

# The Renewables Infrastructure Group

Annual Results Presentation: Year to 31 December 2019

A large, blue, multi-level offshore substation platform is situated in the middle of a vast, blue ocean. The platform has a helipad on top and various structures, including a tall red tower. In the background, a long line of offshore wind turbines stretches across the horizon under a clear blue sky. The text "Generating Sustainable Value." is overlaid in white on the upper part of the image.

Generating Sustainable Value.

Substation at Merkur offshore windfarm, Germany

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# Speakers



**Helen Mahy CBE**  
TRIG  
Chairman



**Richard Crawford**  
InfraRed Capital Partners  
Director, Infrastructure



**Jaz Bains**  
Renewable Energy Systems  
Group Risk and Investment Director



**Phil George**  
InfraRed Capital Partners  
Director, Infrastructure



**Chris Sweetman**  
Renewable Energy Systems  
TRIG Operations Manager

# Generating Sustainable Value.

TRIG in 2019



- ▲ Solid financial and operational performance, benefitting from portfolio diversification.
- ▲ 2019 Dividend of 6.64p delivered. Target 2020 Dividend 6.76p<sup>1</sup>.
- ▲ InfraRed has achieved the top A+ rating from PRI for five consecutive years.
- ▲ RES teams ensure ESG integration and implementation.
- ▲ New Independent Director Tove Feld, with deep expertise in renewables.



Powering 1 million homes with clean energy<sup>2</sup>



1.1 million tonnes of CO<sub>2</sub> avoided p.a.<sup>2</sup>



Produced the first edition of TRIG's Sustainability Policy and published a Sustainability and Responsible Investment Report



12 Operational and Active Environmental Management Projects<sup>3</sup>



c£1m spent on community projects p.a.



**1. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.**

2. The Portfolio, on a committed basis, is capable of powering a million homes and saving 1.1m tonnes of CO<sub>2</sub> annually based on the IFI Approach to GHG Accounting.

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

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Section	Slide
Introduction	6
Financial Highlights & Valuation	9
Operations and Sustainability	16
Strategy: Acquisitions & Portfolio Construction	21
Concluding remarks	27
Appendices	29
Contacts / Important Information	45

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# The Renewables Infrastructure Group

A London-listed FTSE 250 renewables investment company



**Purpose: To generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a zero-carbon future**

**Diversified  
portfolio**

**£2.1bn**

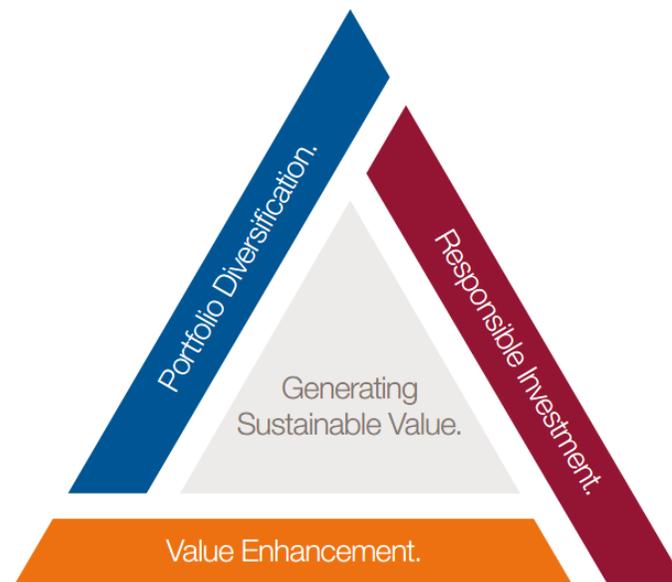
Portfolio Value<sup>2</sup>,  
74 projects  
UK & Europe

**Attractive  
dividend yield<sup>1,3</sup>**

**5.0%**  
cash yield

**High levels  
of liquidity<sup>4</sup> and  
cost efficient**

**1%**  
**OCR<sup>5</sup>**



**1. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.**

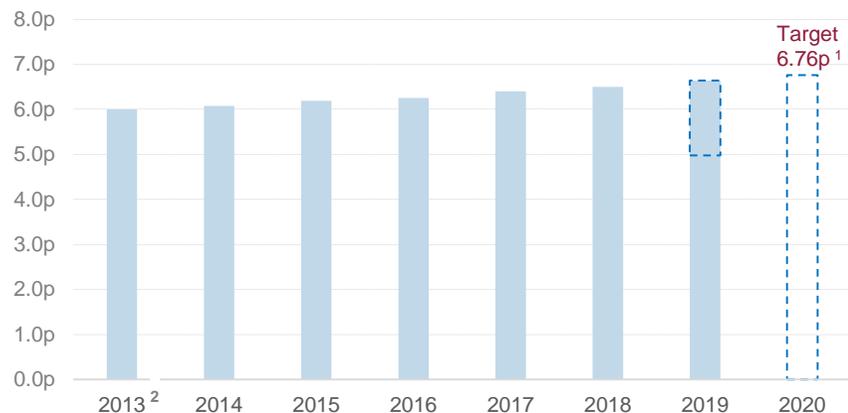
2. Portfolio value plus investment commitments as at 31 December 2019. 3. The dividend yield is based on target aggregate dividends for 2020 and share price of 135.8p at 14 Feb 2020.  
4. Over 4m shares traded daily based on an average daily traded volumes and costs for the 6-month period ended 31 Dec 2019, source Liberum Client Services. 5. Ongoing Charges Ratio.

# Strong track record over seven years

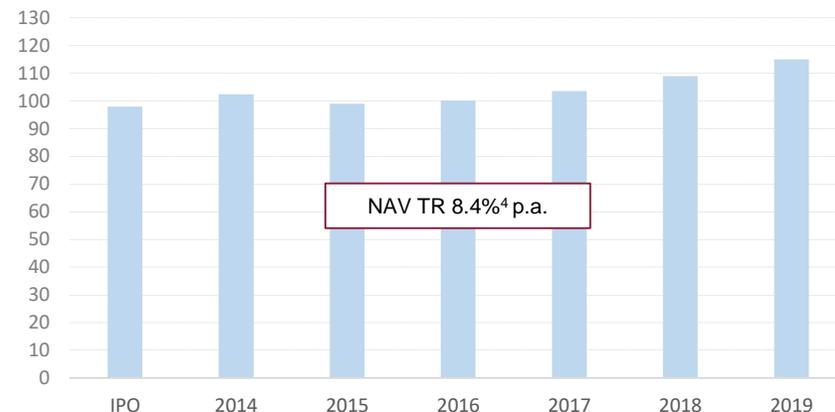
Sustainable dividend growth, continued financial outperformance, scaling portfolio



## Dividend increased by 13% over 7 years



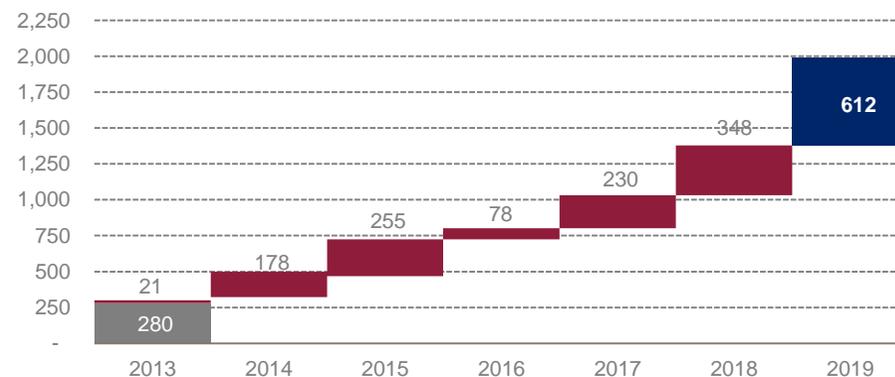
## NAV per share increased by 17% over 7 years



## Share price outperformance and low Beta<sup>3</sup>



## Portfolio growing in scale (Investment commitments £m)



**1. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.**

2. 2.50p per share was paid relating to the first five months of operations following IPO and represents 6.00p on an annualised basis 3. Source: Thomson Reuters Datastream. Using 250 day rolling beta.  
 4. NAV TR is the total NAV return, based on NAV per share appreciation plus dividends paid from IPO till the period ended 31 December 2019 on an annualised basis. TSR is the total shareholder return based on a share price plus dividends paid from IPO till the period ended 31 December 2019 on an annualised basis.



# Financial Highlights & Valuation

Hill of Towie, Scotland

# Financial Highlights I

Year ended 31 December 2019



**115.0p**

NAV per share, +6.1p

(Dec 2018: 108.9p)

**11.4p**

Earnings per share

(2018: 11.7p)

**£508m**

Investments made<sup>1</sup>

(2018: £348m)

**£530m**

Equity raised

(2018: £236m)



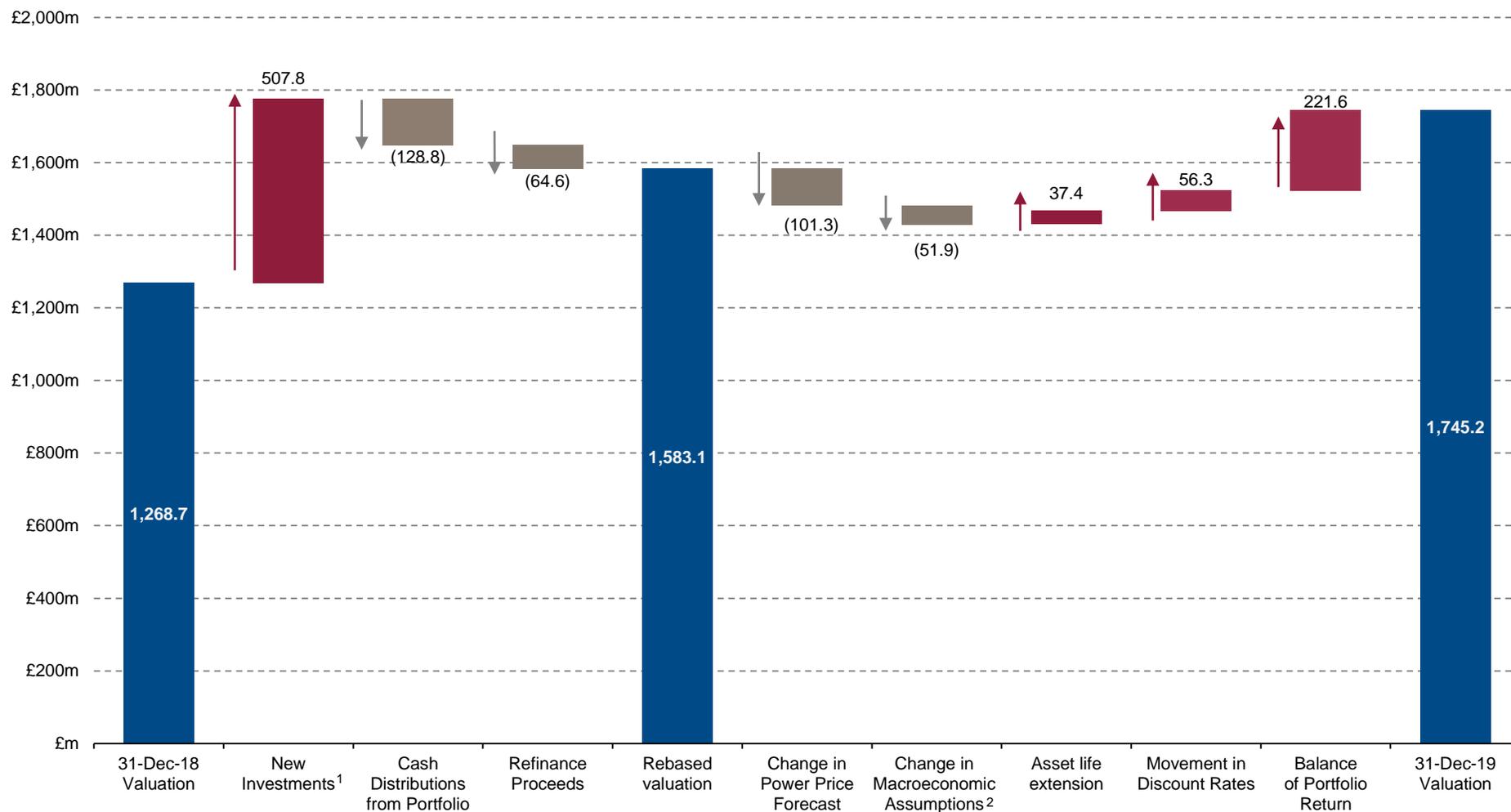
Merkur offshore, Germany

1. Cash invested in the year. New investment commitments were £612m for the year.

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# Portfolio Valuation Bridge

Valuation movement in the twelve months to 31 December 2019



1. This is the total invested during 2019, with future commitments due in 2020/2021.

2. 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.

# Valuation I – Power prices

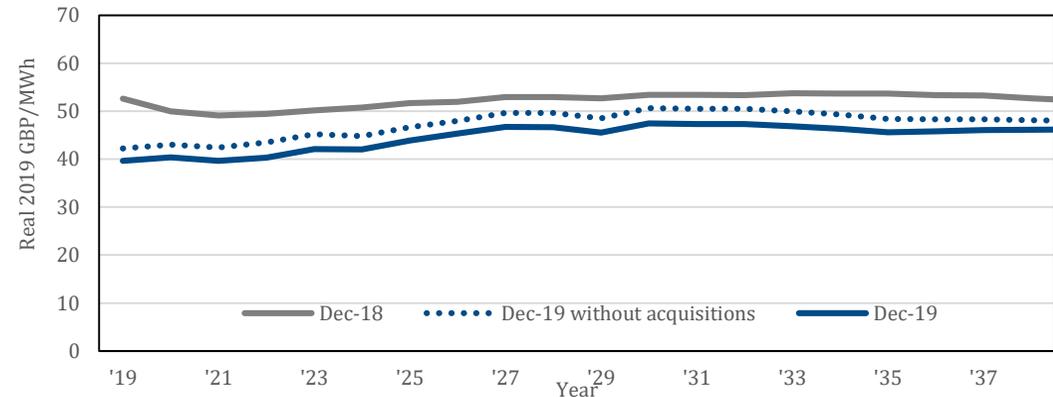
## Power prices (-£101.3m)

- ▲ Power price forecasts down – main factors are lower near term gas prices and an acceleration in assumed renewables deployment (mainly UK).
- ▲ Reduction most marked in UK (down 11%), milder reductions in other markets (down 2-5%).
- ▲ TRIG total blended curve down 9%.

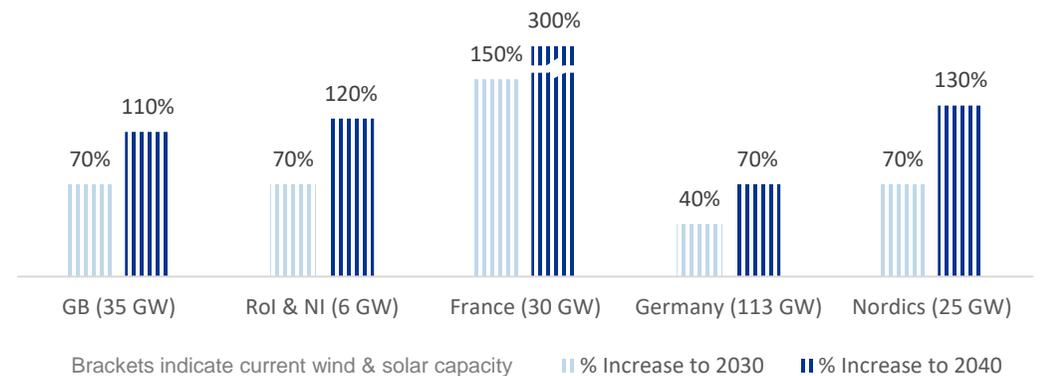
## Renewables deployment rate

- ▲ Power price forecasts are increasingly sensitive to renewables deployment rates.
- ▲ Increase in expected renewables deployment following low clearance prices in the UK CfD round 3.
- ▲ Renewables deployment central to achieving tighter carbon emissions targets in UK and EU.
- ▲ Power sector accounts for only a quarter of carbon emissions – transport, heating and cooking account for c70%.
- ▲ Electrification will be central to decarbonisation, therefore increase in deployment likely to coincide with significant increase in electricity demand.

TRIG blended power curve<sup>1,2</sup>



Forecast wind and solar capacity growth<sup>3</sup>



1. Power price forecasts used in the Directors' valuation for each of GB, the Single Electricity Market of Ireland, France, Germany and Sweden are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curves, the power price forecasts are weighted by P50 estimates of production for each of the projects in the Company's 31 December 2019 portfolio. Forecasts are shown net of assumptions for PPA discounts and cannibalisation.

2. The Dec-19 curve is lower than the Dec-19 curve without acquisitions due to power prices in Sweden and Germany being structurally lower than in other TRIG markets.

3. This is an approximate average of a range of forecasters used by TRIG for valuation purposes across key markets.

## Valuation II – Other key items

### Macroeconomic assumptions (-£51.9m before hedge benefit)

- ▲ FX loss £42.2m, offset by hedging to net loss of £21.5m – reflecting 6% strengthening in Sterling in the year.
- ▲ Forecast UK Corporation tax reduction from 19% to 17% reversed, leading to £9.6m reduction in value.

### Asset life extensions (+£37.4m)

- ▲ Asset life assumptions increased to a weighted average asset life of 29 years from 26 years, following portfolio review (Feb 2019).

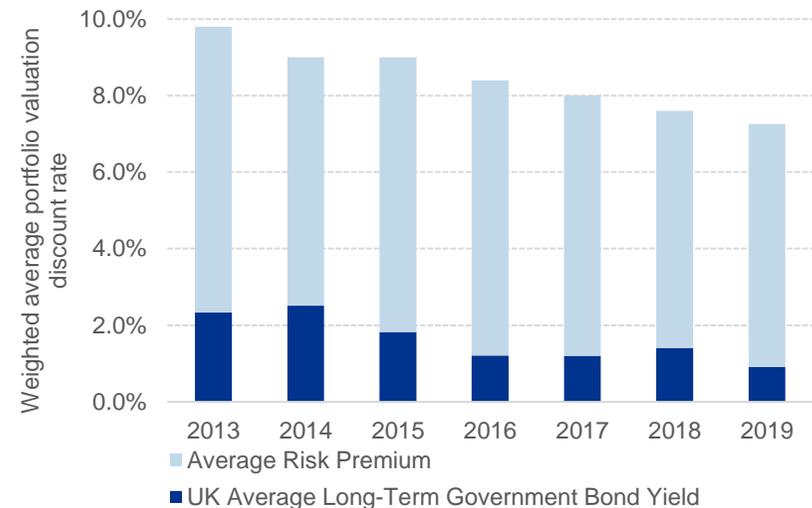
### Valuation discount rates (+£56.3m)

- ▲ Reduced by 0.4% reflecting increased demand for renewables and lower relative perceived political risk.
- ▲ New investments in the year had slightly higher overall returns.
- ▲ Blended rate now 7.25% (31 Dec 2018 7.6%).

### Balance of portfolio return (+£221.6m)

- ▲ Expected return – unwind of the discount rate at 7.6%.
- ▲ Efficient portfolio management and additional value enhancement:
  - Reductions in maintenance costs
  - Improved PPA terms
  - Favourable refinancing
  - Increased portfolio level tax relief
- ▲ Partial reversal of provision for Ofgem Targeted Charging Review.

### Mainstreaming of the asset class



# Financial Highlights II

Year ended 31 December 2019



**£1,745m**

Portfolio Value<sup>1</sup>, +38%

(Dec 2018: £1,269m)

**6.76p**

FY 2020 Dividend per share  
target<sup>3</sup>, +1.8%

(2019: 6.64p)

**0.98%**

Ongoing charges  
percentage

(Dec 2018: 1.12%)

**1.2x**

Dividend cover<sup>2</sup>

(2018: 1.25x)

**£49m**

Project finance debt  
repayments

(2018: £29m)

**1.9x**

Cash dividend cover  
before debt repayments

(2018: 2.0x)

1. This is the Portfolio Value as at 31 December 2019 excluding investment commitments of £350m.

2. With the benefit of scrip take-up, dividend cover was 1.3x (Dec 2018: 1.5x).

**3. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.**

# Investment Commitments

## Reconciliation of investment commitments and invested cash



### Equity funding and Investment

- ▲ **Investment commitments entered into in 2019** - £612m across 7 investments (see p 21).
- ▲ **Share Issuance Programme** - announced and completed during the year raising c£530m.
- ▲ **Cash** invested in 2019 - £508m, includes some 2018 commitments (see p 29).
- ▲ **Outstanding commitments** - £350m, (including 2018 commitments) on Merkur, Ersträsk Phase 2, Solwaybank & Blary Hill.

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

### Revolving acquisition facility

- ▲ TRIG's revolving acquisition facility undrawn at year end.
- ▲ Currently c£100m of surplus cash.
- ▲ Expected to be c£70m drawn once H1 2020 commitments are made.

An aerial photograph of a wind farm in a forested landscape. The foreground shows the white, curved edge of a wind turbine's nacelle. The middle ground is filled with a dense forest of green trees, with several white wind turbines scattered across the terrain. The background features rolling hills and a cloudy sky. The text "Operations & Sustainability" is overlaid in white on the left side of the image.

# Operations & Sustainability

Jädraås, Sweden

# Production

Geographic diversification continues to benefit



## 2019 generation: 3,036GWh<sup>2</sup>

- ▲ 51% increase over 2018 due to increased capacity.
- ▲ Impacted by low GB wind speeds and Irish curtailment.
- ▲ Total generation kept to 4% below budget.
- ▲ Continued strong solar generation.

### 2019 generation by region

Technology	Region	Electricity production (GWh)	Performance vs Budget
Wind onshore	GB	1,146	-5.5%
	Sweden	681	-4.1%
	France	376	-2.9%
	Ireland	328	-8.5%
Wind offshore	UK & Germany	326	-4.0%
Solar	UK & France	180	+6.9%
<b>Total Portfolio</b>		<b>3,036</b>	<b>-4.4%</b>



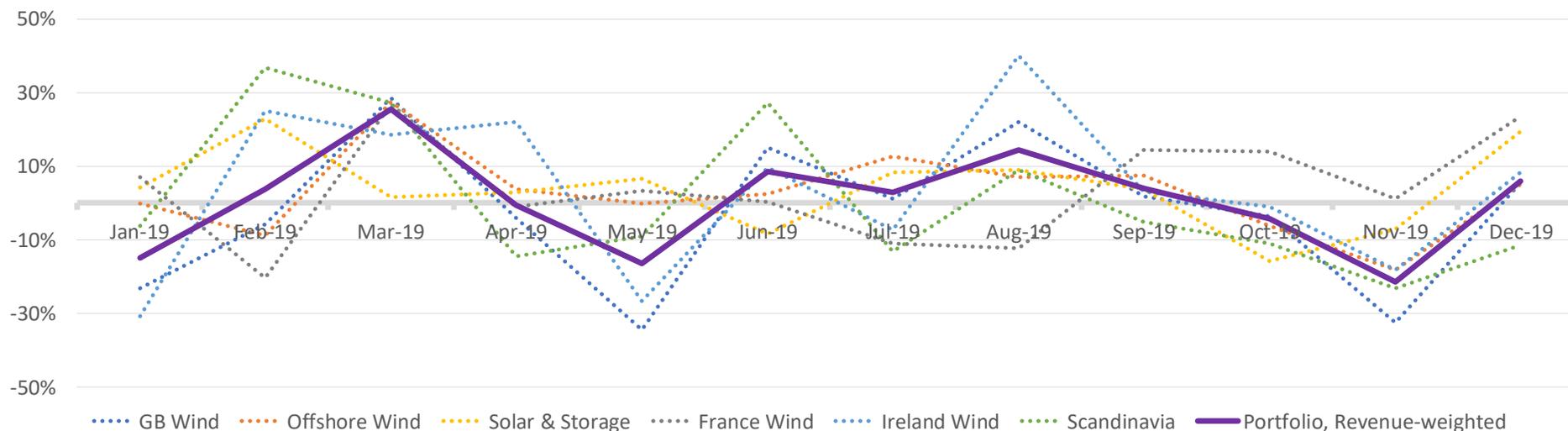
1. Photo © Akuo Energy  
2. Includes compensated production from grid curtailments and insurance

# Weather and Operational Highlights

Geographic diversification continues to benefit



### Wind and solar variation to long-term average



## Weather

- ▲ Geographic diversification mitigates large monthly regional variances in weather.
- ▲ Low GB wind speeds offset by above long-term average wind in France and Ireland.
- ▲ Strong solar resource throughout the year.

## Operational highlights

- ▲ Construction progressed - coronavirus potential impact monitored.
- ▲ Preventative yaw ring replacements.

# Value enhancements

Enhancements continue to deliver value



## Commercial enhancements

- ▲ New Irish PPAs secured delivering a £2m revenue uplift.
- ▲ UK solar O&M scopes cost-effectively increased to include inverter maintenance.



## Technical enhancements

- ▲ Enhanced solar monitoring.
- ▲ Intelligent wind turbine curtailment solutions implemented to minimise downtime.
- ▲ Grid optimisation activities.



1. Photo © Keith Atkins

# Responsible Investment

Our ESG Approach



TRIG's Environmental,  
Social, and Governance  
Goals



▲ To mitigate climate change

▲ To preserve the natural environment

▲ To positively impact the communities we work in

▲ To maintain ethics and integrity in governance



4,000m<sup>3</sup> of concrete saved by RES Engineering adaptation of Solwaybank foundations to enable switch to Vestas



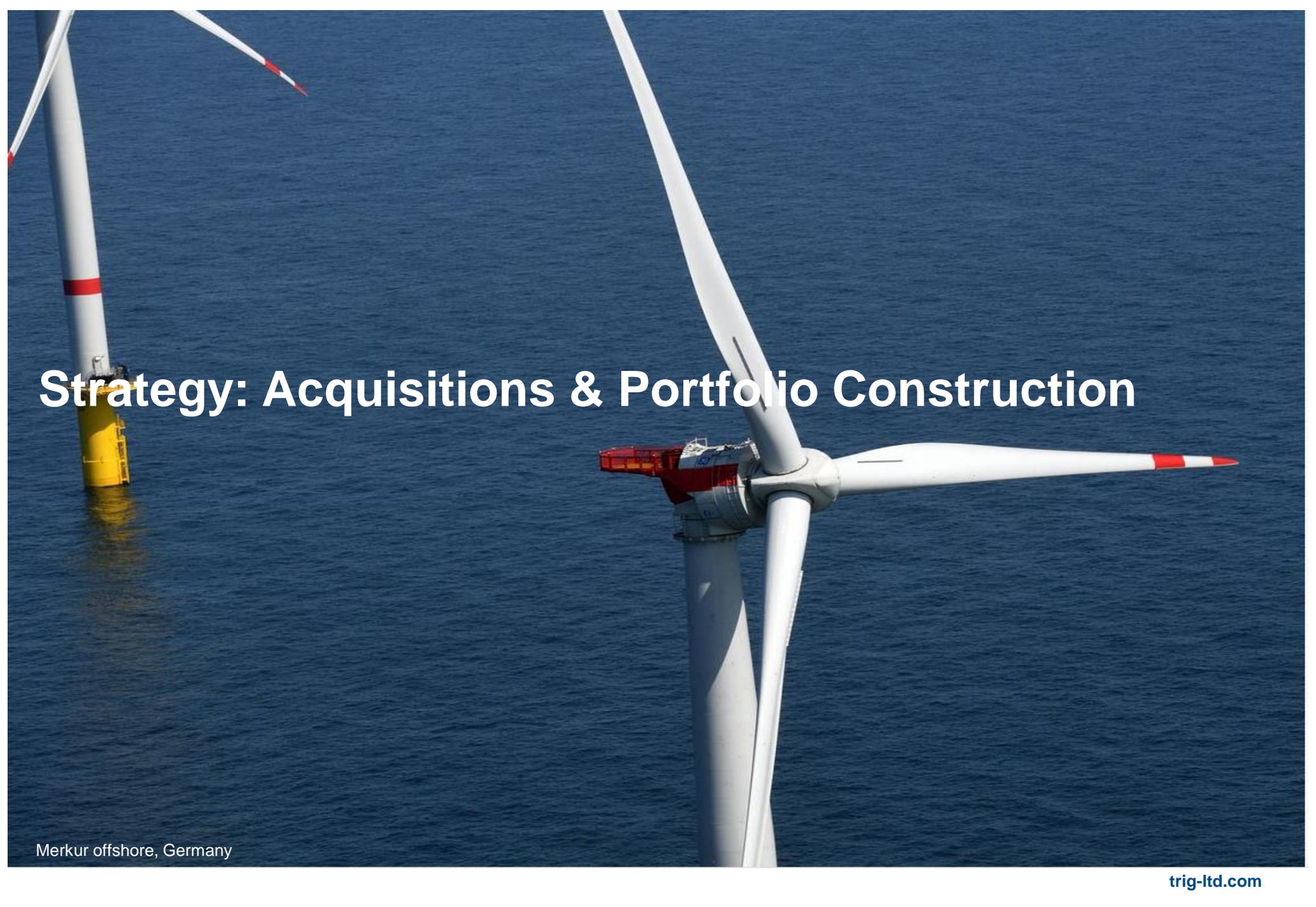
Considerate Habitat Management at Cornwall Solar Farms, where sheep grazing minimises use of chemical herbicides



Over 300 competitors participated in Marathon event at Green Hill which RES site team helped organise



Site Manager for Neilston with Barrhead Fire crew, displaying active safety engagements with local services

A photograph of an offshore wind farm in the Merkur area of Germany. The image shows several white wind turbines with three blades each, mounted on yellow jackets. The turbines are situated in a deep blue sea under a clear sky. The central turbine is in the foreground, with its nacelle and hub visible. The blades are white with red and white striped tips. The text "Strategy: Acquisitions & Portfolio Construction" is overlaid in white on the image.

# Strategy: Acquisitions & Portfolio Construction

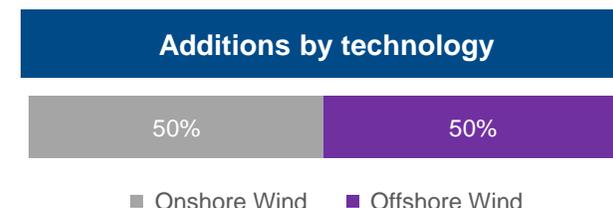
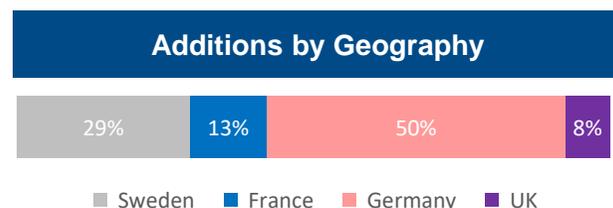
Merkur offshore, Germany

# Portfolio additions

Investment commitments of £612m in 2019, plus Blary Hill Jan 2020



Date of commitment	Project	Location	Equity share	Net Capacity (MW)	Revenue Type <sup>1</sup>	% of portfolio value <sup>2</sup>
<b>2019 Investments</b>						
February 2019	Jädraås onshore wind farm	Sweden	100%	212.9	Market with hedge <sup>1</sup>	9%
March 2019	Venelle onshore wind farm (construction)	France	100%	40.0	CfD	3% in total
June 2019	Fujin onshore wind farms	France	35%	27.2	FiT	
June 2019	Epine onshore wind farm	France	100%	36.0	FiT	
June 2019	Gode Wind 1 offshore wind farm	Germany	25%	87.8	FiT	7%
October 2019	Little Raith onshore wind farm	UK	100%	25.0	ROC	3%
December 2019	Merkur offshore wind farm	Germany	25%	95.0	FiT	7%
<b>2020 Investments</b>						
January 2020	Blary Hill onshore wind farm (construction)	UK	100%	35.0	Market	2%



1. Revenue type during subsidy period. CfD (Contract for Difference) and FiT (Feed-in Tariff) are references to types of government subsidy mechanisms which materially or wholly eliminate power pricing risk during the subsidy period. Jädraås does not have a government subsidy but has power price hedging covering 70% of P50 production until 2023.
2. Based on the 31 December 2019 portfolio valuation plus investment commitments.

# Jädraås, Sweden

TRIG's second investment in Scandinavia



## Nordics Market

- ▲ Broad political support for renewables, low regulatory risk.
- ▲ Favourable economics for wind farms.
- ▲ Mature and liquid power market.



## Jädraås

- ▲ Acquisition of 100% interest in a 213MW wind farm, TRIG's largest investment to date (€207m).
- ▲ Majority of revenues from power sales but with hedging covering c.70% of generation for 4 years.
- ▲ No project debt.
- ▲ Asset acquired Feb 2019, performing well.



# A leading investor in operational offshore wind

## TRIG's first investments in Germany



### German offshore

- ▲ 2<sup>nd</sup> largest offshore market, after UK.
- ▲ Pricing set by international investors (versus smaller German onshore renewables which tends to be led by local investors).

### Gode Wind 1

- ▲ Acquisition of 25% interest in a 330MW offshore wind farm.
- ▲ Siemens Gamesa 6MW turbines, developed by Ørsted who provide a 20 year O&M contract.
- ▲ Feed-in Tariff until 2027, then a 10 year floor price.

### Merkur

- ▲ Acquisition of 25% interest in a 396MW offshore wind farm.
- ▲ GE Haliade 6MW turbines, GE also provide a 10 year O&M contract.
- ▲ Feed-in Tariff until 2033, then a 6 year floor price.

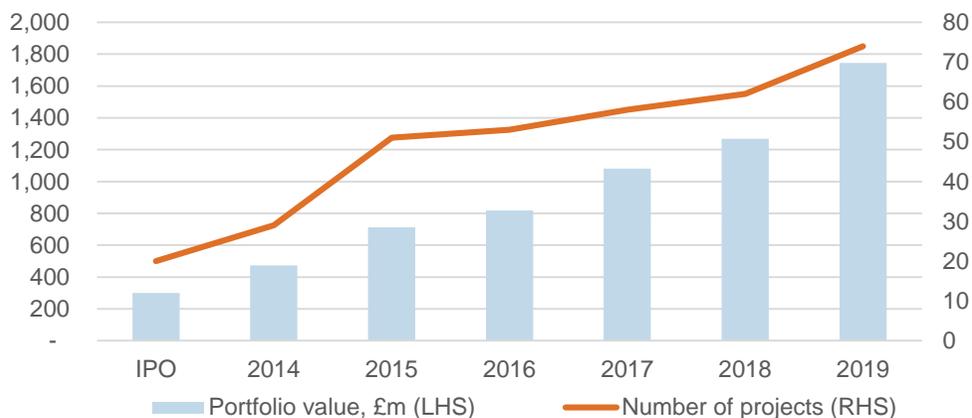


# Portfolio construction: Key characteristics maintained

Key sensitivities and portfolio vintage maintained since IPO

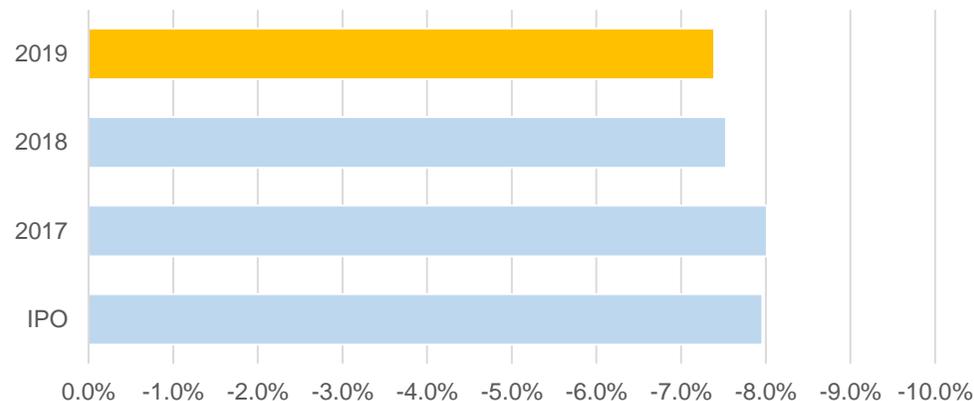


## Portfolio has grown in scale



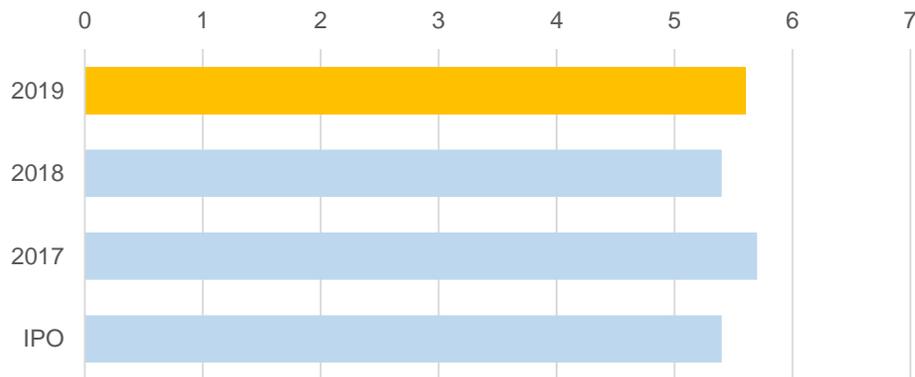
## Power price sensitivity reduced since IPO

NAV impact of a -10% reduction power prices



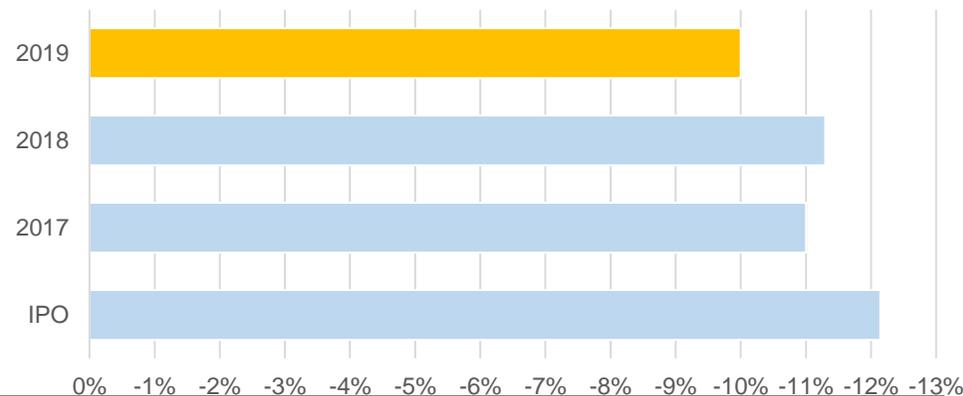
## Portfolio vintage maintained since IPO

Operating history (portfolio weighted average, years)



## Energy yield sensitivity reduced since IPO<sup>1</sup>

NAV impact of a P90 long-term energy yield



1. 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.

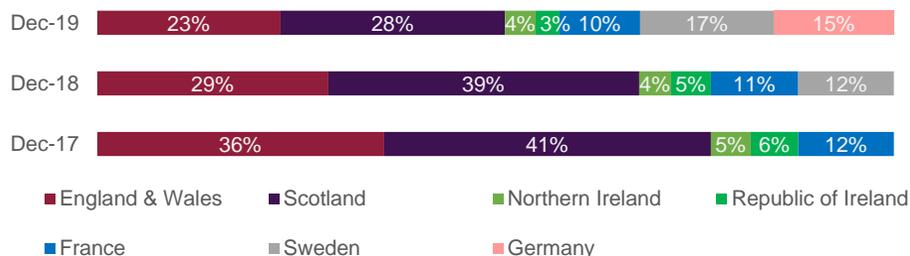
Source: Annual reports

# Portfolio – Increased Diversification

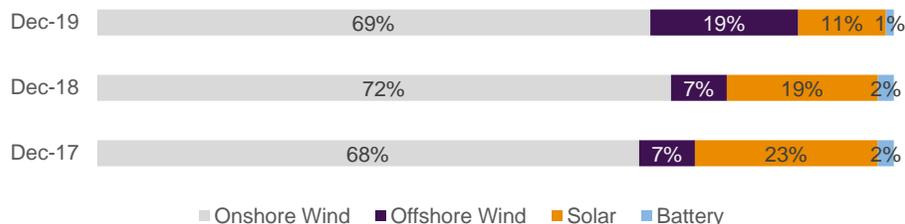
1,664 MW net capacity / 74 projects (31 Dec 2019 plus Blary Hill)



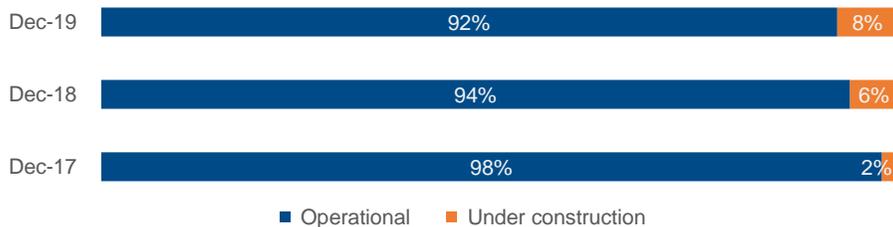
## By Jurisdiction / Power Market<sup>1 2</sup>



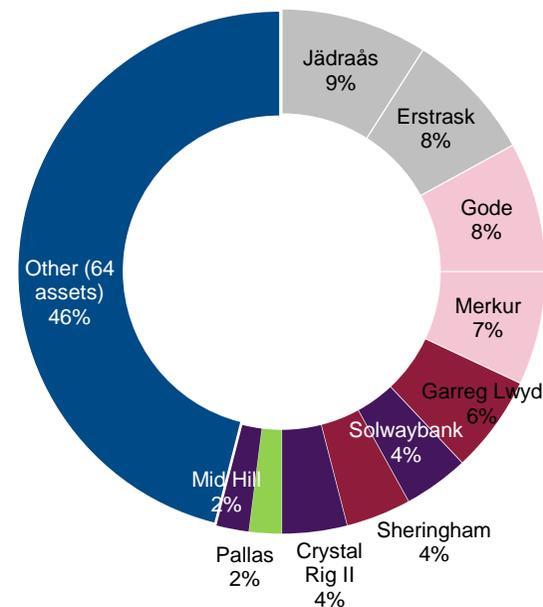
## By Technology<sup>2</sup>



## Construction Exposure<sup>2,3</sup>

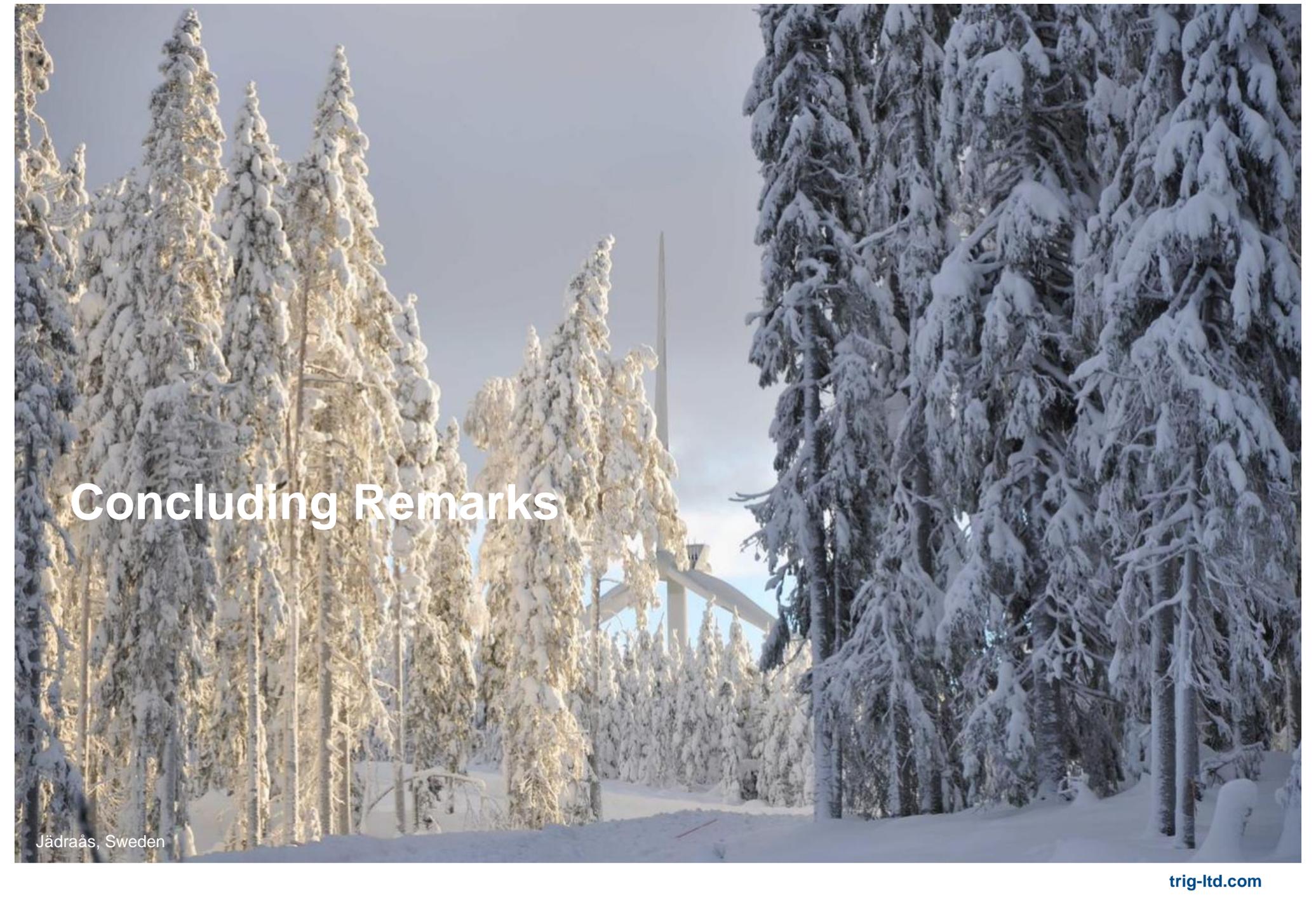


## Top 10 largest assets<sup>2</sup>



Key: countries as per Jurisdiction / Power Market bars

- Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.
- Segmentation by estimated portfolio value as at 31 December 2019. Assets under construction are included on a fully committed basis including construction costs.
- There is no construction exposure at Erstrask Phase 2 as TRIG only invests once the phase has successfully completed construction. This construction exposure includes Blary Hill, which was an investment announced in January 2020.

A photograph of a winter landscape in Jädraås, Sweden. The scene is dominated by tall, snow-laden evergreen trees. In the background, a wind turbine is visible against a pale sky. The ground is covered in a thick layer of snow. The overall atmosphere is serene and cold.

# Concluding Remarks

Jädraås, Sweden

# TRIG: Generating Sustainable Value

Delivering stable and sustainable dividends together with NAV resilience



## Solid financial performance

- ▲ Diversification benefiting the generation levels and mitigating impact of power price forecast reductions.
- ▲ Valuation gains from active portfolio management and strong demand for assets also contributing to strong NAV growth.
- ▲ Robust dividend cash coverage whilst fully amortising debt within subsidy periods: new dividend target of 6.76p for 2020<sup>1</sup>.

## Diversifying portfolio growth

- ▲ New investments enhancing portfolio diversification.
- ▲ Sector leading liquidity, ongoing charges ratio and portfolio scale.

## Favourable outlook

- ▲ Ongoing public and political support for decarbonisation.
- ▲ Broad investment opportunity aids selectivity and pricing discipline.
- ▲ High quality and robust portfolio well placed for the future.



1. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.

A photograph of two wind turbines in a field at sunset. The sky is a deep orange and yellow, with the sun low on the horizon. The turbines are silhouetted against the bright light. The foreground is a grassy field, and the background shows rolling hills.

# Appendices

Altahulion, Northern Ireland

# Summary December 2019 Financial Statements

Strong Results - NAV per share up 6.1p on valuation gains



## Income Statement

	Year to 31 December 2019 £m	Year to 31 December 2018 £m
<b>Total operating income</b>	<b>162.3</b>	<b>142.8</b>
Acquisition costs	(2.1)	(1.5)
<b>Net operating income</b>	<b>160.2</b>	<b>141.3</b>
Fund expenses	(15.8)	(12.7)
Foreign exchange gains/(losses)	20.7	(0.8)
Finance costs	(3.1)	(4.6)
<b>Profit before tax</b>	<b>162.0</b>	<b>123.2</b>
<b>Earnings per share<sup>1</sup></b>	<b>11.4p</b>	<b>11.7p</b>
<b>Ongoing Charges Percentage</b>	<b>0.98%</b>	<b>1.12%</b>

## Balance Sheet

	31 December 2019 £m	31 December 2018 £m <sup>2</sup>
<b>Portfolio value</b>	<b>1,745.2</b>	<b>1,268.7</b>
Working capital	10.4	(1.7)
Debt	-	-
Cash	127.8	16.9
<b>Net assets</b>	<b>1,883.4</b>	<b>1,283.9</b>
<b>NAV per share</b>	<b>115.0p</b>	<b>108.9p</b>
<i>Shares in issue</i>	<i>1,637.5m</i>	<i>1,179.3m</i>

## Cash Flow Statement

	Year to 31 December 2019 £m	Year to 31 December 2018 £m
Cash from investments	128.8	98.5
Operating and finance costs	(14.9)	(14.0)
<b>Cash flow from operations</b>	<b>113.9</b>	<b>84.5</b>
Debt arrangement costs	-	(2.8)
FX gains/losses	6.6	(1.3)
Equity issuance (net of costs)	521.9	232.9
Portfolio Refinancing Proceeds	64.6	-
Acquisition facility drawn/(repaid)	-	(106.4)
New investments (incl. costs)	(509.8)	(143.9)
<b>Distributions paid</b>	<b>(86.3)</b>	<b>(56.9)</b>
<b>Cash movement in period</b>	<b>110.9</b>	<b>6.1</b>
Opening cash balance	16.9	10.8
<b>Net cash at end of period</b>	<b>127.8</b>	<b>16.9</b>
<b>Pre-amortisation cover</b>	<b>1.9x<sup>3</sup></b>	<b>2.0x<sup>3</sup></b>
<b>Cash dividend cover</b>	<b>1.3x<sup>4</sup></b>	<b>1.5x<sup>4</sup></b>

1. Calculated based on the weighted average number of shares during the year being 1,423 million shares

2. Columns may not sum due to rounding differences

3. In 2019, scheduled project level debt of £49m was repaid, therefore the pre-debt amortisation dividend cover ratio was 1.9x (113.9+49)/86.3 (2018: 2.0x)

4. After scrip take-up of 6.4m shares, equating to £8.0m, issued in lieu of the dividends paid in the year. Without scrip take up dividends paid would have been £94m and dividend cover 1.2x (H1 2018: 1.25x)

# Net zero: destination clear, path uncertain

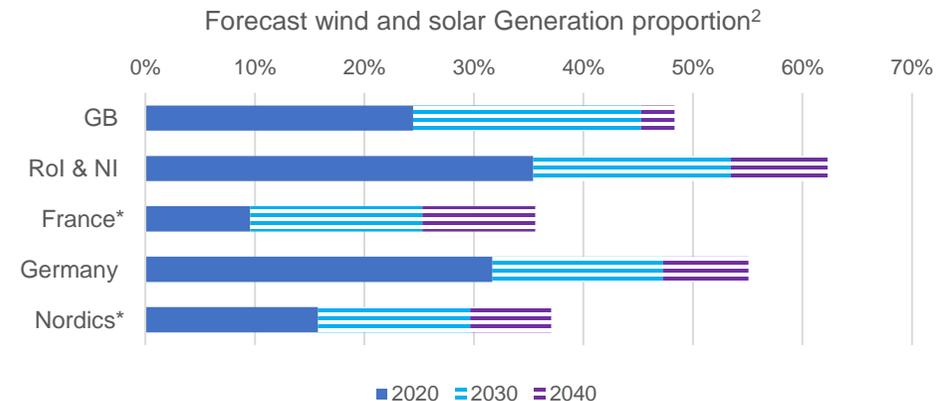
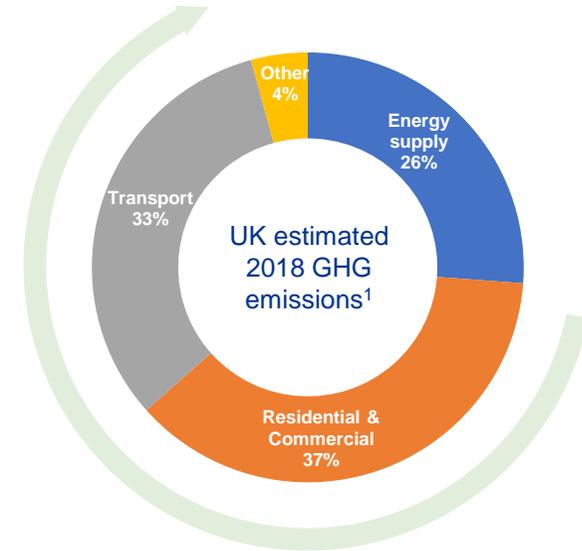
Multiple net zero targets across Europe, but little clarity on route

## Net-zero by 2050

- ▲ The UK has made law a target to reach net zero greenhouse emissions by 2050.
- ▲ The EU has proposed the same target to members, though this is yet to be ratified.
- ▲ Neither the UK, nor the EU have yet provided guidance on the route to achieve this.

## What needs to happen

- ▲ The electricity system must decarbonise – likely increased renewables and flexible gas and biomass fired generation, with carbon capture and storage (CCS), and hydrogen.
- ▲ Transport, Residential & Commercial sectors (mainly heating and cooking) represent 70% of GHG emissions. Decarbonising will need to involve significant electrification.
- ▲ Increased renewables therefore likely to coincide with significantly increased demand for electricity, with “smarter” use to match supply & demand.



1. Source: 2018 UK Greenhouse Gas Emissions Provisional Figures, Department for Business, Energy & Industrial strategy. Residential & Commercial category corresponds to Public, Residential and Business sectors in the source material. Other corresponds to Industrial Processes, Agriculture, Waste Management and LULUCF.

2. This is a representation of renewables growth assumed in power price forecasts considered by TRIG.

\* 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.

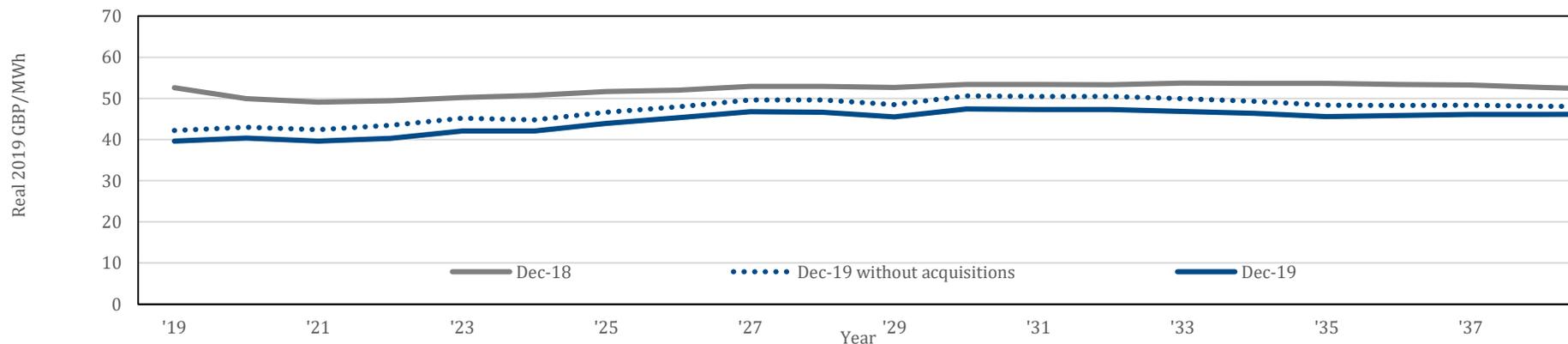
# Valuation – Key Assumptions



Power price reductions offset by longer asset lives and reduced discount rates

		As at 31 December 2019	As at 31 December 2018
<b>Discount Rate</b>	Weighted average	7.25%	7.6%
<b>Power Prices</b>	Weighted by market	Based on third party forecasts	Based on third party forecasts
<b>Long-term Inflation<sup>1</sup></b>	UK	2.75%	2.75%
	France & Rep. of Ireland	2.00%	2.00%
<b>Foreign Exchange</b>	EUR / GBP	1.1827	1.1124
<b>Asset Life</b>	Wind portfolio, average	29 years	26 years
	Solar portfolio, average	30 years	30 years

**TRIG Blended power curve<sup>2</sup>**



1. A change in the long-term inflation assumption would be equivalent to a similar (but inverse) change in the valuation discount rate. Short-term inflation in the UK is assumed at 3.0% for 2020 (ROC's only). Outside of the UK, inflation is assumed at 1.75% for 2020.

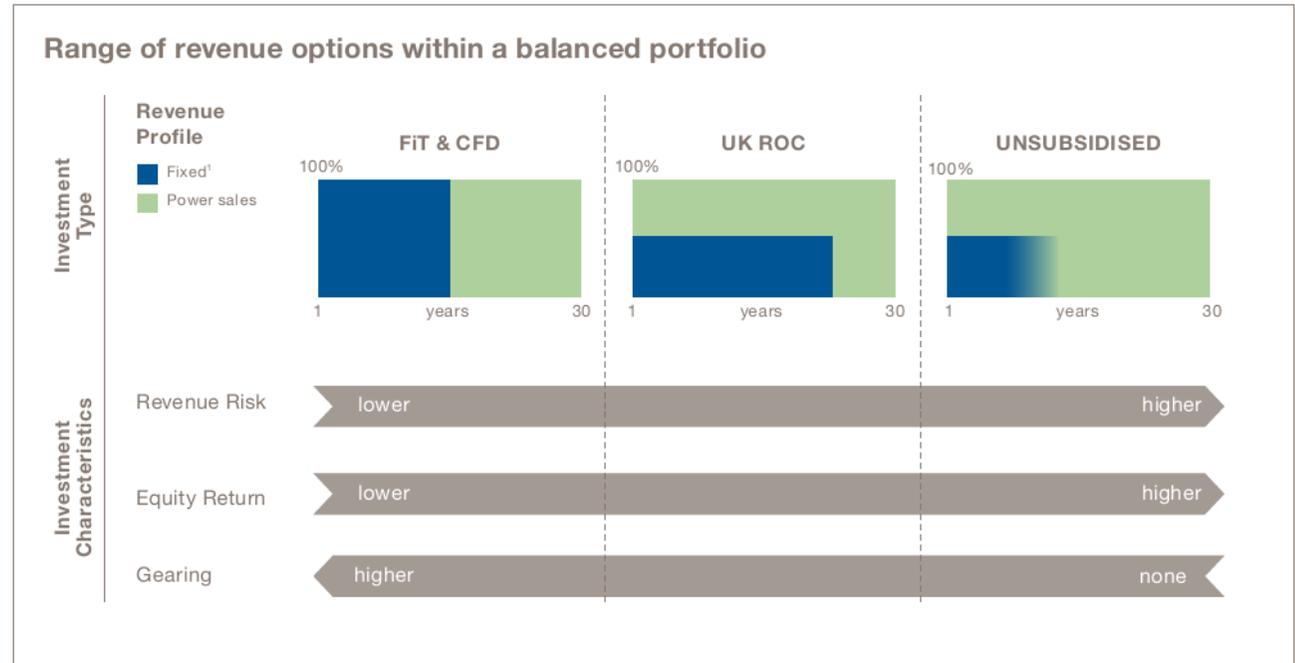
2. Power price forecasts used in the Directors' valuation for each of GB, Ireland, France, Germany and Sweden are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by P50 estimates of production for each of the projects in the Company's 31 December 2019 portfolio.

# Portfolio (1) – Constructing a Balanced Portfolio



## Understanding the range of revenue types available

- ▲ **FiT & CFD** contracts (France, Ireland, Germany and UK) typically have subsidy revenues of 15-20 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



1. Fixed revenues includes subsidies, hedges or fixed price PPAs.

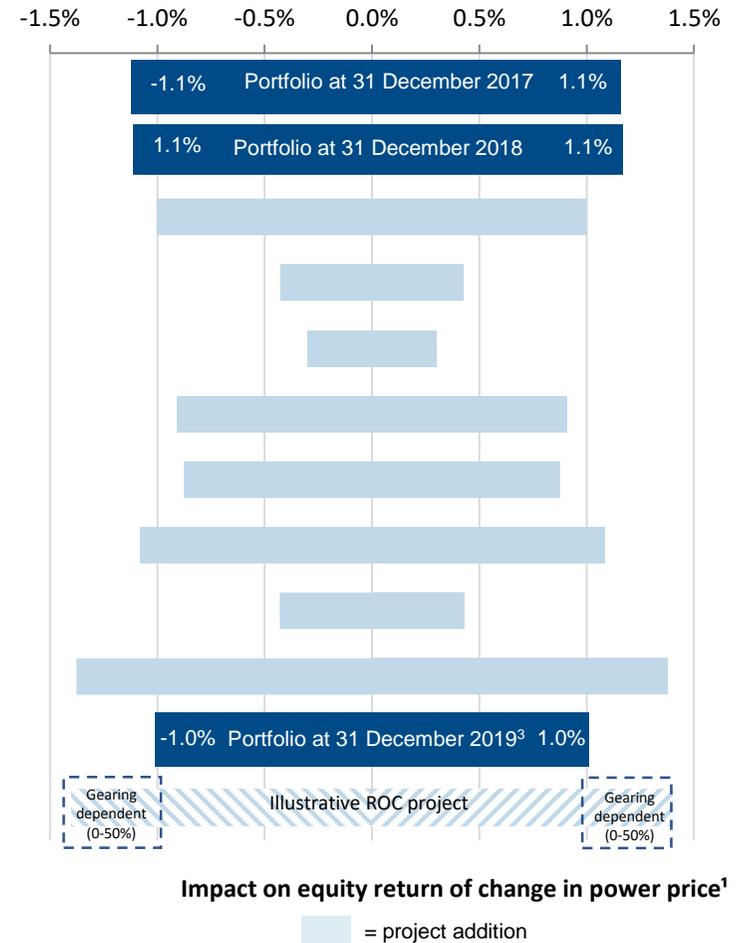
# Portfolio construction: power price sensitivity maintained

Incorporating subsidy free projects without increasing portfolio sensitivity



- ▲ Acquisitions comprise a range of Fit, CfD and unsubsidised projects, with different gearing levels, across the UK, Sweden, France, Ireland & Germany over the last 18 months
- ▲ Project additions shown in light blue. Power price sensitivity varies with:
  - revenue type
  - gearing
  - age of project
- ▲ Portfolio level sensitivity to power prices (shown in dark blue) maintained demonstrating portfolio effect
- ▲ Enables a wider range of investment opportunities to be considered, and optimisation of risk adjusted returns. NB supply of UK ROC projects is slowing (but demand remains high)
- ▲ An illustrative UK ROC project is also shown with comparable overall sensitivity, depending on gearing level<sup>2</sup>

Impact on equity return of change in power price<sup>1</sup>



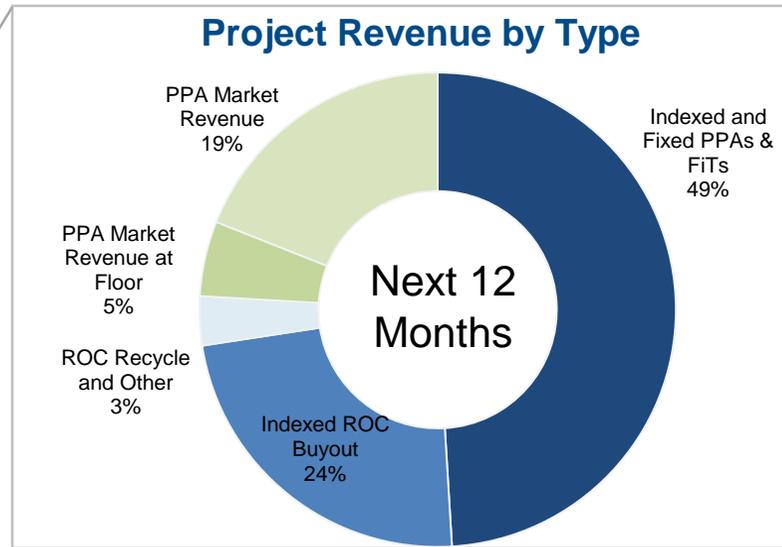
1. Measured as the change in IRR at year 1 for a 10% "parallel" shift in the power price forecast.

2. Assumed level of gearing 0-50%.

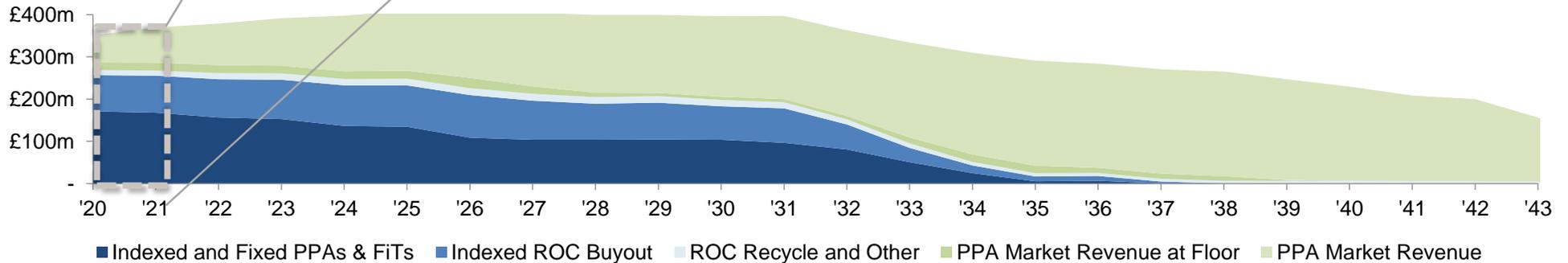
3. Measured on an investment committed basis.

# Portfolio (2) – Revenue Profile

Medium-term project-level revenues mainly fixed and indexed



Split of Project Revenues by Contract Type for the Portfolio



1. Project revenue expected for 12 months from 1 January 2020 to 31 December 2020.

# Risks relating to the outcome of UK negotiations with the EU



Outcome of negotiations with EU on a trade deal expected to have low impact

Key EU trade deal risks	Key Mitigants
Workforce skills shortage	<ul style="list-style-type: none"> <li>Managers well resourced</li> <li>Wide range of subcontractors in place mitigates individual asset risks</li> </ul>
Supply chain failure	<ul style="list-style-type: none"> <li>All key suppliers reviewed for approach to anticipated challenges and uncertainties</li> <li>Additional spares being stored both sides of Irish border</li> </ul>
Revenue disruption – GB	<ul style="list-style-type: none"> <li>Potential disruption to interconnectors with the UK outside the Internal Energy Market, but UK a net importer - tighter supply positive for GB wholesale prices</li> </ul>
Revenue disruption – SEM <sup>1</sup>	<ul style="list-style-type: none"> <li>No immediate impact on electricity generation and flow is anticipated</li> <li>Significant support for cross border interconnection to ensure the “lowest-cost pathway to decarbonisation”</li> </ul>
Revenue disruption – lower carbon taxes outside EU ETS <sup>2</sup>	<ul style="list-style-type: none"> <li>Replacement Carbon Price Support expected (Budget announcement Nov 2018)</li> <li>Carbon taxes support decarbonisation targets and generate tax revenues</li> </ul>

1. Single Electricity Market (SEM) is the wholesale electricity market for the island of Ireland.  
 2. European Union Emissions Trading System.

# The Team

Experienced Management



## Independent Board

**Helen Mahy CBE**  
(Chair)

**Shelagh Mason**  
(SID)

**Jonathan Bridel**  
(Audit Chair)

**Klaus Hammer**

**Tove Feld<sup>1</sup>**



**Investment Manager**  
Key roles:

- ▲ Sourcing and approving new investments
- ▲ Advising the Board on investment strategy and dividend policy
- ▲ Advising on capital raising
- ▲ Risk management and financial administration
- ▲ Investor relations and investor reporting
- ▲ Appoints all members of the investment committee



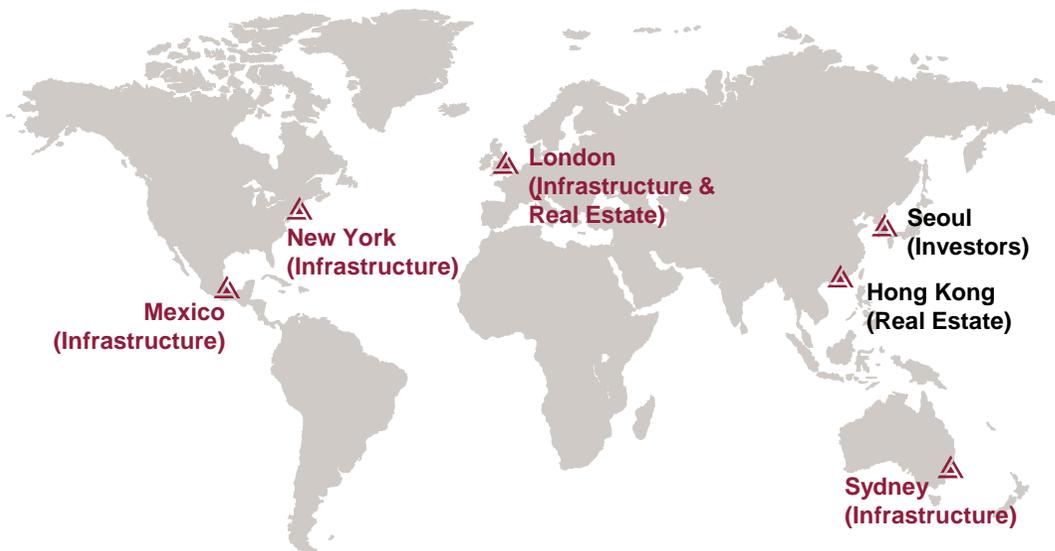
**Operations Manager**  
Key Roles:

- ▲ Providing operational management services for the portfolio
- ▲ Implementing the strategy for electricity sales, insurance and other areas requiring portfolio level decisions
- ▲ Maintaining operating risk management policies and compliance
- ▲ Appoints senior individuals to the Advisory Committee alongside InfraRed to advise TRIG on operational and strategic matters
- ▲ TRIG benefits from a right of first offer on RES' pipeline of assets

1. Tove Feld will join the board 1<sup>st</sup> March 2020.

# InfraRed Capital Partners – Investment Manager

Over 25 years' pedigree in infrastructure



Key statistics across infrastructure and real estate

**25 year**

track record

**\$12bn**

equity managed

**17**

funds raised

**190+**

employees

**20+**

languages spoken

**400+**

transactions



Dates in timeline relate to launch date of each infrastructure fund. Timeline excludes InfraRed's real estate funds. Numbers in brackets indicate size of total commitments to each of the funds in local currencies, except for HICL and TRIG where numbers in brackets indicate the market cap as at 31 December 2019. Fund III size net of cancellation of c.\$200m of commitments in March 2016.

# RES – Operations Manager

38+ years experience in renewables



**38 years**

track record

**270+**

projects delivered worldwide

**2500+**

employees

**17GW**

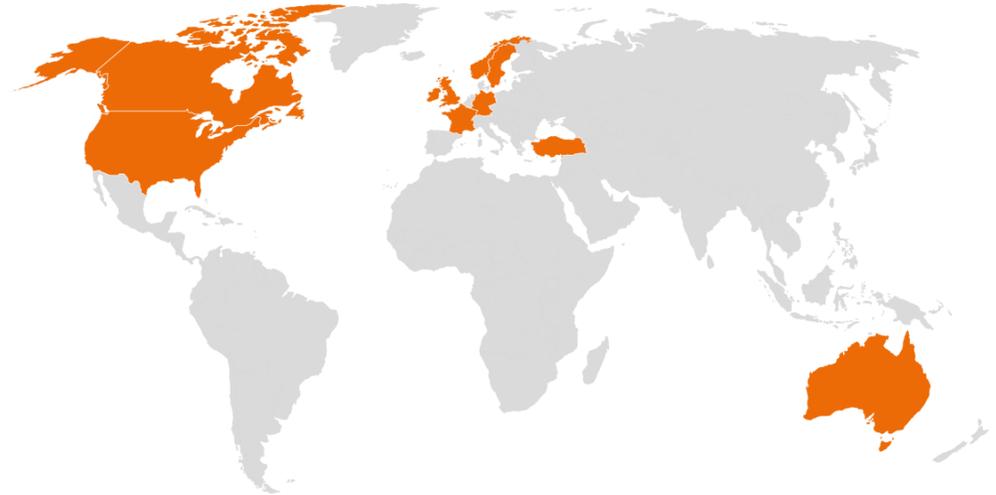
developed and/or constructed

**5.5GW**

Operational assets supported

**300MW**

energy storage projects



- ▲ World's largest independent renewable energy company
- ▲ Operating across 10 countries globally
- ▲ Complete support from inception to repowering
- ▲ Class- leading Asset Management and Wind and Solar O&M Services



Site services & works



In-house technical expertise



Contracts & commercial



Commitment to health & safety

## Diversified shareholder base

TRIG has a high quality institutional shareholder base as well as retail investors

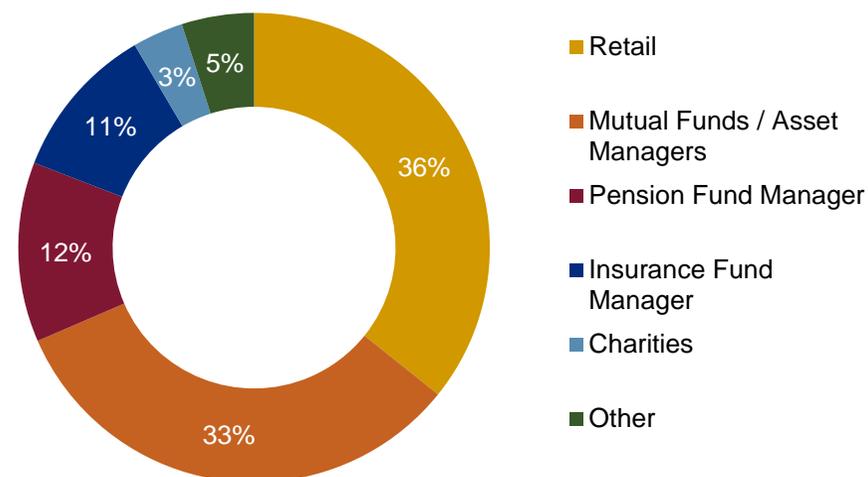


- ▲ Top five holders account for 30% of TRIG's issued share capital
- ▲ Top 10 holders account for 44% of TRIG's issued share capital
- ▲ Over one third is held by retail shareholders, both via Private Wealth Managers and online Investment Platforms

### Shareholders with more than 5% ownership of TRIG<sup>1</sup>

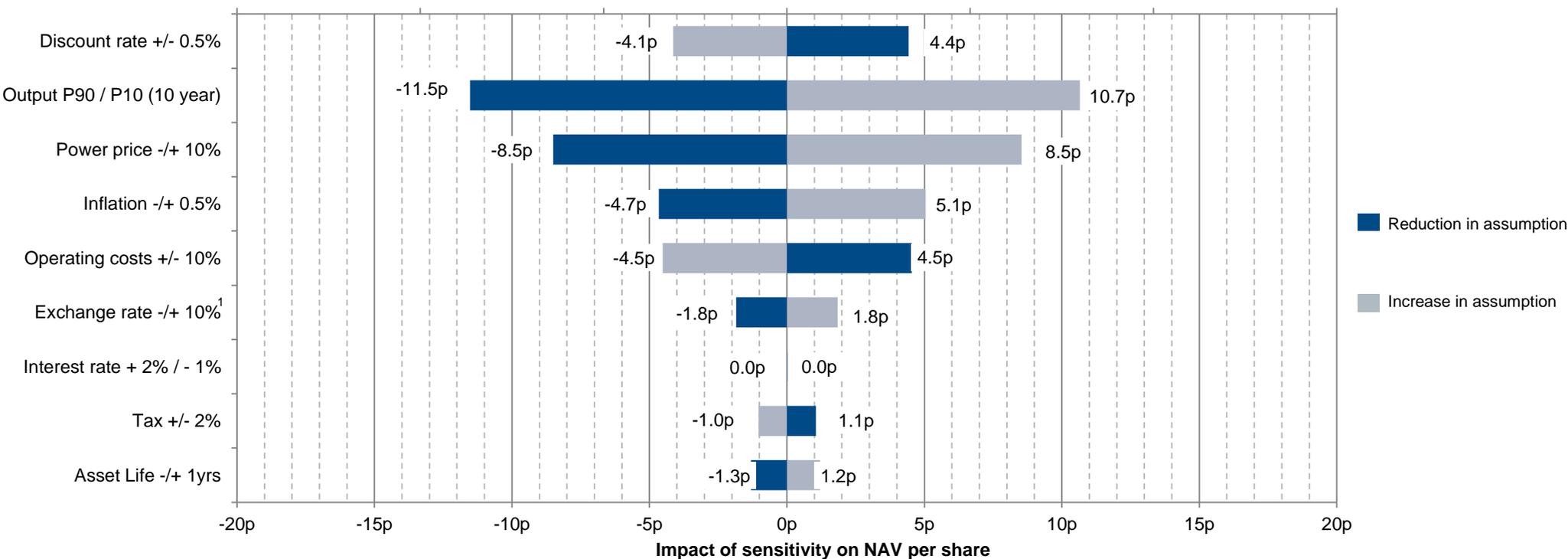
- ▲ Newton Investment Management
- ▲ M&G Investment Management
- ▲ Rathbones Investment Management
- ▲ Investec Wealth and Investment

### Shareholders by Type, as % of Register<sup>1</sup>



# NAV sensitivities

Based on portfolio at 31 December 2019



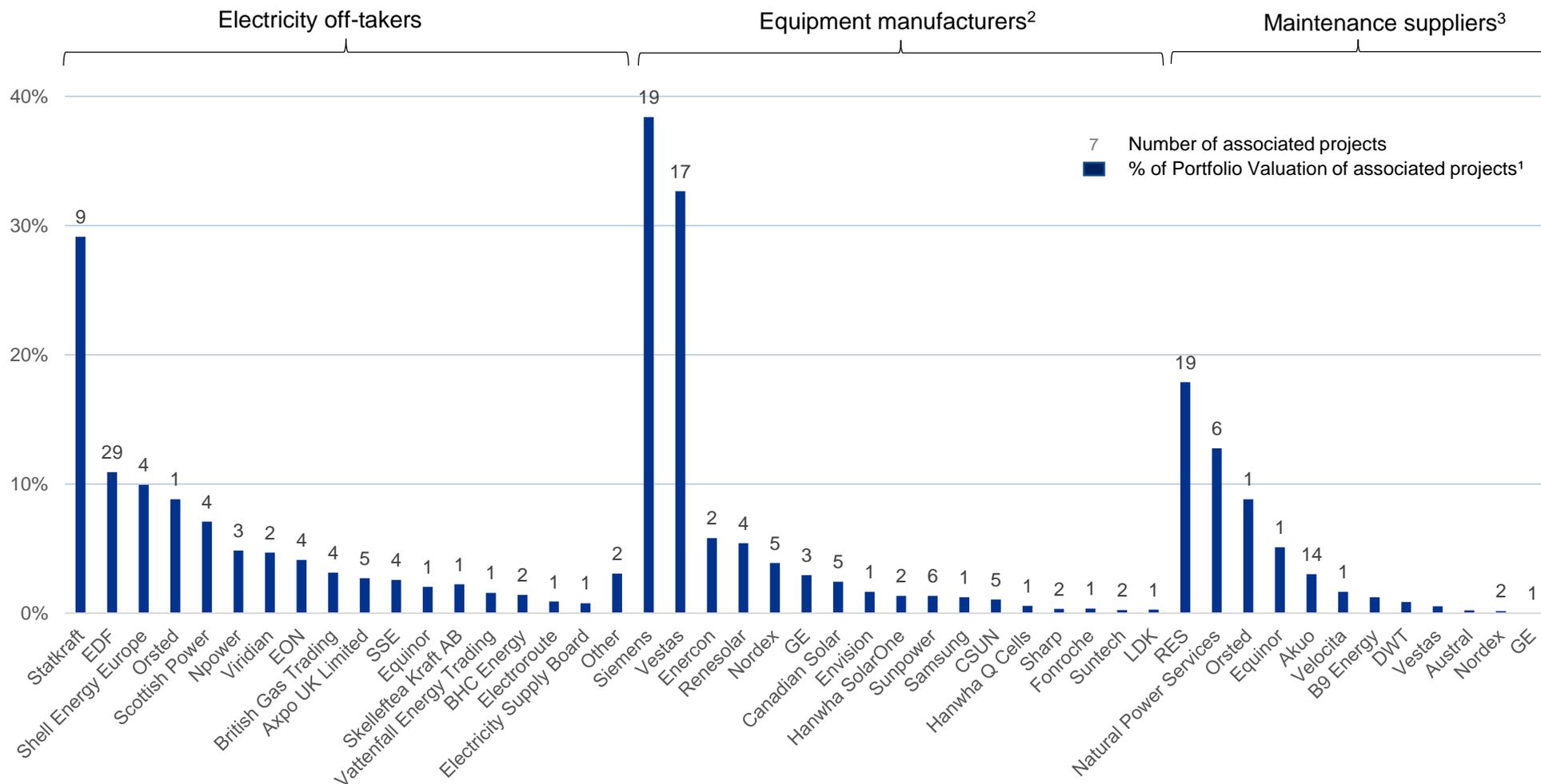
## Sensitivity effect on NAV per share as at 31 December 2019

(£ labels represent sensitivity effect on fully invested portfolio value of £2,096m, including net outstanding commitments)

1. Exchange rate sensitivity relates to the direct sensitivity of exchange rates changing, not the indirect movement relating to exposure gained through power prices.

# Counterparty Exposure

Broad spread of counterparties monitored regularly



1. By value, as at 31 December 2019 using Directors' valuation plus investment commitments. Where projects have more than one contractor, valuation is apportioned.

2. Equipment manufacturers generally also supply maintenance services.

3. Where separate from equipment manufacturers.

# Approach to Gearing

## Disciplined approach



### Term Project Debt

- ▲ Limited to 50% of portfolio enterprise value
- ▲ Fully amortising within the subsidy period
- ▲ Limited exposure to interest rate rises
- ▲ Average cost of debt c.3.6%

### Short-term Acquisition Debt

- ▲ Limit to 30% portfolio value (~ 15% enterprise value if projects 50% geared)
- ▲ Repaid from retained cash and equity raises
- ▲ £340m committed, 3-year, revolving acquisition facility, expires December 2021
- ▲ LIBOR + 190 bps

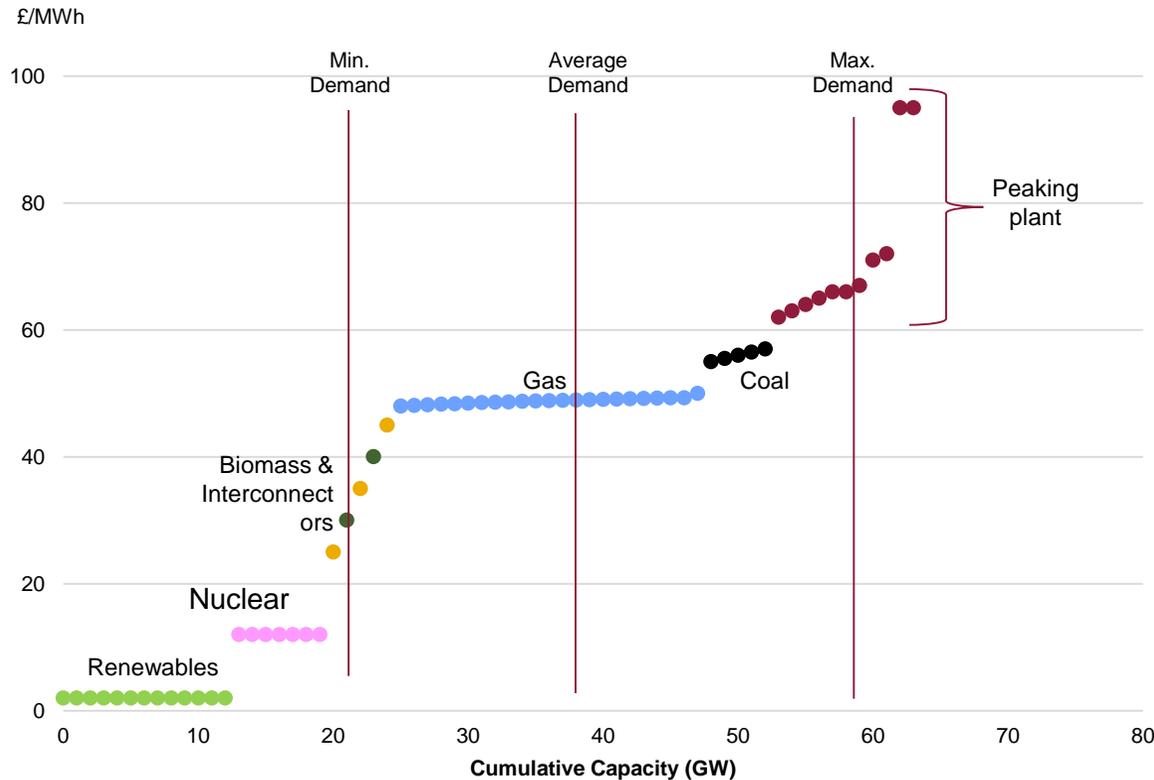
Project Category (Younger = <10yrs)	Gearing <sup>1</sup> typically available	TRIG's portfolio at 31 December 2019		
		Average gearing <sup>1</sup>	% of portfolio	# of projects <sup>2</sup>
Younger solar projects	70-80%	< 60%	7%	22
Younger wind projects	60-70%	c.50%	37%	16
Older projects		< 25%	13%	18
Ungeared projects		0%	44%	16
		<b>36%</b>		<b>72</b>

	Amount drawn at 31 December 2019	% of Portfolio Value
Revolving Acquisition Facility	nil	0%

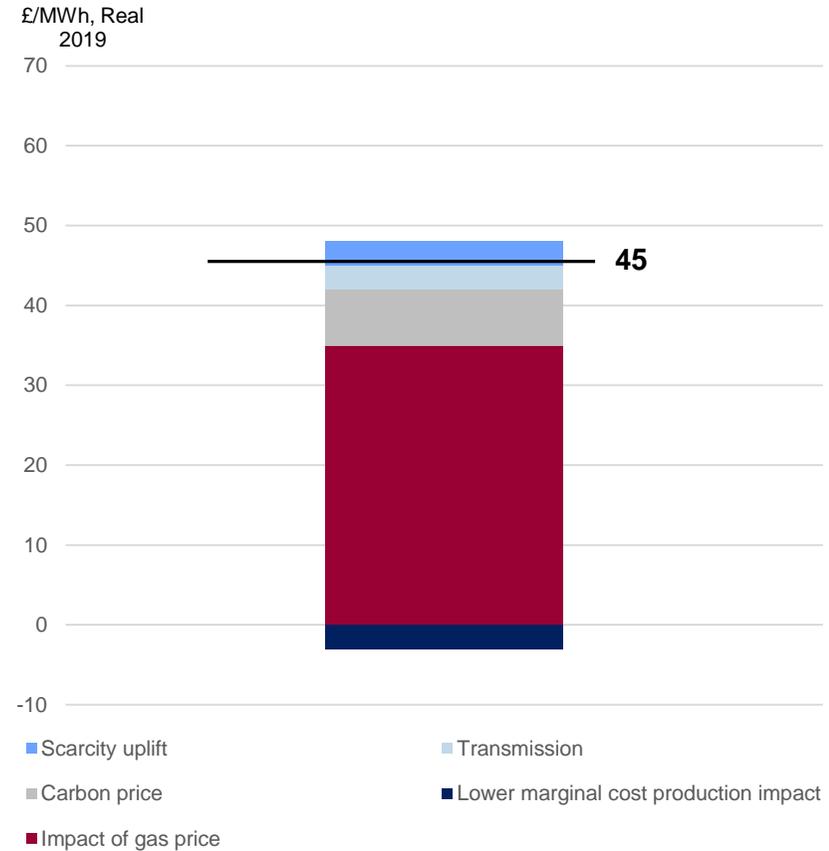
1. Gearing expressed as debt as percentage of enterprise value.  
 2. Invested projects at 31 December 2019 without Merkur and Blary Hill.

# Short-Run Marginal Cost Supply Curve (Merit Order)

Gas-fired power tends to set the marginal price



Key elements of the power price: natural gas and carbon prices



Note: Schematic only for illustration.

# Key Facts



<b>Fund Structure</b>	<ul style="list-style-type: none"> <li>▲ Guernsey-domiciled closed-end investment company</li> </ul>	<b>Performance</b>	<ul style="list-style-type: none"> <li>▲ Dividends to date paid as targeted for each period</li> <li>▲ NAV per share 31 December 2019 of 115.0p</li> <li>▲ Market Capitalisation c. £2.2bn (31 December 2019)</li> <li>▲ Annualised shareholder return<sup>1,4</sup> 11.4% since IPO</li> </ul>
<b>Issue / Listing</b>	<ul style="list-style-type: none"> <li>▲ Premium listing of ordinary shares on the Main Market of the London Stock Exchange (with stock ticker code TRIG)</li> <li>▲ FTSE-250 index member</li> <li>▲ Launched in July 2013</li> </ul>	<b>Key Elements of Investment Policy / Limits</b>	<ul style="list-style-type: none"> <li>▲ Geographic focus on UK, Ireland, France and Scandinavia, plus selectively other European countries where there is a stable renewable energy framework</li> <li>▲ Investment limits (by % of Portfolio Value at time of acquisition) <ul style="list-style-type: none"> <li>○ 65%: assets outside the UK</li> <li>○ 20%: any single asset</li> <li>○ 20%: technologies outside wind and solar PV</li> <li>○ 15%: assets under development / construction</li> </ul> </li> </ul>
<b>Return Targets<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▲ Quarterly dividends with a target aggregate dividend of 6.76p per share for the year to 31 December 2020</li> <li>▲ Attractive long term IRR<sup>2</sup></li> </ul>	<b>Gearing / Hedging</b>	<ul style="list-style-type: none"> <li>▲ Non-recourse project finance debt secured on individual assets or groups of assets of up to 50% of Gross Portfolio Value at time of acquisition</li> <li>▲ Gearing at fund level limited to an acquisition facility (to secure assets and be replaced by equity raisings) up to 30% of Portfolio Value and normally repaid within 1 year</li> <li>▲ To adopt an appropriate hedging policy in relation to currency, interest rates and power prices</li> </ul>
<b>Governance / Management</b>	<ul style="list-style-type: none"> <li>▲ <b>Independent board</b> of 5 directors (from March 2020)</li> <li>▲ Investment Manager (IM): <b>InfraRed Capital Partners Limited</b> (authorised and regulated by the Financial Conduct Authority)</li> <li>▲ Operations Manager (OM): <b>Renewable Energy Systems Limited</b></li> <li>▲ Management fees: 1.0% per annum of the Adjusted Portfolio Value<sup>3</sup> 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 split 65:35 between IM and OM</li> <li>▲ No performance or acquisition fees</li> <li>▲ Procedures to manage any conflicts that may arise on acquisition of assets from funds managed by InfraRed</li> </ul>		

**1. Past performance is no guarantee of future returns. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital at risk.**

2. The weighted average portfolio discount rate (7.25% at 31 December 2019) adjusted for fund level costs gives an implied level of return to investors from a theoretical investment in the Company made at NAV per share. 3. As defined in the Annual Report. 4 Total shareholder return on a share price plus dividends basis. [trig-ltd.com](http://trig-ltd.com)

## Investment Manager

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## Other Advisers

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