shareholders who elect to take Scrip Shares instead of receiving cash dividends will increase their holdings without incurring dealing costs or stamp duty. The Company benefits from the retention of cash for further investment which would otherwise be paid out as dividend.

The scrip dividend alternative was offered to shareholders in relation to the interim dividends declared for the year ended 31 December 2019. A scrip alternative will again be offered to shareholders for the dividend to be paid on 30 March 2020 relating to the final quarter of 2019 and a scrip dividend circular will be published separately in May 2020 with details of the scrip dividend alternative for 2020. The Scrip Shares issued do not have any entitlement to the dividends paid in the same month and declared in the month before they are issued. The average take-up of scrip dividends over the year was 8.5%.

Guernsey regulatory environment

As a Guernsey-registered closed-ended investment company, TRIG is subject to certain ongoing obligations to the Guernsey Financial Services Commission.

Directors

The Directors who held office during the year to 31 December 2019 were:

Helen Mahy CBE
Jon Bridel
Shelagh Mason
Klaus Hammer

Biographical details of each of the Directors are shown in Section 3.

Investment Manager

InfraRed Capital Partners Limited (the "Investment Manager" or "InfraRed") acts as Investment Manager to the Group. A summary of the contract between the Company, its subsidiaries and InfraRed in respect of services provided is set out in Note 18 to the accounts.

Operations Manager

Renewable Energy Systems Limited (the "Operations Manager" or "RES") acts as Operations Manager to the Group. A summary of the contract between the Company, its subsidiaries and RES in respect of services provided is set out in Note 18 to the accounts.

Further details of the Managers are provided in Section 2.2 of the Strategic Report.

Broker, Administrator and Company Secretary

The Company's joint brokers during the year to 31 December 2019 were Investec Bank PLC and Liberum Capital Limited. The Investment Company team at Investec was previously part of Canaccord Genuity Limited, and moved to Investec Bank PLC as a result of a restructure of Canaccord Genuity Limited's capital markets operations in the UK.

The Company's Administrator during the year to 31 December 2019 is Aztec Financial Services (Guernsey) Limited.

Substantial Interests in Share Capital

As at 18 February 2020, the Company has received notification in accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 5 of the following interests in 5% or more of the Company's Ordinary Shares to which voting rights are attached:

	Number of Ordinary Shares Held	Percentage Held
Newton Investment Management Ltd	92,212,687	7.77
M&G Investment Management Ltd	117,133,833	7.16
Rathbone Investment Management Ltd	97,978,902	5.99

5.0
Report of the Directors (continued)

Donations

The Company made no political donations during the year or the preceding year.

Payment of Suppliers

It is the policy of the Company to settle all suppliers in accordance with the terms and conditions of the relevant market in which it operates. Although no specific code or standard is followed, suppliers of goods and services are generally paid within 30 days of the date of any invoice. The Company has no trade creditors.

Criminal Finances Act

The Board of The Renewable Infrastructure Company Limited has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

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 Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in Section 2.9, Analysis of Financial Results of the Strategic Report. In addition, Notes 1 to 4 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has the necessary financial resources to meet its obligations. The Group benefits from a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects. In addition, it maintains a working capital component of £20m as part of its revolving acquisition facility (currently sized at £340m and limited to 30% of Portfolio Value)[1]. The Group's project-level financing is non-recourse to the Company and is limited to 50% of Gross Portfolio Value. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

This conclusion is based on a review of the Company's cash flow projections including reasonably expected downside sensitivities together with cash and committed borrowing facilities available to it.

Viability Statement

The Directors have assessed the viability of the Group over a five-year period to December 2024. In making this statement the Directors have considered the resilience of the Group, taking account of its current position, the principal risks facing the business (being the level of electricity production, the level of future energy prices and continued government support for renewable subsidy payments), in severe but plausible downside scenarios, and the effectiveness of any mitigating actions.

As explained in the Chairman's Statement and in Section 2.11 (Risks and Risk Management), the Directors do not consider the risks to the Company from Brexit or Climate Change to significantly affect the principal risks set out above.

As part of being a self-managed Alternative Investment Fund, the Directors, together with the Managers, rigorously assess the risks facing the Group and consider sensitivity analysis against the principal risks identified.

The Directors have determined that the five-year period to December 2024 is an appropriate period over which to provide this viability statement as this period accords with the Group's business planning exercises and is appropriate for the investments owned by the Group. The Company's risk management processes (described in Section 2.11 (Risks and Risk Management)) consider the key risks during this five-year period. The Risk Management framework also considers these risks on a longer term basis beyond the five year period. These include risks relating to climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

TRIG is the owner of a portfolio of project companies whose underlying assets are predominately fully constructed and operating renewable electricity generating facilities. As a result TRIG benefits from predictable long term cash flows and a set of risks that can be identified and assessed. The projects are each supported by detailed financial models. The Directors believe that the diversification within the portfolio of projects helps to withstand and mitigate for the risks it is most likely to meet.

The Investment Manager prepares and the Directors review summary five-year cash flow projections each year as part of business planning and dividend approval processes. The projections consider cash balances, key covenants and limits, dividend cover, investment policy compliance and other key financial indicators over the period. Sensitivity analysis considers the potential impact of the Group's principal risks

1 Please refer to Note 2.b. Going Concern for further details of the Company's leverage at the end of the year.

actually occurring (individually, and together). These projections are based on the Managers' expectations of future asset performance, income and costs, and are consistent with the methodology applied to provide the valuation of the investments. The Directors review significant changes to the Company's cash projections each quarter with the Managers as part of the quarterly Board meetings. The viability assessment assumes continued government support for existing subsidy arrangements for the projects within the portfolio that are spread across five jurisdictions (UK, Ireland, Sweden, Germany and France). Where governments change subsidy arrangements applying to renewables projects these changes are expected to apply only to projects not yet operating.

Based on this review, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2024.

Internal Controls Review

Taking into account the information on emerging and principal risks and uncertainties provided in Section 2.11 of the Strategic Report and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board (see Section 8, the Audit Committee Report), the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

The internal controls review covers material controls including financial, operational and compliance controls.

To enable the Directors to provide this statement in relation to risks and controls the Directors have worked with the Managers to:

- review the Company's risk matrix each quarter;
- consider each Manager's compliance with their own internal controls each quarter:
- to receive presentations from each Manager on the effectiveness of these controls and their internal controls environment;
- consider the Company's risk appetite, agree this with the Managers and document this; and
- consider the risk culture of the Company and within the Managers and confirm these are appropriate and expected to support the sustainability of the company and consistent with the risk appetite

Share repurchases

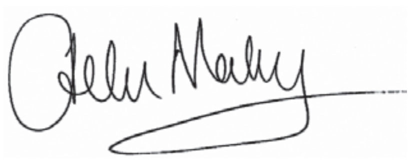
No shares have been bought back in the period. The latest authority for the Company to make market purchases of Ordinary Shares was granted to the Directors on 7 May 2019 and expires on the date of the next Annual General Meeting. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

Treasury Shares

Section 315 of the Companies (Guernsey) Law, 2008 allows companies to hold shares acquired by market purchase as treasury shares, rather than having to cancel them. Up to 14.99% of the number of shares in issue at the date of the last AGM (7 May 2019) may be held in treasury and may be subsequently cancelled or sold for cash in the market. This gives the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

There are currently no shares held in treasury. The Board would only authorise the sale of shares from treasury at prices at or above the prevailing net asset value per share (plus costs of the relevant sale). If such a measure were to be implemented, this would result in a positive overall effect on the Company's net asset value. In the interests of all shareholders, the Board will keep the matter of treasury shares under review.

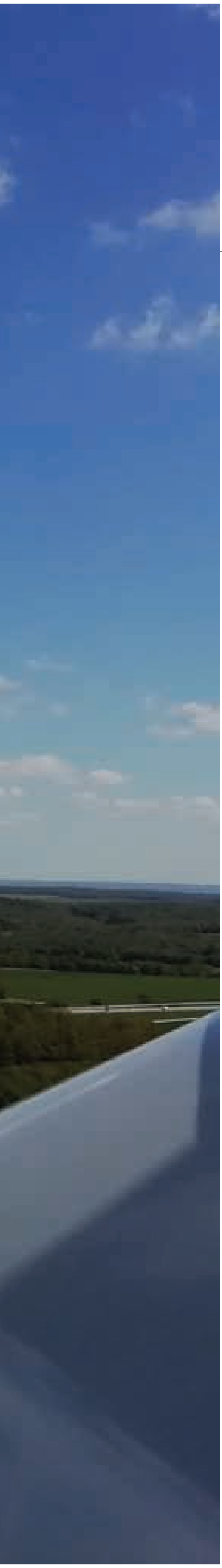
On behalf of the Board of Directors of The Renewables Infrastructure Group Limited



17 February 2020

Registered Office:
East Wing, Trafalgar Court, Les Banques,
St Peter Port
Guernsey, Channel Islands, GY1 3PP

Rosieres, France



06

Corporate Governance Statement

6.0 Corporate Governance Statement

Introduction

The Board recognises the importance of a strong corporate governance culture that meets the listing requirements. The Board has put in place a framework for corporate governance which it believes is appropriate for an investment company in line with the best practices in relation to matters affecting shareholders, communities, regulators and other stakeholders of the Company. With a range of relevant skills and experience, all Directors contribute to the Board discussions and debates on corporate governance. In particular, the Board believes in providing as much transparency for investors as is reasonably possible to ensure investors can clearly understand the prospects of the business and enhance liquidity of its shares while also preserving an appropriate level of commercial confidentiality.

AIFM Directive

The Alternative Investment Fund Managers Directive seeks to regulate alternative investment fund managers (in this paragraph, "AIFM") and imposes obligations on managers who manage alternative investment funds (in this paragraph, "AIF") in the EU or who market shares in such funds to EU investors. The Company is categorised as a self-managed Non-EEA AIF for the purposes of the AIFM Directive. In order to maintain compliance with the AIFM Directive, the Company needs to comply with various organisational, operational and transparency obligations.

The Board of TRIG has considered the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to investment companies. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to shareholders. The company has complied with the Principles and Provisions of the AIC Code. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Guernsey Regulatory Environment

The Guernsey Financial Services Commission (the "Commission") issued a Finance Sector Code of Corporate Governance. The Code comprises Principles and Guidance, and provides a formal expression of good corporate practice against which shareholders, boards and the Commission can better assess the governance exercised over companies in Guernsey's finance sector.

The Commission recognises that the different nature, scale and complexity of specific businesses will lead to differing approaches to meeting the Code. Companies which report against the UK Corporate Governance Code or the AIC Code are also deemed to meet this code. The Directors have determined that the Company will continue as a Guernsey-registered closed-ended investment company.

Non-Mainstream Pooled Investments

On 1 January 2014, certain changes to the FCA rules relating to restrictions on the retail distribution of unregulated collective investment schemes and close substitutes came into effect.

As announced by the Company on 7 January 2014, following the receipt of legal advice the Board confirms that it conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that Independent Financial Advisers should therefore be able to recommend its Ordinary Shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products.

The Board

The Board consists of four non-executive Directors with a fifth Director, Tove Feld joining the Board from 1st March 2020. In accordance with Provision 10 of the AIC Code all of the non-executives are independent of the Investment Manager. The Chairman, Helen Mahy, met the independence criteria of the AIC Code Provision 11 upon appointment and has continued to meet this condition throughout her term of service. Although not a requirement of the AIC Code, in accordance with guidance in Provision 11, the Board has a Senior Independent Director, Shelagh Mason, who was appointed as Senior Independent Director in 2013. Being non-executive Directors, none of the Directors has a service contract with the Company.

The Articles of Incorporation provide that each of the Directors shall retire at each annual general meeting in accordance with Provision 23 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 6 May 2020.

The Board believes that the balance of skills, gender, experience ethnicity, and knowledge of the current Board provides for a sound base from which the interests of investors will be served to a high standard. The recruitment of Tove Feld, following a process run by Russell Reynolds, an external recruitment agency, provides additional expertise in renewables investment in continental Europe, which has been an increasing focus for the Company. Following the growth of the Company in recent years and as those Directors nearing their ninth anniversary of appointment retire, the Board has an active succession plan and expect to appoint new Directors over the next 3 years. The number of Directors may increase to for some periods in order to aid succession planning and to ensure an orderly transition. In light of this, the Board will in 2020 initiate the recruitment of sixth non-executive Director. The Board has chosen to adopt a definitive policy with quantitative targets for Board diversity. The

Company aspires to equal representation of men and women on the Board and from 1 March 2014 this was achieved. The composition of the board following Tove Feld's appointment will be 60% female.

The Board appoints all directors on merit. When the Nominations Committee considers Board succession planning and recommends appointments to the Board, it takes into account a variety of factors. Knowledge, experience, skills, personal qualities, residency and governance credentials play an important part. Consideration is also given to the gender, ethnicity, colour, national origin, sexual orientation, religion and disability of individuals. The Nominations Committee age, recognises that a diverse Board enhances its performance. The Nominations Committee is also cognisant of the role it can play in promoting social mobility. In making recommendations to the Board the Nominations Committee will also seek to follow the recommendations of the Hampton Alexander and Parker Reviews.

The Board recommends the re-election of each Director and supporting biographies are disclosed in Section 3 of this annual report.

The Board is scheduled to meet at least four times a year and between these formal meetings there is regular contact with the Investment Manager and Operations Manager, the Secretary and the Company's Joint Brokers. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company that should be brought to the attention of the Directors. The Directors also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The attendance record of Directors for the period to 31 December 2019 is set out below:

	Quarterly Board meetings	Audit Committee	Management Engagement Committee	Remuneration Committee	Nomination Committee	Market Disclosure Committee
Number of meetings	4	4	4	2	4	1
Meetings Attended:						
H Mahy	4	N/A*	4	2	4	0
J Bridel	4	4	4	2	4	1
S Mason	4	4	4	2	4	0
K Hammer	4	4	4	2	4	1

*Helen Mahy is not a member of the Audit Committee and attends at the invitation of the Committee

During the period a further 22 ad hoc Board/Committee meetings were held in Guernsey to deal with matters substantially of an administrative nature and these were attended by those Directors available.

The Board considers agenda items laid out in the notice and agenda of meeting which are circulated to the Board in advance of the meeting as part of the Board papers. Directors may request any agenda items to be added that they consider appropriate for Board discussion. Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

The Board constantly considers the Company's strategy with regard to market conditions and feedback from shareholders received directly or from the Managers. The investment strategy is reviewed regularly with the Investment Manager. Board meetings include a review of investment performance and associated matters such as health and safety, marketing/investor relations, risk management, gearing, general administration and compliance, peer group information and industry issues.

Performance Evaluation

The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis. During 2019 BoardAlpha Limited, an independent consultant, was engaged by the Company to conduct a formal evaluation of the effectiveness of the Board. Board Alpha interviewed each Director independently and as a group, as well as the Managers and Company Secretary. Board Alpha does not have any other connection with the Company Directors.

The report concluded that the Board is well run and effective. The report commented that the Board has a strong grasp of strategic issues, an excellent oversight of the portfolio, operations and investing activity and has a strong drive to protect shareholder interests. The Board was found to be well informed and to give strong challenge to the Investment Manager and the Operations Manager and do so in a collegial environment and with mutual trust. Board members were considered to be well prepared for meetings and effective and professional in their decision making and boardroom behaviour with the appropriate skills and experience. Board Alpha concluded that the board worked well with the Managers and Company Secretary and other service providers and demonstrated a high standard of Corporate Governance.

A number of useful recommendations of an administrative nature were made by BoardAlpha that the Company has taken on board. Board Alpha did consider that the Management

6.0 Corporate Governance Statement (continued)

Engagement Committee could be chaired by a Director other than the Chairman to enable another Director to provide greater focus to the review of suppliers and accordingly Klaus Hammer has agreed to take on the chair of this committee.

The Board continues to monitor training for Directors. The Directors consider and report regularly their training needs and their continuing professional development and training carried out. For example, during the year, the Directors attended courses on relevant subjects including cyber security, green investing, corporate substance rules and anti-money laundering. The Directors have chosen to include site visits as part of their Board programme. The Directors believe that visiting TRIG's assets enable them to gain a deeper understanding of the Company's operations and the challenges faced on a day-to-day basis by the projects' asset managers. Notably, in September 2019, all members of the TRIG Board visited the Cuxac wind farm and Puits Castan solar farm in France, met the asset managers and gained insight into how the projects works and in and in June 2019 the Chairman visited Jädraas wind farm in Sweden. The Board receives regular feedback from investors and sector analysts. The Board continues to have a focus on risk management and controls.

The independence of each Director has been considered and each has been confirmed as being independent of the Company and its Managers.

The Board believes that the composition of the Board and its Committees reflect a suitable mix of skills and experience, and that the Board, as a whole, and its Committees functioned effectively during 2019 and since the launch of the Company in 2013. With the Company expanding into new European markets such as Scandinavia and Germany, it was considered an appropriate time to broaden the board expertise in this area and the Board is pleased that Tove Feld is joining the Board from March 2020. With extensive experience in the European renewables market, Tove will help complement the Board's existing expertise. The Board has employed the use of a skills matrix to identify if there are missing competences and confirmed that the existing Directors held the appropriate range of skills. The skills matrix tool also informs the selection process during the appointment of new Directors.

The Board is diverse in its composition and thought processes. The Directors have a breadth of experience relevant to the Company. The Directors believe that any changes to the Board's composition can be managed without undue disruption. The members of the Board strive to challenge each other constructively to make sure all issues are examined from different angles and the Board holds the Managers properly to account on their progress on inclusion and diversity.

Delegation of Responsibilities

The Board has delegated the following areas of responsibility:

The day-to-day administration of the Company has been delegated to Aztec Financial Services (Guernsey) Limited in its capacity as Company Secretary and Administrator.

The Investment Manager has full discretion (within agreed parameters) to make investments in accordance with the Company's Investment Policy and has responsibility for financial administration and investor relations, in addition to advising the Board in relation to further capital raisings and the payment of dividends amongst other matters, subject to the overall supervision and oversight of the Board. Among the specific tasks of the Investment Manager are the overall financial management of the Company and existing portfolio as a whole, including the deployment of capital, management of the Group's debt facilities, hedging arrangements, the sourcing of new investments, preparing the semi-annual valuations, the statutory accounts, the management accounts, business plans, presenting results and information to shareholders, coordinating all corporate service providers to the Group and giving the Board general advice.

The Operations Manager is responsible for monitoring, evaluating and optimising technical and financial performance across the portfolio. The services provided by the Operations Manager include maintaining an overview of project operations and reporting on key performance measures, recommending and implementing strategy on management of the portfolio including energy sales agreements, insurance, maintenance and other areas requiring portfolio-level decisions, maintaining and monitoring health and safety and operating risk management policies. The Operations Manager also works jointly with the Investment Manager on sourcing and transacting new business, providing assistance in due diligence of potential new acquisitions, refinancing of existing assets and investor relations. The Operations Manager does not participate in any investment decisions taken by or on behalf of the Company or undertake any other regulated activities for the purposes of the UK's Financial Services and Markets Act 2000.

Members of the Investment Manager's and/or the Operations Manager's teams are also appointed as Directors of the Group's project companies and/or intermediate holding companies and as part of their role in managing the portfolio, they attend Board meetings of these companies and make appropriate decisions. Material decisions are referred back to the TRIG's investment committee and/or advisory committee for consideration and determination, and the TRIG Board is consulted on key matters relevant to TRIG's strategy, policies or overall performance, both on an ad hoc basis where required and during formal reporting sessions, including all matters outside the Managers' delegated authority.

Committees of the Board

The committees of the Board are the Audit Committee, the Remuneration Committee, the Nomination Committee, the Management Engagement Committee, and the Market Disclosure Committee. Terms of reference for each Committee have been approved by the Board.

The Chairman and members of each committee as at 31 December 2019 are as follows:

	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	Market Disclosure Committee
Chairman	J Bridel	S Mason	H Mahy	K Hammer*	H Mahy
Members	S Mason	H Mahy	J Bridel	J Bridel	J Bridel
	K Hammer	J Bridel	S Mason	S Mason	S Mason
		K Hammer	K Hammer	H Mahy	K Hammer

*Klaus Hammer was appointed as Chair of the Management Engagement Committee on 21st November 2019

Nomination Committee

The main terms of reference of the Committee are:

- regularly review the structure, size and composition required of the Board and make recommendations to the Board with regard to any changes (including skills, knowledge and experience in accordance with Principle K of the AIC Code);
- give full consideration to succession planning for Directors taking into account the challenges and opportunities facing the Company; and
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Ensure plans are in place for orderly succession to the Board and oversee the development of a diverse pipeline for succession.

The Nomination Committee met four times during 2019. The Board is currently composed of 50% male and 50% female Directors, though this will change to 40% male and 60% female following the appointment of Tove Feld to the Board, effective from 1st March 2020. The Board is commencing a process to appoint a sixth non-executive Director in order to ensure an orderly succession process.

Management Engagement Committee

The terms of reference of this committee are to review the relationships between the Company and its main service providers, including their performance, compliance with their contracts, and levels of fees paid. Recommendations from the Committee's review are given to the Board for consideration and action. Following the recommendations of the independent board effectiveness consultant, Board Alpha, the Board agreed to appoint Klaus Hammer to the role of Chair of the Management to enable another Director to provide greater focus to the review of suppliers.

The Management Engagement Committee met four times in 2019 in accordance with its plan to review the performance of the key service providers to the Group and the Company. No material weaknesses were identified, some recommendations were conveyed to certain providers, and the recommendation to the Board was that the current arrangements are appropriate and provide good quality services and advice to the Company and the Group. The Committee convenes a planning meeting in August each year followed by a meeting in November of each year to review the Investment Manager and Operations Manager, and a meeting in February of each year to review the other service providers. The Managers were duly considered at the meeting of the Management Engagement Committee in November 2019 and no material issues were identified in connection with their respective appointments.

During the year, the Management Engagement Committee instigated an independent tender for a financial PR services provider. The tender process was conducted by the Investment Manager with the involvement of the Management Engagement Committee Chairman. As a result of the process, the Board chose to appoint Maitland/AMO to become the financial PR services provider for the Company.

Details of the activities of the Remuneration Committee and the Audit Committee are set out in Section 7 and Section 8 respectively. All terms of reference for committees are available from the Company's website or the Company Secretary upon request.

Market Disclosure Committee

The Committee has responsibility for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules.

The main terms of reference for the Committee are:

- To consider and decide whether information meets the definition of inside information and whether the Company should announce immediately or whether it is permissible to delay the announcement.
- When disclosure of inside information is delayed, to maintain all required records, monitor the conditions permitting delay

6.0 Corporate Governance Statement (continued)

and to provide any required notifications to the Financial Conduct Authority

- The committee should also consider the requirement for an announcement in the case of leaks of inside information.
- To ensure that effective arrangements are in place to prevent access to inside information.

The Market Disclosure Committee met once during 2019.

Relations with Shareholders – AIC Code Principle D

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Investment Manager produces a regular factsheet which is available on the Company's website. Senior members of the Investment Manager and Operations Manager make themselves available, as practicable, to meet with principal shareholders and key sector analysts. Feedback from these meetings is provided to the Board on a regular basis. The Board is also kept fully informed of all relevant market commentary on the Company by the Company's Financial PR agency, as well as receiving relevant updates from the Managers and the Company's brokers. During the period, the Chairman of the Board met seven separate institutional shareholders of the Company, providing the chance for Shareholders to have a dialogue directly with the Board. In 2019, the Company commissioned a Shareholder Perception Survey with a sample shareholders to understand any concerns of shareholders as well as positive feedback. The Board have taken on board feedback from the Company's shareholders and have instigated changes where necessary, for example, by seeking to enhance TRIG's ESG reporting.

The Company reports formally to shareholders twice a year and will hold an Annual General Meeting in Guernsey on 6 May 2020, at which members of the Board will be available to answer shareholder questions. In addition, shareholders receive written communications from the Company either with documents enclosed or to notify them of new information available to view on the Company's website. During the year, the Company also commissioned an investor perception survey to gain further insight into views held by shareholders.

Results of Extraordinary and Annual General Meetings are announced by the Company promptly after the relevant meeting. Additionally, other notices and information are provided to shareholders on an ongoing basis through the Company's website in order to assist in keeping shareholders informed. The Secretary and Registrar monitor the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting.

Shareholders may contact the Board via the Company Secretary, whose contact details are found in Section 2.11, Directors and Advisers of this report.

Helen Mahy (Chairman), Richard Crawford (InfraRed) and Jaz Bains (RES) at Jädraås, Sweden


Hill of Towie, Scotland

07
Directors' Remuneration Report

7.0
Directors' Remuneration Report

The Remuneration Committee, chaired by Shelagh Mason and comprising all the Directors, operates within clearly defined terms of reference.

The terms of reference of the Committee are to determine and agree the Board policy for the remuneration of the Directors of the Company, including the approval of any ad-hoc payments in respect of additional corporate work required (e.g. for the work involved with the issue of prospectuses and equity fund raises).

Statement of the Chairman of the Remuneration Committee

As all Directors of the Company are non-executive, they receive an annual fee appropriate for their responsibilities and time commitment but no other incentive programmes or performance-related emoluments.

During the year the Committee considered the level of cost of living increases typically being applied by similar investment companies to Directors remuneration and also received advice from its independent remuneration consultant, Trust Associates, on an appropriate cost of living increase to apply.

The Board last commissioned Trust Associates to conduct a formal review of Directors' remuneration in 2017 and the Board implemented the recommendations of that review having obtained shareholder approval at the AGM held on 10 May 2018. Part of the advice from the independent remuneration consultant's work from 2017 was that between formal independent reviews, inflation-based increases should be applied. Trust Associates provided its view on what it considered would be suitable increases to apply for 2020 assuming that inflation and other circumstances remained similar.

The Committee proposes and the Board has, subject to Shareholders' approval, agreed to implement the cost of living inflationary increases set out in the table below which are consistent with the guidance provided by Trust Associates.

The board will commission an independent consultant to review Directors' Remuneration during 2020.

Remuneration Policy

All Directors of the Company are non-executive and as such there are:

- no service contracts with the Company;
- no long-term incentive schemes;
- no options or similar performance incentives; and
- no payments for loss of office unless approved by shareholder resolution.

The Directors' remuneration shall:

- reflect the responsibility, experience, time commitment and position on the Board;
- allow the Chairman and Chairman of the Audit Committee to be remunerated in excess of the remaining Board members to reflect their increased roles of responsibility and accountability;
- be paid quarterly in arrears;
- include remuneration for additional, specific corporate work which shall be carefully considered and only become due and payable on completion of that work; and
- be reviewed by an independent professional consultant with experience of investment companies and their fee structures, at least every three years.

The maximum annual limit of aggregate fees payable to the Directors as set in the Articles of Association is £350,000.

Remuneration Committee

The Remuneration Committee met twice during 2019 to consider the remuneration of the Directors.

The Committee reviewed the level of cost of living increases typically being applied by similar investment companies to Directors Remuneration and also the advice from its independent remuneration consultant, Trust Associates, on an appropriate cost of living increase to apply and recommended cost of living increases as set out below.

In addition, the Committee has recognised the additional responsibility being borne by the Senior Independent Director (Shelagh Mason) and the Chair of the Management Engagement Committee (Klaus Hammer) and recommended a small additional annual supplement of £3,000.

The table below sets out the Directors' remuneration approved and actually paid for the year to 31 December 2019 as well as that proposed for the year ending 31 December 2020.

Director	Role	Base remuneration proposed for 2020	Base remuneration paid 2019	Additional fees for fundraising in 2019	Total remuneration in 2019
Helen Mahy	Chairman	£75,000	£72,300	£10,000	£82,300
Jon Bridel	Audit Committee Chairman	£60,000	£58,400	£10,000	£68,400
Klaus Hammer	Chairman of the Management Engagement Committee	£53,000	£48,500	£10,000	£58,500
Shelagh Mason	Senior Independent Director	£53,000	£48,500	£10,000	£58,500
Tove Feld[1]	Director	£50,000	n/a	n/a	n/a
Total		£285,000	£227,700	£40,000	£267,700

Where the Company requires Directors to work on specific corporate actions, such as the raising of further equity, an additional fee will be appropriately determined. Additional fees payable to the Directors in 2019 relate to the Share Issuance Programme launched in March 2019 that permitted the Company to raise up to an additional 450 million shares over the period of 12 months from the issue of a Prospectus.

Directors are entitled to claim reasonable expenses which they incur attending meetings or otherwise in performance of their duties relating to the Company. The total amount of Directors' expenses paid for 2019 was £9,055.

The Board also considered the availability of time of each Director, taking into account their other commitments, and concluded that adequate time was in each case available for the appropriate discharge of the Company's affairs.

Directors' Interests

The Directors of the Company at 31 December 2019, and their interests in the Ordinary Shares of the Company, are shown in the table below.

	31 December 2019 Ordinary Shares	31 December 2018 Ordinary Shares
Helen Mahy	113,320	93,726
Jon Bridel	26,423	25,059
Klaus Hammer	26,571	25,200
Shelagh Mason	115,975	66,317

Some of the Directors' shares may be held jointly with their spouse. All holdings of the Directors and their families are beneficial. No changes to these holdings had been notified up to the date of this report.

The Board will seek approval at the AGM in May 2020 for the Remuneration Policy and the annual Directors' fees for routine business for 2020 and fees for additional specific corporate actions, as set out above, with a view to implementing the proposed inflationary increases back dated to 1 January 2020.

The Articles of Association set the maximum annual limit of aggregate fees payable to the Directors at £350,000. Whilst the board currently consider five Directors to be sufficient for the Company, as those Directors nearing their 9th anniversary of appointment retire, the number of Directors may increase to six for some periods in order to aid succession and to ensure an orderly transition. In light of this, the Remuneration Committee proposes to seek approval from the Shareholders to increase the annual limit to £450,000 at the 2020 AGM. to take account of periods of overlap required to ensure orderly succession

Other Disclosures

At the last AGM, held on 7 May 2019, the following resolution including Directors Remuneration was approved:

Ordinary Resolution 8 – To approve the proposed annual remuneration for routine business for each Director, as set out in the Report and Financial Statements, for the year ending 31 December 2019:

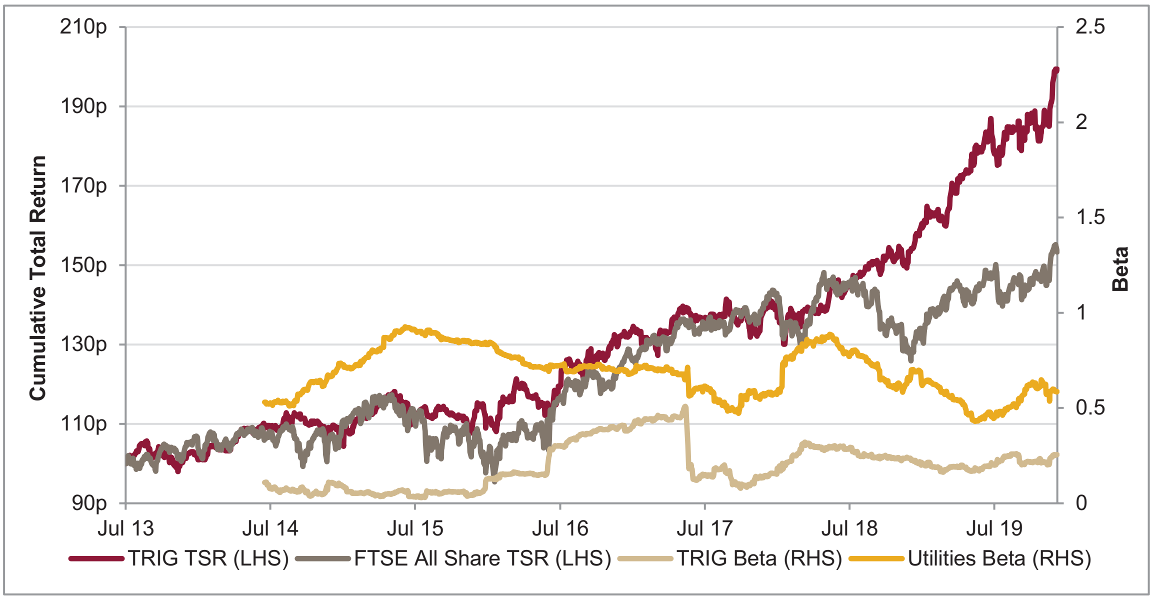
	Shares voted	Percentage
In Favour	793,369,433	96.56
Against	28,298,765	3.44
Withheld	52,918	N/A

1 Tove Feld's remuneration will be pro-rated from commencement of her Directorship on the 1st of March 2020.

7.0
Directors' Remuneration Report (continued)

Performance Graph

In setting the Directors' remuneration, consideration is given to the size and performance of the Company. The graph below highlights the performance of the Company against the FTSE-All Share index (of which TRIG is a constituent) rebased to IPO on a total return basis. In 2019, the Total Shareholder Return (on a share price basis) for the Company was 29.3% (2018: 10.7%) versus 19.2% for the FTSE-All Share Index (2018: -9.5%). Over the period from the IPO in July 2013 to 31 December 2019 the annualised Total Shareholder Return for the Company was 11.4% and for the FTSE-All Share it was 6.9%.



Source: Thomson Reuters Datastream

Jadraas, Sweden

08 Audit Committee Report

8.0
Audit Committee Report

The Audit Committee has been in operation since the inception of the Company. Chaired by Jon Bridel, it operates within clearly defined terms of reference and comprises all of the Directors other than the Chairman (who is not a member in accordance with provision 24 of the UK Corporate Governance Code). It is also the formal forum through which the auditor reports to the Board of Directors and they met four times in 2019 (it meets at least three times annually).

The main duties of the Audit Committee are:

- giving full consideration of, and recommending to the Board for approval, the contents of the half year and annual financial statements and reviewing the external auditor's report thereon including consideration of whether the financial statements are overall fair, balanced and understandable;
- agreeing with the auditor the external audit plan including discussing with the external auditor the key risk areas within the financial statements;
- considering and understanding the key risks of misstatement of the financial statements and formulating an appropriate plan to review these and agreeing with the Managers their processes to manage these risk areas;
- reviewing the Viability and Going Concern Statements and reviewing the work prepared by the Investment Manager supporting these statements
- reviewing the draft valuation of the Company's investments prepared by the Investment Manager and making a recommendation to the Board on the valuation;
- reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditor as well as reviewing the effectiveness of the external audit process and making any recommendations to the Board for improvement of the audit process;
- reviewing and recommending to the Board for approval the audit, audit related and non-audit fees payable to the external auditor or their affiliated firms overseas and the terms of their engagement;
- reviewing the appropriateness of the Company's accounting policies;
- ensuring the standards and adequacy of the internal control systems;
- to consider any reports or information received in respect of whistleblowing; and
- reporting to the Board on how it has discharged its duties.

None of the members of the Audit Committee have any involvement in the preparation of the financial statements of the Company, as this has been contracted to the Investment Manager.

The Audit Committee meets the external auditor before and after their audit and has discussed with the auditor the scope of their annual audit work and also their audit findings. The auditor attends the Audit Committee meetings at which the annual and interim accounts are considered, and at which they have the opportunity to meet with the Committee without representatives of the Managers being present. The Audit Committee has direct access to the auditor and to key senior staff of the Investment Manager, and it reports its findings and recommendations to the Board which retains the ultimate responsibility for the financial statements of the Company.

Membership

The Chair of the Audit Committee, Jon Bridel, is a fellow of the Institute of Chartered Accountants in England and Wales and in addition serves as chairman of the audit committee for other listed investment companies. Previously Jon worked in senior positions in investment, corporate finance and commercial banking and was CFO of two private multinational businesses. The Board is satisfied that Jon has recent and relevant financial experience as required under the UK Corporate Governance Code. The other members of the Audit Committee are Shelagh Mason and Klaus Hammer, who have extensive experience of investment companies and the renewable sector respectively. The qualifications of the Audit Committee members are outlined in the Director's Biographies in Section 3.

Significant Issues Considered

After discussion with both the Managers and the external auditor, the Audit Committee determined that the key risks of misstatement of the Company's financial statements related to the valuation of the investments.

Valuation of Investments

As outlined in Note 13 to the financial statements, the total carrying value of the investments at fair value (excluding the fair value of TRIG UK) at 31 December 2019 was £1,741.5m (2018: £1,267.3m). Market quotations are not available for these financial assets, and as such, their valuation is undertaken using a discounted cash flow methodology. This requires a series of material judgements to be made as further explained in Note 4 to the financial statements.

The valuation process and methodology were discussed by the Audit Committee with the Investment Manager at the time of the interim review, in November 2019 prior to the year-end valuation process and again in February 2020 as part of the year-end sign off process. The Committee met with the auditor when it reviewed and agreed the auditor's Group audit plan and also at the conclusion of the audit of the financial statements, in particular discussing the valuation process. The Investment Manager carries out a valuation semi-annually and provides a detailed valuation report to the Company. The Company also engaged a third party valuation expert to provide an independent valuation at June 2019 and also to review the valuation discount rates at December 2019. In July 2019 the expert provided a report to the Audit Committee that corroborated the valuation of the portfolio at June 2019. The expert also provided a report to the Audit Committee in February 2020 that confirmed that the discount rates at 31 December 2019 adopted at were appropriate.

Valuation of Investments – key forecast assumptions
The Audit Committee considered in detail those assumptions that are subject to judgement that have a material impact on the valuation. The key assumptions are:

Power Price Assumptions
A significant proportion of the wind and solar projects' income streams are contracted subsidy streams and power income under long-term PPAs; some of which have fixed price mechanisms. However, over time the proportion of power income that is fixed reduces and the proportion where the Company has exposure to wholesale electricity prices increases. The Investment Manager considers the forecasts provided by expert energy advisors and adopts a profile of assumed future power prices by jurisdiction. Further detail on the assumptions made in relation to power prices and other variables that may be expected to affect these are included in the Valuation section of the Strategic Report.

Macroeconomic Assumptions
Macroeconomic assumptions include inflation, foreign exchange, interest and tax rate assumptions. The Investment Manager's assumptions in this area are set out and explained in the Valuation section of the Strategic Report.

Other Key Income and Costs Assumptions
Other key assumptions include operating costs, facility energy generation levels and facility remaining operating life assumptions.

The Audit Committee considered the remaining operating life assumptions in light of the announcements by the Company's peer group during 2019. The Audit Committee reviewed the report provided by the Operations Manager during 2019 considering the proposed extension of remaining operational lives for some investments and considered the extension of those lives and the recognition of additional value resulting to be appropriate. The independent valuation carried out in June 2019 also supported the extension of assumed operating lives adopted.

The Investment Manager has discussed and agreed the valuation assumptions with the Audit Committee. In relation to the key judgements underpinning the valuation, the Investment Manager has provided sensitivities showing the impact of changing these assumptions and these have been reviewed by the Investment Manager and the Audit Committee to assist in forming an opinion on the fairness and balance of the annual report together with their conclusion on the overall valuation.

Valuation Discount Rates
The discount rates adopted to determine the valuation are selected and recommended by the Investment Manager. The discount rate is applied to the expected future cash flows for each investment's financial forecasts derived adopting the assumptions explained above, amongst others, to arrive at a valuation (discounted cash flow valuation). The resulting valuation is sensitive to the discount rate selected. The Investment Manager is experienced and active in the area of valuing these investments and adopts discount rates reflecting its current extensive experience of the market. It is noted however that this requires subjective judgement and that there is a range of discount rates which could be applied. The discount rate assumptions and the sensitivity of the valuation of the investments to this discount rate are set out in the Valuation section of the Strategic Report.

The Audit Committee discussed with the Investment Manager the process adopted to arrive at the selected valuation discount rates (which includes comparison with other market transactions and an independent review of valuation discount rates by a third party valuation expert both at December 2018 and at December 2019) and satisfied itself that the rates applied were appropriate.

Auditor Interaction
The external auditor explained the results of their review of the valuation, including their consideration of the Company's underlying cash flow projections, the economic assumptions and discount rates to the Audit Committee. On the basis of their audit work there were no adjustments proposed that were material in the context of the financial statements as a whole. Please refer to Section 9 for the Independent Auditors Report to the Members of The Renewables Infrastructure Group Limited.

Internal Controls and Risk Management
The Board is responsible for the Company's system of internal control and for reviewing its effectiveness, and has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based on a risk-based approach to internal control through a matrix which identifies the key functions carried out by the Investment Manager, Operations Manager and other service providers; the various activities undertaken within those functions; the risks associated with each activity; and the controls employed to minimise and mitigate those risks. A scoring based on 1 to 5 for Likelihood and 1 to 5 for Impact is used and these are multiplied together to give a total score. Mitigation is considered on a scale of 1 to 5 and this leads to a residual risk rating being derived. The matrix is updated on an on-going basis and reviewed quarterly and the Board considers all material changes to the risk ratings and the action which has been, or is being, taken. By their nature, these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

At each Board meeting, the Board also monitors the Group's investment performance and it reviews the Group's activities since the last Board meeting to ensure that the Investment Manager is adhering to the Company's Investment Policy and approved investment guidelines. The pipeline of new potential opportunities is considered and the prices paid for new investments during the quarter are also reviewed.

8.0
Audit Committee Report (continued)

Further, at each Board meeting, the Board receives reports from the Company Secretary and Administrator in respect of compliance matters and duties they have performed on behalf of the Company.

The Board has considered the need for an internal audit function and it has decided that the systems and procedures employed by the Investment Manager, the Operations Manager and the Administrator, including their own internal review processes and processes in place in relation to the Company, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Company's Administrator, the Investment Manager and the Operations Manager. The Board considers on a periodic basis whether further third party assurance is appropriate, and reviews annual the proficiency of such controls in light of changes in the business and its environment.

The Investment Manager prepares management accounts and updates business forecasts on a quarterly basis, which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, return targets, risk appetite, and exposure limits. Reports on these performance measures, coupled with cash projections and investment valuations, are submitted to the Board at each quarterly meeting.

The Operations Manager prepares quarterly project performance and project financial analysis, and highlights the key activities performed and any specific new risks identified relating to the operating portfolio for consideration by the Board.

Appointment of the external auditor

Deloitte LLP was appointed to be external auditor for the TRIG Group on 19 September 2013, following a competitive tendering process. This process involved a review of the audit proposals and interviewing and challenging of each firm.

The objectivity of the external auditor is reviewed by the Audit Committee which also reviews the terms under which the external auditor may be appointed to perform non-audit services. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to any non-audit work that the auditor may undertake. In order to safeguard auditor independence and objectivity, the Audit Committee ensures that any other advisory and/or consulting services provided by the external auditor does not conflict with their statutory audit responsibilities.

Advisory and/or consulting services generally relates to the review of the interim financial statements and other assurance work generally completed by the auditor. Limited tax compliance work and capital raising work associated with the auditor is also allowed in certain circumstances. Any non-audit services conducted by the external auditor outside of these areas which are above £20,000 in aggregate in any period require the consent of the Audit Committee. The external auditor may not undertake any work for the Company in respect of the following matters - preparation of the financial statements, valuations used in financial statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations. In general the Company seeks to avoid using Deloitte for non-audit services and the Audit Committee will only approve their appointment for these where they are convinced that that Deloitte are best placed to carry out this work and that the appointment could not be expected to impair their audit independence.

Total fees paid amounted to £568,195 for the year ended 31 December 2019 of which £133,480 related to audit and audit related services to the Company and its subsidiaries, TRIG UK and TRIG UK Investments, and £361,120 related to audit of the Group's project subsidiaries and other audit related services. The non-audit services provided by Deloitte in the year to the Company and its subsidiaries are in relation to the review of the interim financial statements at the half year; £29,000, tax compliance advice for the Irish subsidiaries; £10,315, a project financial model review; £22,800 and minor other services £11,480.

In relation to the review of a financial model service identified above, the Audit Committee noted that the services had been engaged by the subsidiary prior to the purchase of that subsidiary albeit the amount settled once in the ownership of the Group. The Group uses its own financial model to support the valuation of the investment.

The Audit Committee is aware of the new audit independence guidelines (The revised Ethical Standards regarding Audit Independence Rules including revision) that further restrict non-audit services that can be provided by the auditor and as a result will be moving to an alternative provider during 2020 for the provision of some project level tax compliance advice – these services are separately identified above.

European Union (EU) statutory audit legislation stipulates that fees for permissible non-audit services should not exceed 70% of the average audit fees paid by the group in the last three consecutive financial years following its implementation in 2016. Although it is not applicable to this reporting period as it only applies in the year ending 31 December 2021, the Audit Committee must monitor auditor independence and will consider these criteria as part of this role.

Notwithstanding such services the Audit Committee considers Deloitte LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considered:

- changes in audit personnel in the audit plan for the current period;
- a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external audit process, the Audit Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- reports highlighting the major issues that arose during the course of the audit; and
- the effectiveness and independence of the external auditor having considered the degree of diligence and professional scepticism demonstrated by them.

The Audit Committee notes the requirements of the UK Corporate Governance Code and in particular the requirement to put the external audit out to tender at least every 10 years. This is the seventh year of Deloitte's appointment as the Company's auditor and the Company can confirm that a competitive tender exercise for the Company's audit work will be carried out before 2023. The Audit Partner for the Company is John Clacy. The previous audit partner being David Becker who had been in place for five years and hence an Audit Partner rotation took place during 2019.

The Audit Committee is satisfied with Deloitte's effectiveness and independence as auditor having considered the degree of diligence and professional scepticism demonstrated by them. As such, the Committee has not considered it necessary during this period to conduct a tender process for the appointment of its auditors for the year ending 31 December 2020.

The Audit Committee confirms that TRIG has complied with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 since it became a member of the FTSE 250 Index on 18 December 2015 and up to 31 December 2019. Deloitte were appointed as external auditor in 2013 following a competitive process and the Audit Committee terms of reference are in line with the Order.

The Committee conducts a formal review of Deloitte following the issue of these financial statements as it did in 2019 to ensure that the Committee considers all aspects of the auditor's service and performance. The outcome of the review in May 2019 was positive and led to no material concerns over the performance of the auditor.

Having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that Deloitte LLP be reappointed as auditor for the year ending 31 December 2020.

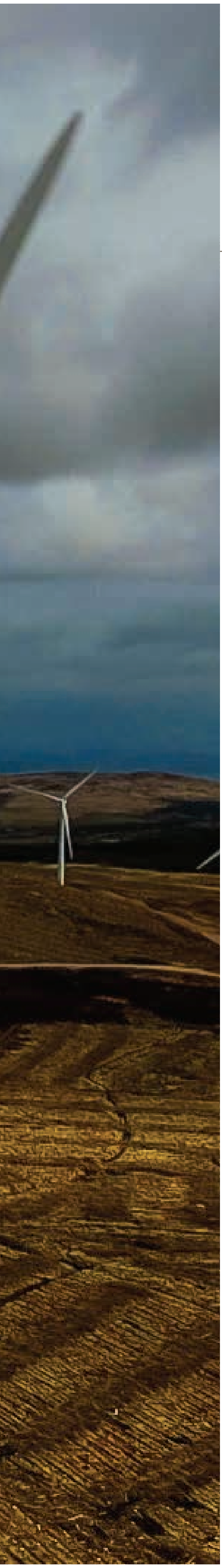
Audit Committee Performance Evaluation

During the year the Committee evaluated its performance considering checklists provided by leading audit firms. All of the Directors and the Managers completed the form and the results were discussed at an Audit Committee meeting. A few items of a minor nature arose and led to recommendations that have been adopted. Overall the finding of the evaluation was that the Audit Committee is sufficiently skilled and experienced and effective in carrying out its role.

Financial Reporting Council Review

During the year the Financial Reporting Council ("FRC") Corporate Reporting Review team reviewed the Company's financial statements for the year ending 31 December 2018. The FRC had a limited number of enquiries that the Company has satisfactorily resolved, some of which have led to additional disclosure in the 2019 Annual Report.

The FRC review provides no assurance that the report and accounts are correct in all material respects. The review and the FRC role is not to verify the information provided but to consider compliance with reporting requirements. The FRC accepts no liability for any reliance on their review by the Company or any third party, including but not limited to investors and shareholders.



09 Independent Auditor's Report

9.0
Independent Auditor's Report
to the Members of the Renewables Infrastructure Group Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of The Renewable Infrastructure Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

2. 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: ▲ The Assessment of the fair value of investments Within this report, key audit matters are identified as follows: Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used in the current year was £37.6m which was determined on the basis of shareholders' equity.
Scoping	As the company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the company has been treated as having only one component.
Significant changes in our approach	There has been no significant changes in our approach.

4. Conclusions relating to going concern, principal risks and viability statement

4.1 Going concern

We have reviewed the directors' statement in note 2b to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the company, its business model and related risks including where relevant the impact of Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

4.2 Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 62-69 that describe the principal risks, procedures to identify emerging risks, and an explanation of how these are being managed or mitigated;
- the directors' confirmation on page 88 that they have carried out a robust assessment of the principal and emerging risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity; or
- the directors' explanation on page 88 as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to report whether the directors' statement relating to the prospects of the company required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

Viability means the ability of the company to continue over the time horizon considered appropriate by the directors.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

9.0
Independent Auditor's Report
to the Members of the Renewables Infrastructure Group Limited (continued)

5. 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. These matters included 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.

5.1 Assessment of the fair value of investments	
Key audit matter description	The company's investments held at fair value, comprise of investments in intermediate holding companies and equity and subordinated debt interests in wind farm, solar park and battery storage projects for which there is no liquid market and which are valued on a discounted cash flow basis. The company's portfolio continues to grow, having increased by £474.2 million in the year, as a result of further investment which was funded through the issue of equity and drawdown of the Group's revolving acquisition facility. The year-end valuation of £1,741.5 million at 31 December 2019 (31 December 2018: £1,267.3 million) requires significant judgements in respect of the forecast cash flows and discount rates applied. Certain assumptions used in the determination of fair value are a key source of estimation uncertainty, which is why we consider there to be a risk of material misstatement as well as a potential for fraud through possible manipulation of this balance. The complex nature of this methodology, combined with the number of significant judgements, means there is a risk that the fair value of the investments could be misstated. The judgements in respect of forecast cash flows include assumptions around future energy yields, power prices, inflation, tax rates, exchange rates and operating costs. The Audit Committee have set out their consideration of the risk on page 107 and is disclosed as a critical accounting judgement in note 3 of the financial statements. A breakdown of the investments and the assumptions applied to the valuation are described in note 4 of the financial statements.
How the scope of our audit responded to the key audit matter	Our audit was directed to assess the evidence available to support these assumptions and the sensitivity of the valuation to reasonably possible changes in these assumptions. We challenged these assumptions and the fund valuation model in which they are applied in determining the fair value. Our audit procedures included the following: ▲ obtaining an understanding of the relevant controls around updates (including the incorporation of new acquisitions) to the valuation model used at 31 December 2019; ▲ holding key meetings with key management personnel (including Fred Olsen, Low Carbon and Renewable Energy Systems (RES)) to understand the performance of the fund and of the underlying Special Purpose Vehicles (SPVs); ▲ disaggregated projects based upon our risk assessment with detailed model review procedures using graphical analysis performed on higher risk projects and analytical reviews on the remainder of the projects in order to challenge the cash flow projections and explanations for significant movements in the forecast; ▲ reviewing the independent advice received by the company in respect of energy yields, power prices and discount rates and meeting with those advisers where appropriate to understand the methodology used and challenge key assumptions through the use of benchmarking against third party sources; ▲ using macroeconomic data (including inflation and tax rate forecasts) and observable market data to benchmark key assumptions; ▲ involving our valuation specialists in benchmarking the discount rate against comparable market participants; ▲ involving our tax specialists in assessing the tax treatment of portfolio level reliefs; ▲ considered the potential impact of Brexit and climate change on the fair value of the investments; ▲ reviewing the share purchase agreements for any newly acquired assets in order to confirm the acquisition cost and the nature and amount of any deferred consideration that may be embedded in the valuation; ▲ understanding and challenging management's process for determining costs to complete for projects in construction through review of the cash flow projections; ▲ testing the incorporation of the assumptions into the valuation model and the correct application of the selected discount rates; and ▲ reviewing the adequacy of the disclosures made in the financial statements.
Key observations	Based on the audit procedures performed and our benchmarking of assumptions we identified some areas of conservatism, including discount rates for certain projects offset by other judgements including certain power prices above the average of some industry data points we used for comparison. We concluded in aggregate that the assumptions are within the acceptable range of reasonably possible alternatives.

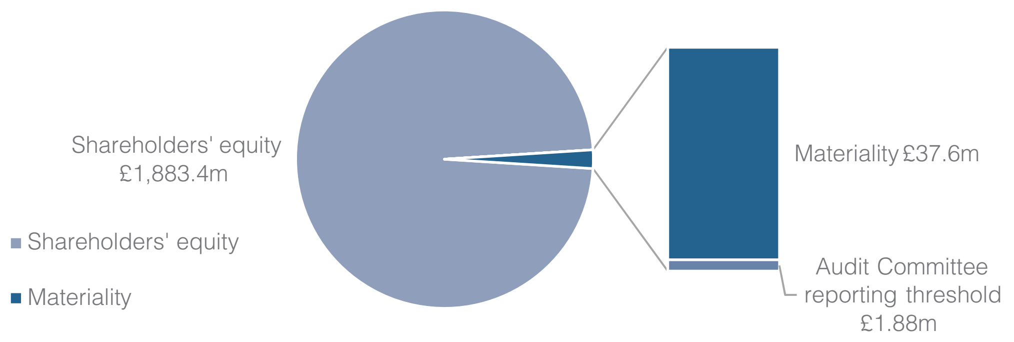
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£37.6m (2018: £25.7m)
Basis for determining materiality	2% (2018: 2%) of shareholders' equity.
Rationale for the benchmark applied	We consider equity to be the key benchmark used by members of the Company in assessing financial performance. The reason for the significant increase in the year relates to the growth in this benchmark throughout the period.



A lower materiality threshold of £2,490,000 (2018: £526,000) based upon 5% of profit before tax, adjusted for the fair value movements in the portfolio valuation has also been used. This has been applied to all non-fair value movements affecting the income statement. A lower materiality threshold has been used to obtain sufficient coverage on non-fair value items in the income statement.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit (2018: 70%). In determining performance materiality, we considered the following factors:

a. the quality of the control environment;

b. whether there were significant changes in the business that might affect our ability to forecast misstatements;

c. any prior period adjustments; and

d. any prior period errors found in the current year.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1,880,000 (2018: £1,284,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the company has been treated as having only one component and this all of the work was carried out by one audit team.

9.0
Independent Auditor's Report
to the Members of the Renewables Infrastructure Group Limited (continued)

8. 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.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- **Fair, balanced and understandable** – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

10. 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, valuations and financial instrument specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the assessment of the fair value of investments and related party transactions on unreasonable terms or any missing transactions. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Alternative Investment Fund Managers (AIFM) Directive, Association of Investment Companies Code of Corporate Governance, Non-Mainstream Pooled Investments regulations, The Companies (Guernsey) Law 2008, and the Listing Rules.

11.2 Audit response to risks identified

As a result of performing the above, we identified the assessment of the fair value of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- challenging management's procedures for the identification of related party transactions by reviewing management's related party listing for any omissions through the course of our work; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

9.0
Independent Auditor's Report
to the Members of the Renewables Infrastructure Group Limited (continued)

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1 Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

13. Other matters

13.1 Auditor tenure

Following the recommendation of the audit committee, we were appointed by the board of directors on 19 September 2013 to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years, covering the years ending 31 December 2013 to 31 December 2019.

13.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Clacy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Guernsey, Channel Islands

17 February 2020

Grange, England


Yale

10 Financial Statements

10.0 Income Statement

For the year ended 31 December 2019

	Note	Year ended 31 December 2019 £'000's	Year ended 31 December 2018 £'000's
Net gains on investments	6	82,190	73,760
Investment income from investments	6	63,440	51,193
Total operating income		145,630	124,953
Fund expenses	7	(1,610)	(1,267)
Operating profit for the year		144,020	123,686
Finance and other income/(expense)	8	18,009	(535)
Profit before tax		162,029	123,151
Income tax credit/(expense)	9	–	–
Profit for the year	10	162,029	123,151
Attributable to:			
Equity holders of the parent		162,029	123,151
		162,029	123,151
Earnings per share (pence)	10	11.4	11.7

All results are derived from continuing operations.

There is no other comprehensive income or expense apart from those disclosed above and consequently a separate statement of comprehensive income has not been prepared.

10.0
Balance Sheet

As at 31 December 2019

	Note	As at 31 December 2019 £'000's	As at 31 December 2018 £'000's
Non-current assets			
Investments at fair value through profit or loss	13	1,741,457	1,267,255
Total non-current assets		1,741,457	1,267,255
Current assets			
Other receivables	14	14,730	1,570
Cash and cash equivalents	15	127,589	16,760
Total current assets		142,319	18,330
Total assets		1,883,776	1,285,585
Current liabilities			
Other payables	16	(339)	(1,683)
Total current liabilities		(339)	(1,683)
Total liabilities		(339)	(1,683)
Net assets	12	1,883,437	1,283,902
Equity			
Share capital and share premium	17	1,721,309	1,189,542
Other reserves	17	1,008	1,008
Retained reserves	17	161,120	93,352
Total equity attributable to owners of the parent	12	1,883,437	1,283,902
Net assets per Ordinary Share (pence)	12	115.0	108.9

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 17 February 2020, and signed on its behalf by:

Director

Director

10.0
Statement of Changes in Shareholders' Equity

For the year ended 31 December 2019

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	1,189,542	1,008	93,352	1,283,902
Profit for the year	–	–	162,029	162,029
Dividends paid	–	–	(86,285)	(86,285)
Scrip shares issued in lieu of dividend	7,976	–	(7,976)	–
Ordinary Shares issued	529,650	–	–	529,650
Costs of Ordinary Shares issued	(7,859)	–	–	(7,859)
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2018[1]	1,008	(1,008)	–	–
Ordinary Shares issued in year in lieu of Management Fees, earned in H1 2019[2]	992	–	–	992
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2019[3]	–	1,008	–	1,008
Shareholders' equity at end of year	1,721,309	1,008	161,120	1,883,437

For the year ended 31 December 2018

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	944,078	966	37,731	982,775
Profit for the year	–	–	123,151	123,151
Dividends paid	–	–	(56,897)	(56,897)
Scrip shares issued in lieu of dividend	10,633	–	(10,633)	–
Ordinary Shares issued	235,639	–	–	235,639
Costs of Ordinary Shares issued	(2,766)	–	–	(2,766)
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2017[4]	966	(966)	–	–
Ordinary Shares issued in year in lieu of Management Fees, earned in H1 2018[5]	992	–	–	992
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2018[1]	–	1,008	–	1,008
Shareholders' equity at end of year	1,189,542	1,008	93,352	1,283,902

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent. of the management fees are to be settled in Ordinary Shares up to an Adjusted Portfolio Value of £1 billion.

1 The £1,008,219 transfer between reserves represents the 939,844 shares that relate to management fees earned in the six months to 31 December 2018 and were recognised in other reserves at 31 December 2018, and were issued to the Managers during the year, with the balance being transferred to share premium reserves on 31 March 2019.

2 The £991,778 addition to the share premium reserve represents the 875,047 shares that relate to management fees earned in the six months to 30 June 2019 and were issued to the Managers on 30 September 2019.

3 As at 31 December 2019, 889,550 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 113.34 pence per share (the Net Asset Value at 31 December 2019 of 115.0 pence per share less the interim dividend of 1.66 pence per share) were due but had not been issued. The Company intends to issue these shares to the Managers around 30 March 2020.

4 The £965,799 transfer between reserves represents the 946,862 shares that relate to management fees earned in the six months to 31 December 2017 and were recognised in other reserves at 31 December 2017, and were issued to the Managers during the year, with the balance being transferred to share premium reserves, on 31 March 2018.

5 The £991,780 addition to the share premium reserve represents the 957,548 shares that relate to management fees earned in the six months to 30 June 2018 and were issued to the Managers on 30 September 2018.

10.0
Cash Flow Statement

For the year ended 31 December 2019

	Note	Year ended 31 December 2019 £'000's	Year ended 31 December 2018 £'000's
Cash flows from operating activities			
Profit before tax	10	162,029	123,151
Adjustments for:			
Gain on investments	6, 13	(82,190)	(73,760)
Investment income from investments	6	(63,440)	(51,193)
Movement in other reserves relating to Manager shares		–	42
Exchange gains/ (losses) on FX hedges		4,165	(1,019)
Finance and other (expense)/income	8	(18,009)	535
Operating cash flow before changes in working capital		2,555	(2,244)
Changes in working capital:			
Increase in receivables		(540)	(563)
Increase in payables		(47)	422
Cash flow from operations		1,968	(2,385)
Distributions from investments	13	84,757	54,482
Interest on bank deposits		379	53
Net cash from operating activities		87,104	52,150
Cash flows from investing activities			
Purchases of investments	13	(413,844)	(223,985)
Net cash used in investing activities		(413,844)	(223,985)
Cash flows from financing activities			
Proceeds from issue of share capital during year		531,650	237,596
Costs in relation to issue of shares	17	(7,859)	(2,766)
Dividends paid to shareholders	11	(86,285)	(56,897)
Net cash from financing activities		437,506	177,933
Net increase in cash and cash equivalents		110,766	6,098
Cash and cash equivalents at beginning of year	15	16,760	10,646
Exchange gains on cash		63	16
Cash and cash equivalents at end of year	15	127,589	16,760

The accompanying notes are an integral part of these financial statements.

10.0
Notes to the Financial Statements

For the year ended 31 December 2019

1. General information

The Renewables Infrastructure Group Limited ("TRIG" or the "Company") is a closed ended investment company incorporated in Guernsey under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. Through its subsidiaries, The Renewables Infrastructure Group (UK) Limited ("TRIG UK"), and The Renewables Infrastructure Group (UK) Investments Limited ("TRIG UK I"), TRIG invests in mainly operational renewable energy generation projects, predominantly in onshore wind and solar PV segments, across the UK and Northern Europe. The Company, TRIG UK, TRIG UK I and its portfolio of investments are known as the "Group".

These financial statements are for the year ended 31 December 2019 and comprise only the results of the Company as all of its subsidiaries are measured at fair value as explained below in Note 2 (a).

2. Key accounting policies

(a) Basis of preparation

The financial statements were approved and authorised for issue by the Board of Directors on 17 February 2020.

The financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") using the historical cost basis, except that the financial instruments classified at fair value through profit or loss are stated at their fair values. All accounting policies have been applied consistently in these financial statements.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Foreign operations are included in accordance with the policies set out in this note.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Note 3 shows critical accounting judgements, estimates and assumptions.

(b) 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 Strategic Report and also commented on in the Viability Statement contained in Section 5.0, Report of the Directors. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Results in Section 10.0. In addition, Notes 1 to 4 of the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects. In addition, the Company maintains a prudent level of leverage, limited to 30% of portfolio value or fund level financing, and limited to 50% of the Group's project-level financing, based on Gross Portfolio Value. The project level financing is non-recourse to the Company.

At 31 December 2019 the Company's leverage was 0% for fund level financing (2018: 0%) and 36% for project level financing (2018: 35%).

As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Basis of consolidation

The Company applies IFRS 10 'Consolidated Financial Statements', and as an investment entity is required to measure all of its subsidiaries at fair value. The financial statements therefore comprise the results of the Company only. Subsidiaries are those entities controlled by the Company. The Company has control of an investee, when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee as defined in IFRS 10 'Consolidated Financial Statements'.

The Directors believe it is appropriate and relevant to the investor to account for the investment portfolio at fair value, where consolidating it would not be.

The Company's subsidiaries, TRIG UK and TRIG UK I, carry out investment activities and incur overheads and borrowings on behalf of the Group. The Directors therefore provide an alternative presentation of the Company's results in the Strategic Report in Section 2.9 prepared under the "Expanded basis", which includes the consolidation of TRIG UK and TRIG UK I.

An entity shall consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. Under the definition of an investment entity, as set out in paragraph 27 in the standard, the entity must satisfy all three of the following tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and
- Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In respect of the first criterion, TRIG is an investment company which enables shareholders to gain exposure to a diversified portfolio of renewable energy and related infrastructure investments coupled with the management of these investments.

In respect of the second criterion, the Company's purpose is to invest funds for returns from capital appreciation and investment income. The Company's exit of its investments in project companies may be at the time the existing turbines or other generation assets get to the end of their economic lives or planning or leasehold land interests expire at which point the project companies may be considering redevelopment (referred to as a "repowering") of the site. The Company may remain invested in the event there is the opportunity to repower and undertake the repowering, subject to its investment limits on construction activity being met and depending on economic considerations at the time. The Company may also exit investments earlier for reasons of portfolio balance or profit as there is an active secondary market for renewables projects in the countries in which we operate.

In respect of the third criterion, the board evaluates the performance of the assets on a fair market value basis throughout the year as part of the management accounts review, and the company undertakes a fair market valuation of its portfolio twice a year for inclusion in its report and accounts with the movement in the valuation taken to the Income Statement and thus measured within its earnings.

Taking these factors into consideration, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition in the standard.

(d) Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 'Financial instruments'.

Financial derivatives are valued using the Mark to Market valuations provided with the banks that derivative contracts are executed with.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value including directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Investments in equity and debt securities

Investments in the equity and loan stock of entities engaged in renewable energy activities are designated at fair value through profit or loss.

The Group manages these investments and makes purchase and sale decisions based on their fair value.

The initial difference between the transaction price and the fair value, derived from using the discounted cash flows methodology at the date of acquisition, is recognised only when observable market data indicates there is a change in a factor that market participants would consider in setting the price of that investment. For the years ended 31 December 2019 and 31 December 2018, there were no such differences. In addition there was no material change on applying fair values between the date of acquisition and the reporting date for acquisitions in the years ended 31 December 2019 and 31 December 2018.

The Directors consider the equity and loan stock to share the same investment characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes.

(e) Impairment

Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

(f) Share capital and share premium

Ordinary Shares are classified as equity. Costs directly attributable to the issue of new shares or associated with the establishment of the Company that would otherwise have been avoided are written off against the value of the ordinary share premium.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(h) Investment income

Income from investments relates solely to returns from the Company’s subsidiaries, TRIG UK and TRIG UK I. This is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable and dividends when these are received.

(i) Income tax

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on non-Guernsey source income or capital gains.

(j) Foreign exchange gains and losses

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

(k) Segmental reporting

The Chief Operating Decision Maker (the “CODM”) is of the opinion that the Group is engaged in a single segment of business, being investment in renewable infrastructure to generate investment returns while preserving capital. The financial information used by the CODM to allocate resources and manage the Group presents the business as a single segment comprising a homogeneous portfolio.

(l) Fund expenses

All expenses are accounted for on an accruals basis. The Company’s investment management and administration fees (refer to Note 7), finance costs and all other expenses are charged through the income statement.

(m) Acquisition costs

In line with IFRS 3 (Revised), acquisition costs are expensed to the income statement as incurred.

(n) Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. For scrip dividends, where the Company issues shares with an equal value to the cash dividend amount as an alternative to the cash dividend, a credit to equity is recognised when the shares are issued.

(o) Statement of compliance
Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is a Registered Closed-Ended Investment Scheme. As an authorised scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission and meets its compliance requirements.

(p) Share-based payments
Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at that date the entity obtains the goods or the counterparty renders the service.

(q) New and revised standards
At the date of authorisation of these financial statements, the Group has applied the following new and revised IFRS standard that has been issued:

IFRS 16 Leases (effected 1 January 2019)
IFRS 16 replaces IAS 17 Leases and requires all operating leases in excess of one year, where the Company is the lessee, to be included on the Company's balance sheet, and recognise a right-of-use asset and a related lease liability representing the obligation to make lease payments. The right-of-use asset is assessed for impairment annually (incorporating any onerous lease assessments) and amortised on a straight-line basis, with the lease liability being amortised using the effective interest method. Lessor accounting is unchanged from previous guidance.

The Company has adopted the new standard however as the Company itself does not have any leases the new standard has not had a material impact on the Company's reported results. The change in accounting treatment for the leases in the subsidiaries has not had a significant cash impact over time and therefore has not impacted the overall valuation of the Company's investment in the subsidiaries.

3. Critical accounting judgements, estimates and assumptions
The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Key source of estimation uncertainty: Investments at fair value through profit or loss
IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board base the fair value of the investments on information received from the Investment Manager. Fair value is calculated on a discounted cash flow basis.

Fair values for those investments for which a market quote is not available, in this instance being all investments, are determined using the income approach, which discounts the expected cash flows at the appropriate rate. In determining the discount rate, regard is had to relevant long-term government bond yields, specific risks associated with the technology (on-shore wind and solar) and geographic location of the underlying investment, and the evidence of recent transactions. The investments at fair value through profit or loss, whose fair values include the use of level 3 inputs, are valued by discounting future cash flows from investments in both equity (dividends and equity redemptions) and subordinated loans (interest and repayments) to the Group at an appropriate discount rate.

The weighted average discount rate applied in the December 2019 valuation was 7.25% (2018: 7.6%). The discount rate is considered one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss which are further discussed in Note 4 under sensitivities.

The other material impacts on the measurement of fair value are the forward looking power price curve, energy yields, operating costs, and macro-economic assumptions (including rates of inflation) which are further discussed in Note 4 under sensitivities.

The Investment Manager, when considering the assumptions to apply to the valuation of the investments at 31 December 2019 takes into account several key assumptions including whether these were impacted by the exit of the UK from the European Union which subsequently occurred on 31 January 2020.

Key Judgements
By virtue of the Company's status as an investment fund, and in conjunction with IFRS 10 for investment entities, investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statement are approximately equal to their fair values.

4. Financial instruments

Financial risk management

The objective of the Group's financial risk management is to manage and control the risk exposures of its investment portfolio. The Board of Directors has overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the Investment Manager, which has documented procedures designed to identify, monitor and manage the financial risks to which the Group is exposed. Note 4 presents information about the Group's exposure to financial risks, its objectives, policies and processes for managing risk and the Group's management of its financial resources.

Through its subsidiaries, TRIG UK and TRIG UK I, the Company invests in a portfolio of investments predominantly in the subordinated loan stock and ordinary equity of renewable energy project companies. These companies are structured at the outset to minimise financial risks where possible, and the Investment Manager primarily focuses their risk management on the direct financial risks of acquiring and holding the portfolio but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies, and the receipt of regular financial and operational performance reports.

The Company has a diversified portfolio of assets which include investments with both higher and lower risks and returns. These risks and return differences relate, but are not limited to, qualification to receive government subsidies, exposure to fluctuations fluctuation in future energy prices and levels of project finance debt.

Interest rate risk

The Group invests in subordinated loan stock of project companies, usually with fixed interest rate coupons. The portfolio's cash flows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments. The Group may use borrowings to finance the acquisition of investments and the forecasts are used to monitor the impact of changes in borrowing rates against cash flow returns from investments as increases in borrowing rates will reduce net interest margins.

The Group's policy is to ensure that interest rates are sufficiently hedged to protect the Group's net interest margins from significant fluctuations when entering into material medium/long-term borrowings. This includes engaging in interest rate swaps or other interest rate derivative contracts.

The Company has an indirect exposure to changes in interest rates through its investment in project companies, many of which are financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt, fixed rate bonds or index linked bonds. Where senior debt is floating rate, the projects typically have similar length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of directors.

Inflation risk

The Group's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Group's overall cash flows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Group's cash flows, particularly where a project's loan stock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future years. The sensitivity of the portfolio valuation is shown further on in Note 4.

Market risk

Returns from the Group's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets. The Investment Manager carries out a full valuation semi-annually and this valuation exercise takes into account changes described above.

Currency risk

The projects, in which the Group invests, all conduct their business and pay interest, dividends and principal in sterling, with the exception of the euro-denominated investments which at 31 December 2019 comprised 39% (2018: 18%) of the portfolio by value on an invested basis and 45% (2018: 28%) of the portfolio by value on a committed basis. The sensitivity of the portfolio valuation is shown in this note.

The Group monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection to the level of sterling distributions that the Company aims to pay over the medium-term, where considered appropriate. This may involve the use of forward exchange.

Credit risk

Credit risk is the risk that a counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. Key credit ratings for the Company's counterparties are detailed in Note 15.

The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project at 31 December 2019 was to the Jädraås project, representing 11% (2018: Garreg Lwyd project, representing 9%) of the portfolio by value, and the largest subcontractor counterparty risk exposure was to Siemens who provided turbine maintenance services in respect of 40% (2018: Siemens 41%) of the invested portfolio by value.

The Group's investments enter into Power Price Agreements ("PPA") with a range of providers through which electricity is sold. The largest PPA provider to the portfolio at 31 December 2019 was Statkraft who provided PPAs to projects in respect of 29% (2018: Statkraft 20%) of the portfolio by value.

At 31 December 2019, there were no loans and other receivables considered impaired for the Group.

The Group's maximum exposure to credit risk over financial assets is the carrying value of those assets in the balance sheet. The Group does not hold any collateral as security.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meets its liabilities when due. The Group ensures it maintains adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's investments are predominantly funded by share capital and medium-term debt funding.

The Group's investments are generally in private companies, in which there is no listed market and therefore such investment would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

The Group's investments have borrowings which rank senior and have priority over the Group's own investments into the companies. This senior debt is structured such that, under normal operating conditions, it will be repaid within the expected life of the projects. Debt raised by the investment companies from third parties is without recourse to the Group.

At 31 December 2019, the Company itself did not have any outstanding debt. The Group's revolving acquisition facility, which was £nil drawn at 31 December 2019 (2018: £nil), is held by TRIG UK and TRIG UK I, is guaranteed by the Company. The facility is in place until December 2021.

Capital management

TRIG UK and TRIG UK I, the Company's subsidiaries, have a £340m revolving acquisition facility with Royal Bank of Scotland International Limited, National Australia Bank Limited and ING Bank N.V. The Facility expires on 31 December 2021. The facility was £nil drawn at 31 December 2019.

The Group makes prudent use of its leverage. Under the investment policy, borrowings, including any financial guarantees to support outstanding subscription obligations but excluding internal Group borrowings of the Group's underlying investments, are limited to 30% of the portfolio value.

From time to time, the Company issues its own shares to the market; the timing of these purchases depends on market prices.

In order to assist in the narrowing of any discount to the Net Asset Value at which the Ordinary Shares may trade, from time to time the Company may at the sole discretion of the Directors:

- make market purchases of up to 14.99% per annum of its issued Ordinary Shares; and
- make tender offers for the Ordinary Shares.

There were no changes in the Group's approach to capital management during the year.

10.0
Notes to the Financial Statements (continued)

For the year ended 31 December 2019

Fair value estimation

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is had to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

Derivative financial instruments

The fair value of financial instruments inputs other than quoted prices traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. Note 2 discloses the methods used in determining fair values on a specific asset/liability basis. Where applicable, further information about the assumptions used in determining fair value is disclosed in the notes specific to that asset or liability.

Classification of financial instruments

	31 December 2019 £'000s	31 December 2018 £'000s
Financial assets		
Designated at fair value through profit or loss:		
Investments	1,741,457	1,267,255
Other financial assets	12,621	–
Financial assets at fair value	1,754,078	1,267,255
At amortised cost:		
Other receivables	2,109	1,570
Cash and cash equivalents	127,589	16,760
Financial assets at amortised cost	129,698	18,330
Financial liabilities		
Designated at fair value through profit or loss:		
Other financial liabilities	–	1,437
Financial liabilities at fair value	–	1,437
At amortised cost:		
Other payables	339	246
Financial liabilities at amortised cost	339	246

The Directors believe that the carrying values of all financial instruments are not materially different to their fair values.

Other financial assets/liabilities represent the fair value of foreign exchange forward agreements in place at the year end.

Fair value hierarchy

The fair value hierarchy is defined as follows:

- 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at 31 December 2019			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	–	–	1,741,457	1,741,457
	–	–	1,741,457	1,741,457
Other financial assets	–	12,621	–	12,621
	–	12,621	–	12,621

	As at 31 December 2018			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	–	–	1,267,255	1,267,255
	–	–	1,267,255	1,267,255
Other financial liabilities	–	1,437	–	1,437
	–	1,437	–	1,437

Other financial assets/liabilities represent the fair value of foreign exchange forward agreements in place at the year end.

Investments at fair value through profit or loss comprise the fair value of the investment portfolio, on which the sensitivity analysis is calculated, and the fair value of TRIG UK and TRIG UK I, the Company's subsidiaries being its cash, working capital and debt balances.

	31 December 2019 £'000's	31 December 2018 £'000's
Portfolio value	1,745,186	1,268,681
TRIG UK and TRIG UK I		
Cash	216	144
Working capital	(5,550)	(3,977)
Debt[1]	1,605	2,407
	(3,729)	(1,426)
Investments at fair value through profit or loss	1,741,457	1,267,255

1 Debt arrangement costs of £1,605k (2018: £2,407k) have been netted off the £nil (2018: £nil) debt drawn by TRIG UK and TRIG UK I.

10.0 Notes to the Financial Statements (continued)

For the year ended 31 December 2019

Level 2

Valuation methodology

Fair value is based on price quotations from financial institutions active in the relevant market. The key inputs to the discounted cash flow methodology used to derive fair value include foreign currency exchange rates and foreign currency forward curves. Valuations are performed on a six monthly basis every June and December for all financial assets and all financial liabilities.

Level 3

Valuation methodology

The Investment Manager has carried out fair market valuations of the investments as at 31 December 2019 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All investments are at fair value through profit or loss and are valued using a discounted cash flow methodology.

The following economic assumptions were used in the discounted cash flow valuations at:

	31 December 2019	31 December 2018
UK inflation rates (other than ROC's)	2.75%	2.75%
Inflation applied to UK ROC Income	3.0% 2020, 2.75% thereafter	3.2% 2019, 3.0% 2020, 2.75% thereafter
Rest of Europe inflation rates	1.75% 2020, 2.00% thereafter	1.75% 2019-2020, 2.00% thereafter
UK, Ireland, France, Sweden and Germany deposit interest rates	1.00% to 31 December 2021, 2.00% thereafter	1.00% to 31 March 2021, 2.00% thereafter
UK corporation tax rate	19.00%	19.00%, reducing to 17% from 1 April 2020
France corporation tax rate	33.3% + 1.1% above €763,000 threshold, reducing to 25% by 2022	33.3% + 1.1% above €763,000 threshold, reducing to 25% by 2022
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
Swedish corporation tax rate	21.4% for 2020, 20.6% thereafter	–
Applicable German corporation tax	15.8%	–
Euro/sterling exchange rate	1.1827	1.1124
Energy yield assumptions	P50 case	P50 case

Valuation Sensitivities

Sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the valuation. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 31 December 2019 (£1,745.2m) and the outstanding investment commitments (£350.4m) being £2,095.6m.

Accordingly, the NAV per share impacts shown below assume the issue of further shares to fund these commitments.

The analysis below shows the sensitivity of the portfolio value (and its impact on NAV) to changes in key assumptions as follows:

Discount rates

The discount rates used for valuing each investment are based on market information and the current bidding experience of the Group and its Managers.

The weighted average valuation discount rate applied to calculate the portfolio valuation is 7.25% at 31 December 2019 (2018: 7.6%). An increase or decrease in this rate by 0.5% and has the following effect on valuation.

Discount rate	NAV/ share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/share impact
Directors' valuation – December 2019	**+4.4p**	**+£81.1m**	**£2,095.6m**	**(£75.9m)**	**(4.1p)**
Directors' valuation – December 2018	+3.7p	+£48.1m	£1,473.3m	(£45.2m)	(3.5p)

Power Price

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect.

Power Price	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation – December 2019	**(8.5p)**	**(£156.0m)**	**£2,095.6m**	**+£156.4m**	**8.5p**
Directors' valuation – December 2018	(8.2p)	(£107.1m)	£1,473.3m	+£107.0m	8.2p

Energy Yield

The base case assumes a "P50" level of output. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being under achieved. Hence the P50 is the expected level of generation over the long term.

The sensitivity illustrates the effect of assuming "P90 10-year" (a downside case) and "P10 10-year" (an upside case) energy production scenarios. A P90 10-year downside case assumes the average annual level of electricity generation that has a 90% probability of being exceeded over a 10-year period. A P10 10-year upside case assumes the average annual level of electricity generation that has a 10% probability of being exceeded over a 10-year period. This means that the portfolio aggregate production outcome for any given 10-year period would be expected to fall somewhere between these P90 and P10 levels with an 80% confidence level, with a 10% probability of it falling below that range of outcomes and a 10% probability of it exceeding that range. The sensitivity includes the portfolio effect which reduces the variability because of the diversification of the portfolio. The sensitivity is applied throughout the life of each asset in the portfolio (even where this exceeds 10 years).

The table below shows the sensitivity of the portfolio value to changes in the energy yield applied to cash flows from project companies in the portfolio as per the terms P90, P50 and P10 explained above.

Energy Yield	NAV/ share impact	P90 10 year exceedance	Total Portfolio Value	P10 10 year exceedance	NAV/ share impact
Directors' valuation – December 2019	**(11.5p)**	**(£211.3m)**	**£2,095.6m**	**+£195.4m**	**10.7p**
Directors' valuation – December 2018	(12.3p)	(£159.8m)	£1,473.3m	+£155.1m	11.9p

Inflation rates

The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' management, maintenance and tax expenses typically move with inflation, but debt payments are fixed. This results in the portfolio returns and valuation being positively correlated to inflation.

The portfolio valuation assumes 2.75% p.a. inflation for the UK and 2.0% p.a. for each of Sweden, France, Germany and Ireland over the long term.

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Inflation assumption	NAV/ share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/ share impact
Directors' valuation – December 2019	**(4.7p)**	**(£85.4m)**	**£2,095.6m**	**+£92.6m**	**5.1p**
Directors' valuation – December 2018	(4.8p)	(£62.4m)	£1,473.3m	+£68.3m	5.2p

10.0 Notes to the Financial Statements (continued)

For the year ended 31 December 2019

Operating costs

The sensitivity shows the effect of a 10% decrease and a 10% increase to the base case for annual operating costs for the portfolio, in each case assuming that the change to the base case for operating costs occurs with effect from 1 January 2020 and that change to the base case remains reflected consistently thereafter during the life of the projects.

Operating costs	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation – December 2019	**4.5p**	**+£83.2m**	**£2,095.6m**	**(£82.8m)**	**(4.5p)**
Directors' valuation – December 2018	4.4p	+£56.8m	£1,473.3m	(£56.4m)	(4.3p)

Taxation rates

The profits of each project company are subject to corporation tax in their home jurisdictions at the applicable rates (the tax rates adopted in the valuation are set out in Note 4 to the financial statements). The tax sensitivity looks at the effect on the Directors' valuation of changing the tax rates by +/- 2% each year in each jurisdiction and is provided to show that tax can be a material variable in the valuation of investments. The sensitivities incorporate the impact of portfolio level reliefs.

Taxation rates	NAV/ share impact	-2% change	Total Portfolio Value	+2% change	NAV/ share impact
Directors' valuation – December 2019	**1.1p**	**+£19.4m**	**£2,095.6m**	**(£18.9m)**	**(1.0p)**
Directors' valuation – December 2018	1.5p	+£19.2m	£1,473.3m	(£19.2m)	(1.5p)

Interest rates

This shows the sensitivity of the portfolio valuation to the effects of a reduction of 1% and an increase of 2% in interest rates. The change is assumed with effect from 1 January 2020 and continues unchanged throughout the life of the assets.

The portfolio is relatively insensitive to changes in interest rates. This is an advantage of TRIG's approach of favouring long-term structured project financing (over shorter term corporate debt) which is secured with the substantial majority of this debt having the benefit of long-term interest rate swaps which fix the interest cost to the projects.

The portfolio sensitivity to interest rates is assessed asymmetrically, noting that there is limited capacity for further interest rate reductions.

Interest rates	NAV/ share impact	-1% change	Total Portfolio Value	+2% change	NAV/ share impact
Directors' valuation – December 2019	**(0.0p)**	**(£0.0m)**	**£2,095.6m**	**+£0.6m**	**0.0p**
Directors' valuation – December 2018	(0.0p)	(£0.4m)	£1,473.3m	+£1.1m	+0.1p

Currency rates

The sensitivity shows the effect of a 10% decrease and a 10% increase in the value of the euro relative to sterling used for the 31 December 2019 valuation (based on a 31 December 2019 exchange rate of €1.1827 to £1). In each case it is assumed that the change in exchange rate occurs from 1 January 2020 and thereafter remains constant at the new level throughout the life of the projects.

At the year-end, 47% of the committed portfolio was located in Sweden, France, Germany and Ireland comprising euro-denominated assets. Following the year end the Group exchanged contracts to acquire Blary Hill wind farm which reduces this value to 45%.

The Group has entered into forward hedging of the expected euro distributions for the next 36-48 months and in addition placed further hedges to reach a position where at least 50% of the valuation of euro-denominated assets is hedged. The hedge reduces the sensitivity of the portfolio value to foreign exchange movements and accordingly the impact is shown net of the benefit of the foreign exchange hedge in place. The value of the outstanding commitments on Ersträsk and Merkur are included in this sensitivity. A 60% hedge is assumed for the sensitivity below and during 2019 typical hedge levels have been between approximately 60-80%.

Currency rates	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation – December 2019	**(1.8p)**	**(£33.8m)**	**£2,095.6m**	**+£33.8m**	**1.8p**
Directors' valuation – December 2018	(1.2p)	(£15.7m)	£1,473.3m	+£15.7m	1.2p

The euro/sterling exchange rate sensitivity does not attempt to illustrate the indirect influences of currencies on UK power prices which are interrelated with other influences on power prices.

Asset Lives

Assumptions adopted in the year-end valuation typically range from 25 to 30 years from the date of commissioning, with an average 29 years for the wind portfolio and 30 years for solar portfolio. The overall average across the portfolio at 31 December 2019 is 29 years (31 December 2018: 27 years).

The sensitivity below shows the impact on the valuation of assuming all assets within the portfolio have a year longer and a year shorter asset life assumed.

Asset Lives	NAV/ share impact	-1 year change	Total Portfolio Value	+1 year change	NAV/ share impact
Directors' valuation – December 2019	**(1.3p)**	**(£23.9m)**	**£2,095.6m**	**+£22.1m**	**1.2p**
Directors' valuation – December 2018	(1.2p)	(£15.9m)	£1,473.3m	+£14.7m	1.1p

5. Segment reporting

The Chief Operating Decision Maker (the "CODM") is of the opinion that the Group is engaged in a single segment of business, being investment in renewable infrastructure to generate investment returns while preserving capital. The financial information used by the CODM to allocate resources and manage the Group presents the business as a single segment comprising a homogeneous portfolio.

6. Total operating income

	For year ended 31 December 2019 Total £'000s	For year ended 31 December 2018 Total £'000s
Interest income from investments	63,440	51,193
Gain on investments	82,190	73,760
	145,630	124,953

On the Expanded basis, which includes TRIG UK and TRIG UK I, the Company's subsidiaries, that the Directors consider to be an extension of the Company's investment activity, total operating income is £162,316k (2018: £142,848k). The reconciliation from the IFRS basis to the expanded basis is shown in Section 2.9 of the Strategic Report.

10.0
Notes to the Financial Statements (continued)

For the year ended 31 December 2019

7. Fund expenses

	For year ended 31 December 2019 Total £'000s	For year ended 31 December 2018 Total £'000s
Fees payable to the Company's auditor for the audit of the Company accounts	124	91
Investment and management fees (Note 18)	200	200
Directors' fees (Note 18)	228	220
Other costs	1,058	756
	1,610	1,267

Included within Other costs, £29k (2018: £28k) was paid to Deloitte LLP in respect of the interim review of the Company accounts.

In addition to the above, £371k (2018: £350k) was paid to Deloitte LLP (the Company's auditor) in respect of audit services provided to unconsolidated subsidiaries and therefore is not included within fund expenses above. A detailed summary of audit and non-audit fees incurred across unconsolidated subsidiaries is provided in the Audit Committee Report in Section 8.0.

On the Expanded basis, fund expenses are £17,936k (2018: £12,748k); the difference being the costs incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. The reconciliation from the IFRS basis to the Expanded basis is shown in Section 2.9 of the Strategic Report on page 54.

The Company had no employees during the current or prior year. The Company has appointed the Investment Manager and the Operations Manager to manage the portfolio, the Company and its subsidiaries, on its behalf.

8. Finance and other income/ (expense)

	For year ended 31 December 2019 Total £'000s	For year ended 31 December 2018 Total £'000s
Interest income:		
Interest on bank deposits	379	53
Total finance income	379	53
Gain/ (loss) on foreign exchange:		
Realised gain/ (loss) on settlement of FX forwards	4,165	(1,019)
Fair value gain of FX forward contracts	14,058	416
Other foreign exchange (losses)/ gains	(593)	15
Total gain/ (loss) on foreign exchange	17,630	(588)
Finance and other income/ (expense)	18,009	(535)

On the Expanded basis, finance income is £379k (2018: £53k) and finance costs are £3,008k (2018: £4,614k); the difference being the Group's acquisition facility costs which are incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. These costs are shown in Section 2.9 of the Strategic Report on page 54.

9. Income tax

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profits or capital gains. Therefore, income from investments is not subject to any further tax in Guernsey, although these investments will bear tax in the individual jurisdictions in which they operate.

10. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	31 December 2019 '000's	31 December 2018 '000's
Profit attributable to equity holders of the Company	£162,029	£123,151
Weighted average number of Ordinary Shares in issue	1,422,876	1,052,863
Earnings per Ordinary Share	11.4p	11.7p

Further details of shares issued in the year are set out in Note 17.

11. Dividends

	31 December 2019 £'000s	31 December 2018 £'000s
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the 3 month year ended 31 December 2017 of 1.6p		15,158
Interim dividend for the 3 month year ended 31 March 2018 of 1.625p		16,506
Interim dividend for the 3 month year ended 30 June 2018 of 1.625p		17,902
Interim dividend for the 3 month year ended 30 September 2018 of 1.625p		17,964
Interim dividend for the 3 month year ended 31 December 2018 of 1.625p	19,148	
Interim dividend for the 3 month year ended 31 March 2019 of 1.66p	23,986	
Interim dividend for the 3 month year ended 30 June 2019 of 1.66p	24,008	
Interim dividend for the 3 month year ended 30 September 2019 of 1.66p	27,119	
	94,261	67,530
Dividends settled as a scrip dividend alternative	7,976	10,633
Dividends settled in cash	86,285	56,897
	94,261	67,530

On 6 February 2020, the Company declared an interim dividend of 1.66 pence per share for the period 1 October 2019 to 31 December 2019. The total dividend, £27,166,958, payable on 31 March 2020, is based on a record date of 14 February 2020 and the number of shares in issue at that time being 1,636,563,717.

	31 December 2019	31 December 2018
Interim dividend for the quarter ended December 2017		1.6
Interim dividend for the quarter ended March 2018		1.625
Interim dividend for the quarter ended June 2018		1.625
Interim dividend for the quarter ended September 2018		1.625
Interim dividend for the quarter ended December 2018	1.625	
Interim dividend for the quarter ended March 2019	1.66	
Interim dividend for the quarter ended June 2019	1.66	
Interim dividend for the quarter ended September 2019	1.66	
	6.605p	6.475p

12. Net assets per Ordinary Share

	31 December 2019 000's	31 December 2018 000's
Shareholders' equity at balance sheet date	£1,883,437	£1,283,902
Number of shares at balance sheet date, including management shares accrued but not yet issued	1,637,453	1,179,313
Net Assets per Ordinary Share at balance sheet date	**115.0p**	**108.9p**

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's management fees are to be settled in Ordinary Shares. Shares are issued to the Investment Manager and the Operations Manager twice a year in arrears, usually in March and September for the half year ending December and June, respectively.

As at 31 December 2019, 889,550 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 113.34 pence per share (the Net Asset Value at 31 December 2019 of 115.0 pence per share less the interim dividend of 1.66 pence per share) were due but had not been issued. The Company intends to issue these shares around 31 March 2020.

In view of this, the denominator in the above Net assets per Ordinary Share calculation is as follows:

	31 December 2019 '000's	31 December 2018 '000's
Ordinary Shares in issue at balance sheet date	1,636,564	1,178,373
Number of shares to be issued in lieu of Management fees	890	940
Total number of shares used in Net Assets per Ordinary Share calculation	**1,637,453**	**1,179,313**

13. Investments at fair value through profit or loss

Investments at fair value through profit or loss is the sum of the portfolio valuation and the carrying amount of TRIG UK and TRIG UK I, the Company's subsidiaries.

	31 December 2019 £'000s	31 December 2018 £'000s
Brought forward	1,267,255	973,313
Investments in the year	413,844	223,985
Distributions received from investments	(84,757)	(54,482)
Interest income from investments	62,925	50,679
Gain on valuation	82,190	73,760
Carried forward	1,741,457	1,267,255

The following information is non-statutory. It provides additional information to users of the financial statements, splitting the fair value movements between the investment portfolio and TRIG UK and TRIG UK I, the Company's subsidiaries that were previously consolidated.

	31 December 2019 £'000s	31 December 2018 £'000s
Fair value of investment portfolio		
Brought forward value of investment portfolio	1,268,681	1,081,180
Investments in the year	507,786	143,353
Project refinancing proceeds	(64,577)	(98,485)
Distributions received from investments	(128,804)	36,615
Interest income	49,649	6,861
Gain on valuation	112,449	99,157
Carried forward value of investment portfolio	1,745,185	1,268,681
Fair value of TRIG UK & TRIG UK I		
Brought forward value of TRIG UK & TRIG UK I	(1,426)	(107,867)
Cash movement	72	(26)
Working capital movement	(1,572)	(1,384)
Debt movement[1]	(802)	107,851
Carried forward value of TRIG UK & TRIG UK I	(3,728)	(1,426)
Total investments at fair value through profit or loss	1,741,457	1,267,255

1 Debt arrangement costs of £1,605k (2018: £2,407k) have been netted off the £nil (2018: £nil) debt drawn by TRIG UK and TRIG UK I.

The gains on investment are unrealised.

The SPV's (Project companies) in which the company invests are generally restricted on their ability to transfer funds to the Company under the terms of their individual senior funding arrangements. Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the project company;
- The Project company is in compliance with the terms of its senior funding arrangements; and
- Senior lenders have approved the annual budget for the Company.

10.0
Notes to the Financial Statements (continued)

For the year ended 31 December 2019

Details of investments recognised at fair value through profit or loss were as follows:

Investments (project name)	Country	31 December 2019 Equity	31 December 2019 Subordinated loan stock	31 December 2018 Equity	31 December 2018 Subordinated loan stock
TRIG UK	UK	100%	100%	100%	100%
TRIG UK I	UK	100%	100%	100%	100%
Roos	UK	100%	100%	100%	100%
The Grange	UK	100%	100%	100%	100%
Hill of Towie	UK	100%	100%	100%	100%
Green Hill	UK	100%	100%	100%	100%
Forss	UK	100%	100%	100%	100%
Altahullion	UK	100%	100%	100%	100%
Lendrums Bridge	UK	100%	100%	100%	100%
Lough Hill	UK	100%	100%	100%	100%
Milane Hill	Republic of Ireland	100%	100%	100%	100%
Beennageeha	Republic of Ireland	100%	100%	100%	100%
Haut Languedoc	France	100%	100%	100%	100%
Haut Cabardes	France	100%	100%	100%	100%
Cuxac Cabardes	France	100%	100%	100%	100%
Roussas-Claves	France	100%	100%	100%	100%
Puits Castan	France	100%	100%	100%	100%
Churchtown	UK	100%	100%	100%	100%
East Langford	UK	100%	100%	100%	100%
Manor Farm	UK	100%	100%	100%	100%
Parsonage	UK	100%	100%	100%	100%
Marvel Farms	UK	100%	100%	100%	100%
Tamar Heights	UK	100%	100%	100%	100%
Stour Fields	UK	100%	100%	100%	100%
Meikle Carewe	UK	100%	100%	100%	100%
Tallentire	UK	100%	100%	100%	100%
Parley	UK	100%	100%	100%	100%
Egmere	UK	100%	100%	100%	100%
Penare	UK	100%	100%	100%	100%
Earlseat	UK	100%	100%	100%	100%
Taurbeg	Republic of Ireland	100%	100%	100%	100%
Four Burrows	UK	100%	100%	100%	100%
Rothes 2	UK	49%	100%	49%	81%
Mid Hill	UK	49%	100%	49%	81%
Paul's Hill	UK	49%	100%	49%	81%
Rothes 1	UK	49%	100%	49%	81%
Crystal Rig 1	UK	49%	100%	49%	81%

Crystal Rig 2	UK	49%	100%	49%	81%
Broussan	France	48.9%	100%	48.9%	100%
Plateau	France	48.9%	100%	48.9%	100%
Borgo	France	48.9%	100%	48.9%	100%
Olmo 2	France	48.9%	100%	48.9%	100%
Chateau	France	48.9%	100%	48.9%	100%
Pascialone	France	48.9%	100%	48.9%	100%
Santa Lucia	France	48.9%	100%	48.9%	100%
Agrinergie 1&3	France	48.9%	100%	48.9%	100%
Agrinergie 5	France	48.9%	100%	48.9%	100%
Agrisol	France	48.9%	100%	48.9%	100%
Chemin Canal	France	48.9%	100%	48.9%	100%
Ligne des 400	France	48.9%	100%	48.9%	100%
Logistisud	France	48.9%	100%	48.9%	100%
Marie Galante	France	48.9%	100%	39.2%	100%
Ste Marguerite	France	48.9%	100%	48.9%	100%
Freasdail	UK	100%	100%	100%	100%
FVP du Midi	France	51.0%	100%	51.0%	100%
Neilston	UK	100%	100%	100%	100%
Garreg Lwyd	UK	100%	100%	100%	100%
Broxburn	UK	100%	100%	100%	100%
Sheringham Shoal	UK	14.7%	14.7%	14.7%	14.7%
Pallas	Republic of Ireland	100%	100%	100%	100%
Solwaybank	UK	100%	100%	100%	100%
Montigny	France	100%	100%	100%	100%
Rosieres	France	100%	100%	100%	100%
Ersträsk	Sweden	75%	75%	75%	75%
Jädraås	Sweden	100%	100%	–	–
Venelle	France	100%	100%	–	–
Fujin	France	34.6%	100%	–	–
Epine	France	100%	100%	–	–
Little Raith	UK	100%	100%	–	–
Gode	Germany	25%	25%	–	–

On 6 February 2019, TRIG made a payment to Enercon Independent Power Producer GmbH, as expected, for the completion of Ersträsk Phase 1 as a result of this phase of the project becoming operational. Ersträsk Phase 2 is currently under construction.

On 28 February 2019, TRIG acquired, from Arise AB and Sydvastanvind AB (controlled by Platina Energy Partners LLP), a 100% shareholder loan interest and a 100% equity interest in Jädraås, a Swedish operational onshore wind farm representing 9% of the committed portfolio.

On 28 March 2019, TRIG acquired, from Envision Energy, 100% shareholder loan interest and 100% equity interest in Tille et Venelle, a French onshore wind farm under construction.

10.0 Notes to the Financial Statements (continued)

For the year ended 31 December 2019

On 25 June 2019, TRIG acquired from TTR Energy and Nordex SE, a 100% shareholder loan interest and 100% equity in Epine, a French operational wind farm.

On 26 June 2019, TRIG acquired from Akuo Energy, a 34.6% shareholder loan and equity interest in Fujin SAS, a holding company that owns a portfolio of five operational wind farms in France.

The three French windfarm investments entered into in 2019 represent 4% of the committed portfolio value (net of project financing).

On 3 June 2019, TRIG exchanged contracts to acquire a 25% shareholder loan interest and 25% equity interest in Gode Wind 1, a German operational offshore wind farm. Gode Wind 1 completed in September and represents approximately 8% of the portfolio value.

On 22 October 2019, TRIG acquired from Kennedy Renewables a 100% interest in Little Raith, a wind farm located in UK. The project is operational and represent 2% of the committed portfolio value.

On 10 December 2019, TRIG exchanged contracts to acquire from a consortium of Partners Group (on behalf if it's clients) DEME Concessions, GE Energy Financial Services, ADEME and a private fund separately managed by InfraRed , a 36% interest in Merkur, an offshore wind farm located in Germany. TRIG intends to sell-down a share to minority co-investors managed by InfraRed, leaving TRIG with an approximate 25% equity interest in the Project. The wind farm represents 7% of the committed portfolio value.

Further detail of acquisitions made in the year can be found in Section 2.6 of the Strategic Report.

14. Other receivables

	31 December 2019 £'000's	31 December 2018 £'000's
Other receivables	2,110	1,570
Fair value of FX forward contracts	12,620	–
	14,730	1,570

15. Cash and cash equivalents

	31 December 2019 £'000's	31 December 2018 £'000's
Bank balances	127,589	16,760
Cash and cash equivalents	127,589	16,760

On the Expanded basis, which includes balances carried in TRIG UK and TRIG UK I, cash is £127,804k (2018: £16,903k). The reconciliation from the IFRS basis to the Expanded basis is shown in Section 2.9 of the Strategic Report in Section 2.9.

As at the year end, cash and cash equivalents on the Expanded basis consisted of £75,074k held with Sumitomo Mitsui Banking Corporation Europe Limited and £52,510k held with Royal Bank of Scotland International Limited. At 31 December 2019 Royal Bank of Scotland International Limited had an S&P credit rating of A-/Stable and Sumitomo Mitsui Banking Corporation Europe Limited had an S&P credit rating of A-/ Positive.

16. Other payables

	31 December 2019 £'000's	31 December 2018 £'000's
Management fees[1]	50	50
Fair value of forward FX contracts	–	1,437
Other payables	289	196
	339	1,683

1 For related party and key advisor transactions see Note 18.

The Company has entered into forward foreign currency contracts to hedge the expected euro distributions for the next 36-48 months. In addition, the Company has placed further hedges to reach a position where approximately 80% of the valuation of euro denominated assets is hedged, providing a partial offset to foreign exchange movements in the portfolio value relating to such assets.

The increase in the foreign exchange hedging level to 80% occurred during late 2019 and remains under review and the level of hedges may change in the future.

The following table details the forward foreign currency contracts outstanding as at 31 December 2019. The total euro balance hedged at 31 December 2019 was €636.5m (2018: €145.0m).

	31 December 2018			
	Average exchange rate	Foreign currency €'000's	Notional value £'000's	Fair value £'000's
Less than 3 months	–	–	–	–
3 to 6 months	1.1454	75,400	65,829	1,307
6 to 12 months	1.1504	72,000	62,589	731
12 to 24 months	1.1130	187,800	168,735	5,693
Greater than 24 months	1.1136	301,300	270,552	4,890
	1.1212	656,500	567,705	12,621

As at the year end, the positive valuation on the foreign exchange derivatives consisted of £4,101k receivable from NatWest Markets Plc and £8,521k receivable from National Australia Bank Limited. At 31 December 2019 NatWest Markets Plc had an S&P credit rating of A-/Stable and National Australia Bank Limited had an S&P credit rating of AA-/Stable.

17. Share capital and reserves

	Ordinary Shares 31 December 2019 '000's	Ordinary Shares 31 December 2018 '000's
Opening balance	1,178,373	947,343
Issued for cash	450,000	219,181
Issued as a scrip dividend alternative	6,376	9,945
Issued in lieu of management fees	1,815	1,904
Issued at 31 December – fully paid	1,636,564	1,178,373

On 1 April 2019, the Company issued 265,000,000 shares raising £302,100,000 before costs.

On 7 October 2019, the Company issued 185,000,000 shares raising £227,500,000 before costs.

In each case the Company used the funds to repay the revolving acquisition facility and then fund acquisitions.

The company issued 6,376,071 shares in relation to scrip take-up as an alternative to dividend payments in relation to the dividends paid in the year.

The holders of the 1,636,563,717 (2018: 1,178,372,755) Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The Company shares are issued at nil par value.

Share premium

	31 December 2019 £'000s	31 December 2018 £'000s
Opening balance	1,189,542	944,078
Ordinary Shares issued	539,627	248,230
Cost of Ordinary Shares issued	(7,859)	(2,766)
Closing balance	1,721,309	1,189,542

Other reserves

	31 December 2019 £'000s	31 December 2018 £'000s
Opening balance	1,008	966
Shares to be issued in lieu of management fees incurred in H1 2018	–	992
Shares to be issued in lieu of management fees incurred in H2 2018 (Note 18)	–	1,008
Shares to be issued in lieu of management fees incurred in H1 2019 (Note 18)	991	–
Shares to be issued in lieu of management fees incurred in H2 2019 (Note 18)	1,008	–
Shares issued in the year, transferred to share premium	(2,000)	(1,958)
Closing balance	1,008	1,008

Retained reserves

Retained reserves comprise retained earnings, as detailed in the statement of changes in shareholders' equity.

18. Related party and key advisor transactions

Loans to related parties:

	31 December 2019 '000's	31 December 2018 '000's
Short-term balance outstanding on accrued interest receivable	1,050	515
Short-term balance outstanding from TRIG UK, in relation to Management fees to be settled in shares[2]	1,008	1,008
Long-term loan stock to TRIG UK and TRIG UK I[1]	997,255	804,336
	999,314	805,859

1 Included within Investments at fair value through profit or loss on the Balance Sheet.
2 Included within Other receivables on the Balance Sheet.

During the year, interest totalling £63,440k (2018: £51,193k) was earned in respect of the long-term interest-bearing loan between the Company and its subsidiaries TRIG UK and TRIG UK I, of which £1,050k (2018: £803k) was receivable at the balance sheet date.

Key advisor transactions

The Group's Investment Manager (InfraRed Capital Partners Limited) and Operations Manager (Renewable Energy Systems Limited) are entitled to 65 per cent and 35 per cent, respectively, of the aggregate management fee (see below), payable quarterly in arrears.

The aggregate management fee payable to the Investment Manager and the Operations Manager is 1 per cent of the Adjusted Portfolio Value in respect of the first £1 billion of the Adjusted Portfolio Value, 0.8 per cent in respect of the Adjusted Portfolio Value between £1 billion and £2 billion, 0.75 per cent in respect of the Adjusted Portfolio Value between £2 billion and £3 billion and 0.70 per cent in respect of the Adjusted Portfolio Value in excess of £3 billion. These fees are payable by TRIG UK, less the proportion that relates solely to the Company, the advisory fees, which are payable by the Company.

The advisory fees payable to the Investment Manager and the Operations Manager in respect of the advisory services they provide to the Company are £130k per annum and £70k per annum, respectively. The advisory fees charged to the Company are included within the total fee amount charged to the Company and its subsidiary, TRIG UK as set out above. The Investment Manager advisory fee charged to the income statement for the year was £130k (2018: £130k), of which £33k (2018: £33k) remained payable in cash at the balance sheet date. The Operations Manager advisory fee charged to the income statement for the year was £70k (2018: £70k), of which £18k (2018: £18k) remained payable in cash at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the year was £9,141k (2018: £7,249k), of which £2,289k (2018: £1,562k) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the year was £4,922k (2018: £3,904k), of which £1,233k (2018: £841k) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £7,704k (2018: £5,783k) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £175k (2018: £172k) for additional advisory services provided to TRIG UK, neither of which are consolidated in these financial statements.

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's aggregate management fees up to an Adjusted Portfolio Value of £1 billion are to be settled in Ordinary Shares. The shares issued to the Managers by the Company relate to amounts due to the Managers by TRIG UK. Accordingly, TRIG UK reimburses the Company for the shares issued.

As at 31 December 2018, 939,843 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 107.275 pence per share (the Net Asset Value at 31 December 2018 of 108.9 pence per share less the interim dividend of 1.66 pence per share) were due, in respect of management fees earned in H2 2018, but had not been issued. The Company issued these shares on 31 March 2019.

On 30 September 2019, the Company issued 875,047 shares, equating to £991,778, based on a Net Asset Value ex dividend of 113.34 pence per share (the Net Asset Value at 30 June 2019 of 115.0 pence per share less the interim dividend of 1.66 pence per share), in respect of management fees earned in H1 2019.

As at 31 December 2019, 889,550 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 113.34 pence per share (the Net Asset Value at 31 December 2019 of 108.9 pence per share less the interim dividend of 1.66 pence per share) were due, in respect of management fees earned in H2 2019, but had not been issued. The Company intends to issue these shares on 31 March 2019.

The Directors of the Company received fees for their services. Further details are provided in the Directors' Remuneration Report in Section 7.0. Total fees for the Directors for the year were £267,700 (2018: £220,200). Directors' expenses of £9,448 (2018: £4,593) were also paid in the year.

All of the above transactions were undertaken on an arm's length basis.

10.0
Notes to the Financial Statements (continued)

For the year ended 31 December 2019

19. Guarantees and other commitments

As at 31 December 2019, the Company and its subsidiaries, had provided £36.7m (2018: £19.9m) in guarantees to the projects in the TRIG portfolio.

The Company also guarantees the revolving acquisition facility, entered into by TRIG UK, which it may use to acquire further investments.

As at 31 December 2019 the Company has £350.4m of future investment obligations relating to four wind farms (2018: £204.6m relating to two wind farms).

More details on timing and amounts can be found in Section 2.8 of the Strategic Report.

The Company and its subsidiaries have issued decommissioning and other similar guarantee bonds with a total value of £24.2m.

20. Contingent consideration

The Group has performance-related contingent consideration obligations of up to £32.3m (2018: £37.0m) relating to acquisitions completed prior to 31 December 2019. These payments depend on the performance of certain wind farms and other contracted enhancements. The payments, if triggered, would be due between 2020 and 2025. The valuation of the investments in the portfolio does not assume that these enhancements are achieved. If further payments do become due they would be expected to be offset by an improvement in investment. The arrangements are generally two way in that if performance is below base case levels some refund of consideration may become due.

21. Events after the balance sheet date

On 21 January 2020, the Company announced it had exchanged contracts to acquire Blary Hill wind farm. The wind farm is to be developed by RES, the Operations Manager. RES are also the EPC contractor and the asset manager. The asset is under construction and amounts will be paid to fund this construction activity. The wind farm represents 2% of the committed portfolio value once built.

On 6 February 2020, the Company declared an interim dividend of 1.66 pence per share for the quarter 1 October 2019 to 31 December 2019. The total dividend, £27,166,958 payable on 31 March 2020, is based on a record date of 14 February 2020 and the number of shares in issue at that time being 1,636,563,717.

There are no other events after the balance sheet date, which are required to be disclosed.

22. Subsidiaries

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) and Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28), all subsidiaries are held at fair value as opposed to being consolidated on a line-by-line basis. The following subsidiaries have not been consolidated in these Financial Statements;

Name	Country	Ownership Interest
The Renewables Infrastructure Group (UK) Limited	UK	100%
The Renewables Infrastructure Group (UK) Investments Limited	UK	100%
Roos Energy Limited	UK	100%
Grange Renewable Energy Limited	UK	100%
Hill of Towie Limited	UK	100%
Green Hill Energy Limited	UK	100%
Wind Farm Holdings Limited	UK	100%
Forss Wind Farm Limited	UK	100%
Altahullion Wind Farm Limited	UK	100%
Lendrum's Bridge Wind Farm Limited	UK	100%
Lendrum's Bridge (Holdings) Limited	UK	100%
Lough Hill Wind Farm Limited	UK	100%
MHB Wind Farms Limited	Republic of Ireland	100%

MHB Wind Farms (Holdings) Limited	Republic of Ireland	100%
The Renewables Infrastructure Group (France) SAS	France	100%
CEPE de Haut Languedoc SARL	France	100%
CEPE du Haut Cabardes SARL	France	100%
CEPE de Cuxac SARL	France	100%
CEPE des Claves SARL	France	100%
CEPE de Puits Castan SARL	France	100%
European Investments (SCEL) Limited	UK	100%
European Investments (Cornwall) Limited	UK	100%
Churchtown Farm Solar Limited	UK	100%
East Langford Solar Limited	UK	100%
Manor Farm Solar Limited	UK	100%
European Investments Solar Holdings Limited	UK	100%
Sunsave 12 (Derriton Fields) Limited	UK	100%
Sunsave 25 (Wix Lodge Farm) Limited	UK	100%
Parley Court Solar Park Limited	UK	100%
Egmere Airfield Solar Park Limited	UK	100%
Penare Farm Solar Park Limited	UK	100%
European Investments (Earlseat) Limited	UK	100%
Earlseat Wind Farm Limited	UK	100%
European Investments Solar Holdings 2 Limited	UK	100%
BKS Energy Limited	UK	100%
Hazel Renewables Limited	UK	100%
Kenwyn Solar Limited	UK	100%
MC Power Limited	UK	100%
Tallentire Energy Limited	UK	100%
Taurbeg Limited	Republic of Ireland	100%
Fred. Olsen Wind Limited	UK	49%
Fred. Olsen Wind Holdings Limited	UK	49%
Crystal Rig Windfarm Limited	UK	49%
Rothes Wind Limited	UK	49%
Paul’s Hill Wind Limited	UK	49%
Crystal Rig II Limited	UK	49%
Rothes II Limited	UK	49%
Mid Hill Wind Limited	UK	49%
Freasdail Energy Limited	UK	100.0%
FVP Broussan	France	48.9%
FVP Chateau	France	48.9%
FPV du Plateau	France	48.9%
SECP Borgo	France	48.9%
Sole e Aria 1	France	48.9%

10.0 Notes to the Financial Statements (continued)

For the year ended 31 December 2019

SECP Olmo 2	France	48.9%
Sole e Aria 2	France	48.9%
FPV Pascialone	France	48.9%
Sole e Aria 3	France	48.9%
FPV Santa Lucia	France	48.9%
FPV Agrinergie	France	48.9%
FPV d'Export	France	48.9%
Agrisol 1A Services	France	48.9%
SECP Chemin Canal	France	48.9%
FPV Ligne des Quatre Cents	France	48.9%
FPV Ligne des Bambous	France	48.9%
Heliade Bellevue	France	48.9%
SECP Creuilly	France	48.9%
Akuo Tulip Assets SAS	France	48.9%
Verrerie Photovoltaique SAS	France	100.0%
FPV du Midi	France	51.0%
Neilston Community Wind Farm LLP	UK	100%
Garreg Lwyd Energy Limited	UK	100%
UK Energy Storage Services Limited	UK	100%
Scira Offshore Energy Limited	UK	14.7%
Pallas Energy Supply Limited	Republic of Ireland	100%
Pallas Windfarm Limited	Republic of Ireland	100%
CEPE Rosieres SARL	France	100%
CEPE Montigny SARL	France	100%
Solwaybank Energy Limited	UK	100%
Ersträsk Vind AB	Sweden	75%
European Wind Investments Group Limited	UK	100%
European Wind Investments Group 2 Limited	UK	100%
Irish Wind Investments Group Limited	UK	100%
Offshore Wind Investments Group Limited	UK	100%
Scandinavian Wind Investments Group Limited	UK	100%
European Storage Investments Group Limited	UK	100%
Trafalgar Wind Holdings Limited	UK	100%
European Investments Tulip Limited	UK	100%
Sirocco Wind Holding AB	Sweden	100%
Jädraås Vindkraft AB	Sweden	100%
Hallasen Kraft AB	Sweden	100%
Parc Eollen Nordex XXI SAS (Epine)	France	100%
Fujin SAS	France	34.6%
Energie du Porcin	France	27.7%
Eolienne de Rully	France	34.6%

Parc Eollen de Fontaine Macon	France	34.6%
Parc Eollen de Vignes	France	34.6%
Energie Eollenne Somme II	France	30.8%
C.E.P.E. Rosieres	France	100%
C.E.P.E. Montigny La Cour SARL	France	100%
Energies TIlle et Venelle Holdings SAS	France	100%
Energies Entre Tille et Venelle SAS	France	100%
German Offshore Wind Investments Group (Holdings) Limited	Germany	100%
German Offshore Wind Investments Group Limited	Germany	100%
GOW01 Investor LuxCo SARL	Luxembourg	100%
Gode Wind 1 Offshore Wind Farm GmbH	Germany	25%
Little Raith Wind Farm Limited	UK	100%

Merkur, Germany

11 Directors and Advisers

Directors and Advisers

DIRECTORS
Helen Mahy (Chairman)
Jonathan (Jon) Bridel
Shelagh Mason
Klaus Hammer

REGISTRAR
Link Market Services (Guernsey) Limited
PO Box 627
St Peter Port
Guernsey
GY1 4PP

ADMINISTRATOR TO COMPANY, DESIGNATED MANAGER, COMPANY SECRETARY AND REGISTERED OFFICE
Aztec Financial Services (Guernsey) Limited
PO Box 656
East Wing
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3PP
+44 1481 748 831

INVESTMENT MANAGER
InfraRed Capital Partners Limited
12 Charles II Street
London SW1Y 4QU

OPERATIONS MANAGER
Renewable Energy Systems Limited
Beaufort Court
Egg Farm Lane
Kings Langley
Hertfordshire WD4 8LR

FINANCIAL PR
Maitland/AMO
3 Pancras Square
London N1C 4AG

UK TRANSFER AGENT
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Helpline: 0871 664 0300

AUDITOR
Deloitte LLP
Regency Court
Esplanade
St Peter Port
Guernsey GY1 3HW

BROKERS
Investec Bank plc
30 Gresham Street
London EC2V 7QP

Liberum Capital Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

Key Company Data

Company name	The Renewables Infrastructure Group Limited
Registered address	East Wing Trafalgar Court Les Banques St Peter Port Guernsey
Listing	London Stock Exchange – Premium Listing (TRIG)
Ticker symbol	TRIG
SEDOL	BBHX2H9
Index inclusion	FTSE All-Share, FTSE 250, FTSE 350 and FTSE 350 High Yield indices
Company year end	31 December
Dividend payments	Quarterly (March, June, September, December)
Investment Manager ("IM")	InfraRed Capital Partners Limited
Operations Manager ("OM")	Renewable Energy Systems Limited
Company Secretary and Administrator	Aztec Financial Services (Guernsey) Limited
Shareholders' funds	£1,883m as at 31 December 2019
Market capitalisation	£2,265m as at 31 December 2019
Management Fees	1.0% per annum of the Adjusted Portfolio Value[1] of the investments up to £1.0bn (with 0.2% of this paid in shares), falling to (with no further elements paid in shares) 0.8% per annum for the Adjusted Portfolio Value above £1.0bn, 0.75% per annum for the Adjusted Portfolio Value above £2.0bn and 0.7% per annum the Adjusted Portfolio Value above £3.0bn. Fees are split between the Investment Manager (65%) and the Operations Manager (35%). No performance or acquisition fees.
ISA, PEP and SIPP status	The Ordinary Shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs.
NMPI status	Following the receipt of legal advice, the Board confirms that it conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that IFAs should therefore be able to recommend its Ordinary Shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products.
FATCA	The Company has registered for FATCA and has a GIIN number J0L1NL.99999.SL.831.
KID	The Company issues a KID in line with EU PRIIPs regulation and this can be found on the Company's website.
Investment policy	The Company's Investment Policy is set out in Section 2.3 and can also be found on the Company's website.
Website	www.TRIG-Ltd.com

Notes:
1 Adjusted Portfolio Value means fair market value, taking into account any project financing, less any other debt held other than the acquisition facility.

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The Renewables
Infrastructure Group

East Wing
Trafalgar Court
Les Banques
GY1 3PP
Guernsey

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