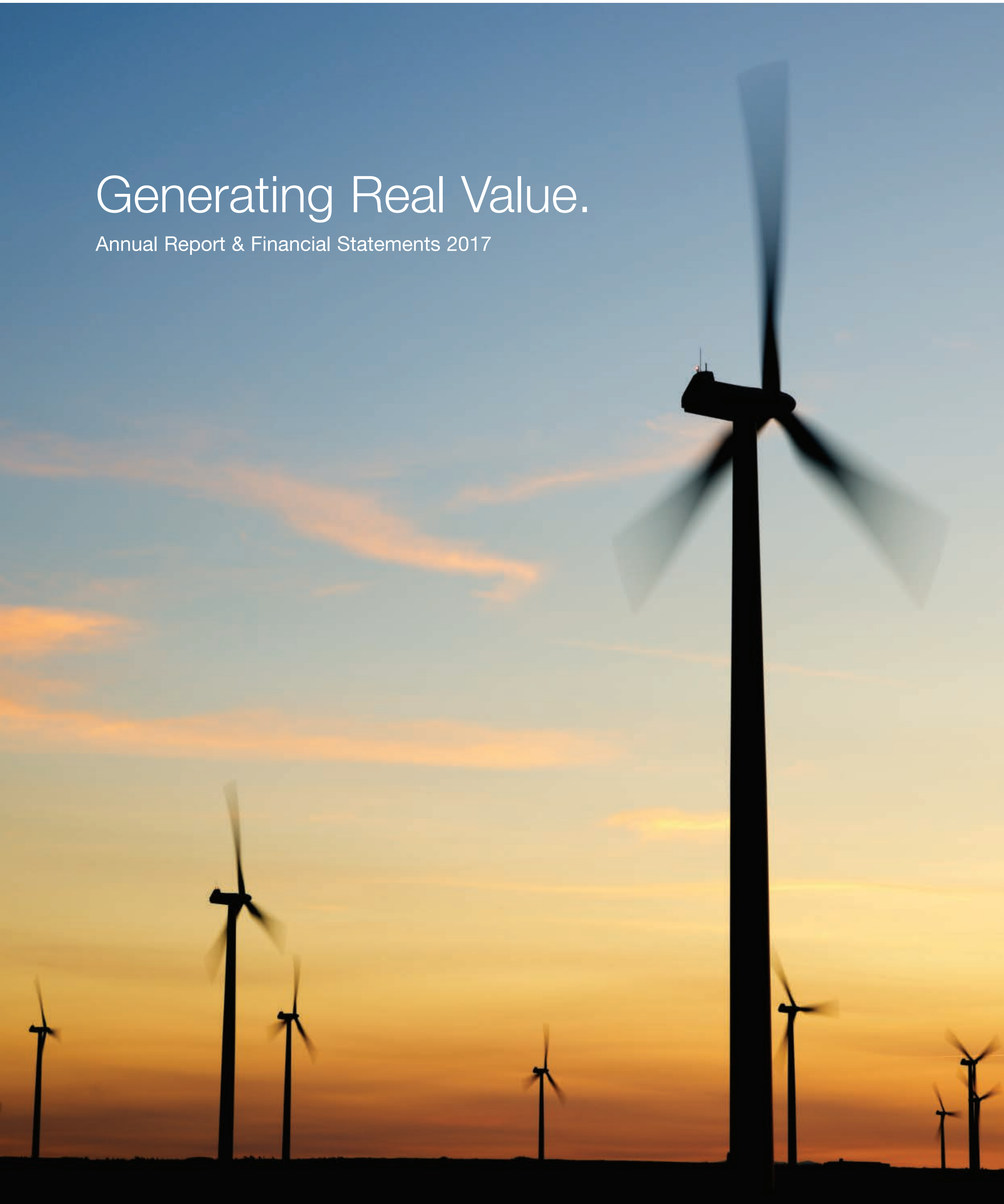
TRIG
The Renewables Infrastructure Group

Generating Real Value.

Annual Report & Financial Statements 2017



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Highlights

for the year to 31 December 2017

103.6p

NAV per share[1]

Increased by 3.5p since 31 December 2016 (100.1p)

£1,081.2m

Director's portfolio valuation[2]

Increased by 32% since 31 December 2016 (£818.7m) following acquisitions

10.1%

Total return for the year

(based on growth in NAV per share plus dividends paid)
7.1% since IPO (annualised)

6.50p

Dividend target

For the year to December 2018
(2017: 6.40p[3])

821MW

Portfolio generation capacity[4]

57 projects

1,766GWh

Electricity generated

£110m

Equity capital raised

£230m

Invested during the year

1 The NAV per share at 31 December 2017 is calculated on the basis of the 947,342,959 Ordinary Shares in issue at 31 December 2017 plus a further 946,862 Ordinary Shares to be issued to the Managers in relation to part-payment of Managers' fees for 2017 in the form of Ordinary Shares.

2 On an Expanded Basis. Please refer to page 33 for an explanation of the Expanded Basis

3 The 6.40p per share dividend relates to performance during the 2017 financial year.

4 Excluding the investment in the Clahane wind farm, completed post period-end and increasing the portfolio to 58 projects with an output capacity of 876MW.

Chairman's Statement

Introduction

On behalf of the Board, I am pleased to present the 2017 report and accounts for The Renewables Infrastructure Group Limited ("TRIG" or the "Company", and with the holding companies and investments, the "Group").

Over the financial year TRIG has performed well. The Company's diverse portfolio of assets has produced portfolio generation exceeding expectations and the assets benefited from firmer winter spot power prices. The Company's Managers continue to generate additional value within the portfolio from a variety of operational project-level enhancements and scale efficiencies.

TRIG has completed new investments not only in onshore wind, but also in offshore wind and battery storage, adding further scale and diversification to the Company's portfolio.

Total return based on dividends paid and the growth of NAV per share was 10.1% for the year and 7.1% on an annualised basis since IPO. TRIG offers income-based returns to its shareholders, of whom over 90% are UK-based, spread across a range of local authority and corporate pension funds, insurance groups, wealth managers, investment management groups as well as UK retail investors, investing via savings programmes or directly into TRIG.

Financial Results and Performance

Financial Results

Profit before tax for the year to 31 December 2017 was £90.2 million (2016: £67.9 million) and earnings per share were 9.8p (2016: 8.8p), reflecting both a strong operating performance and an uplift in the portfolio valuation. Cash received from the portfolio by way of distributions, which include dividends, interest and loan repayments, was £73.0 million (2016: £59.5 million). After costs, net cash inflows from the investment portfolio were £63.1 million (2016: £50.3 million) (as measured under the Expanded Basis – see Section 2.9 for further details). Underlying this, ROC receipts, including the recycling element, have been as expected and realised electricity prices have improved somewhat during 2017. Cash dividend cover was 1.2 times after scrip take-up (2016: 1.2 times, on the equivalent basis).

In the year, the Company made £230 million of new investments. This was funded through a combination of £109 million of share capital raised (net of costs), £106 million of acquisition facility debt (which remained drawn at the 2017 year-end), cash resources of £10 million from 2016 and £5 million of reinvested surplus cash generated during 2017.

The net asset value ("NAV") per share was 103.6p at 31 December 2017 (31 December 2016: 100.1p), reflecting an increase in NAV per share of 3.5p. This increase predominantly reflects enhanced portfolio value due to the continued competition for renewables as well as operating cost savings identified by the Company's Managers and above-budget generation performance. In valuation terms these factors more than offset a further reduction in the overall forecast power curves which indicate price weakness over the near term before a gradual recovery and increase in the longer term.

Ordinary shares in issue increased to approximately 947.3 million at 31 December 2017 (31 December 2016: 833.0 million) as a result of the issue of a final tranche of ordinary shares under the Company's Share Issuance Programme in April 2017, as well as shares issued by way of scrip dividend and as part-payment of fees to the Managers.

For 2017, using the methodology of the Association of Investment Companies ("AIC"), the Company's Ongoing Charges Percentage was 1.11% (2016: 1.10%).

Portfolio Update

TRIG's £230 million of new investments during the year increased the net output capacity (i.e. from both power generation and battery output) by 15.5% to 821MW across 57 projects at 31 December 2017.

In the first half of the year, TRIG's acquisitions included 100% interests in the Neilston project in Scotland and the Garreg Lwyd project in Wales, both operational onshore wind farms. In the second half TRIG acquired a 100% equity interest in the Broxburn battery storage project under construction in West Lothian, Scotland and a 14.7% indirect equity interest in the 317MW Sheringham Shoal offshore wind farm in the North Sea. TRIG's investments in the second half of 2017 were financed from a drawdown of the Group's revolving acquisition facility, which at the year-end was approximately £106 million drawn.

Sheringham Shoal

Credit Alan O Neil © Statoil

In December 2017, TRIG acquired a 14.7% indirect equity interest in the 316.8MW Sheringham Shoal offshore wind farm in the North Sea for approximately £80 million. The investment by TRIG was in a new joint venture holding company alongside funds managed by Equitix Limited (together representing 40% of the equity). The wind farm is operated by Statoil, its original developer, and has an established operating history following its commissioning in 2012.

Having previously considered a range of projects in the offshore wind segment, the Board is delighted with the addition to the portfolio of this first investment in an offshore wind farm. Sheringham Shoal is a proven operational project, which has also been built with the benefit of several years' industry experience in offshore wind farms and receives the higher 2.0 ROCs per MWh subsidy. The investment is accretive to the portfolio's expected returns and broadens both the Company's operational diversity and the range of its partnerships in the investment market.

During 2017, TRIG also completed construction of Freasdail, a Scottish onshore wind farm acquired in 2016. This was the second construction project invested in by the Company following the extension to the Marvel Farms solar project which was completed in 2014.

Capitalising on the Managers' experience in constructing assets, TRIG will continue to consider acquiring projects in their construction phase if the Company can obtain better value due to the lower volumes of capital chasing such projects, subject to TRIG's investment limit of 15% of the portfolio by value.

Since the year-end, the Company has announced the acquisition of the Clahane wind farm in County Kerry in the Republic of Ireland. The wind farm consists of a 41.2MW operational wind farm as well as a 13.8MW extension which is currently under construction and is scheduled for completion in the third quarter of 2018. This asset has increased TRIG's investment allocation to the Irish Single Electricity Market (comprising the Republic of Ireland and Northern Ireland) to 12%.

In January 2018 after the year-end, the Company's revolving acquisition facility was increased to £240 million (with RBS and NAB joined by ING as a new lender to the Company on the same terms). As at 19 February 2018, the facility was £148 million drawn with £23 million of further construction and deferred payments expected to be made in 2018.

Broxburn and Garreg Lwyd were acquired from RES, the Company's Operations Manager, under TRIG's right of first offer agreement, which remains a reliable source of new project origination for the Company's portfolio.

TRIG's annual electricity production increased by 20.2% in 2017 to 1,766GWh (including an allocation for compensated downtime and excluding generation from Sheringham Shoal which was acquired in December) (2016: 1,469GWh), reflecting the increase in the generating portfolio and strong operating performance. Total portfolio production was 2.5% above the P50 budget for the year.

Valuation

The Investment Manager has prepared a fair market valuation for each investment in the portfolio as at 31 December 2017. The valuation is based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each investment. The valuation uses key assumptions which are set by the Investment Manager using its experience and judgement, having considered available comparable market transactions and financial market data in order to arrive at a fair market value. It is now almost five years since the Company's IPO during which time there has been significant portfolio growth for TRIG in an active transaction market for renewables projects as well as changes to a range of assumptions, not least discount rates. As such, the Company commissioned an independent valuation across a sample of the investments representing 57% by value. This independent valuation provides additional corroboration of the latest valuations produced by the Investment Manager.

The Directors have satisfied themselves as to the methodology used and the assumptions adopted, and have approved a valuation of £1,081.2 million for the portfolio as at 31 December 2017. This is an increase of 32% on the £818.7 million valuation of the portfolio as at 31 December 2016, mainly as a result of new portfolio investments. The weighted average portfolio discount rate is 8.0% (2016: 8.4%). An indication of the potential level of return to investors from a theoretical investment in the Company made at NAV per share can be derived from the portfolio discount rate less fund-level costs.

Dividends and Distribution Policy

The Board has declared a fourth interim dividend for the year ended 31 December 2017 of 1.60p per share to bring the aggregate 2017 dividend to 6.40p per share in line with the target set a year ago. The fourth interim dividend is payable to those ordinary shareholders on the register on the record date of 16 February 2018 and will be paid on 29 March 2018.

Chairman's Statement continued

The Company offers a scrip dividend alternative for those electing to receive their distributions in TRIG shares, details of which can be found in the Scrip Dividend Circular 2017 (available on the Company's website).

For the 2018 financial year, the Company is targeting an aggregate dividend of 6.50p per share (2017: 6.40p) to be paid in four equal quarterly instalments in June 2018, September 2018, December 2018 and March 2019.

In TRIG's 2016 Annual Report and in the 2017 Interim Results, the Company highlighted the need to keep under review the existing policy of linking dividend growth to inflation given successive falls in long-term forecast power prices (these have reduced by c.30% since IPO in 2013). The Board believes it is now prudent to adjust the Company's dividend policy to take into account factors beyond UK inflation. While the Company has realised relatively robust wholesale power prices in 2017, forecasters expect power prices to fall over the next few years before rising gradually thereafter. The power price forecasts illustrated in Section 2.8, averaged across the markets in which TRIG invests and utilised in the Company's valuation, give an indication of this, although individual forecasters have higher and lower expectations and a range of scenarios.

The Company will continue to set the dividend target for each financial year at the time of publication of the Company's Annual Report and Accounts for the preceding year. The Board aims to continue to increase the aggregate dividend to the extent it is prudent to do so. In setting the dividend, consideration will be given to items impacting forecast cash flows and expected dividend cover including the levels of inflation across TRIG's markets, the outlook for electricity prices and the operational performance of the Company's portfolio.

Risks

In the nearly five years since IPO, TRIG has consistently monitored and, where practicable, mitigated a range of risks to its strategy. The main areas of focus have been: production performance, changes in forecast wholesale power prices and the maintenance of appropriate government support schemes.

Production performance

The weather-driven performance has remained close to predicted levels, assisted by the geographical diversification of the portfolio, and is expected to continue to do so when measured over the long term (with usual short-term variations). With one of the largest renewable energy portfolios in Europe and an experienced portfolio-wide Operations Manager in RES, the Company continues to assess and execute opportunities to protect or increase generation volumes as well as seeking operating efficiencies where appropriate. In the Strategic Report which follows, we highlight some of these initiatives.

Forecast power prices

Outturn power prices and movements in long-term forecast power prices provide both upside and downside risk to a renewables portfolio. Since IPO, the outcome for realised power prices has been largely below expectations, mainly as result of a general oversupply in the gas market (the predominant input fuel for marginal power generation).

The impact of falling power prices is mitigated to some extent through fixes and floors in the portfolio's contracts, some contracts linked to season-ahead forward prices and investment in a portfolio of projects with a significant proportion of revenues derived from fixed-type support schemes. Over the next five years, approximately 68% of project-level revenue from the portfolio as at 31 December 2017 is predictably contracted or in the form of other fixed-type support schemes such as feed-in tariffs (mainly France and Ireland) or Renewable Obligation Certificates (UK).

Government support schemes

Support for renewables remains consistent across Europe as further evidence of climate change risk emerges and governments follow up on local and international initiatives following the 2015 Paris climate conference (COP21). Renewables also benefit from increasing cost competitiveness and from localisation (energy security). As a result, renewables are increasingly the chosen solution to expand generation or replace outgoing plant (alongside that providing capacity such as peaking plant and battery storage). We consider this backdrop to be generally positive for regulatory risk.

In the UK, policies on renewables generation are enshrined in domestic legislation, including the Climate Change Act 2008. The ongoing negotiations to leave the European Union do not appear to be having any material impact on TRIG. The aftermath of the 2017 UK General Election heightened political volatility. The Board notes the interventionist sounds with respect to business from the opposition Labour Party, which have the potential to impact the structure of the energy supply market as well as taxation. However, all the main parties remain supportive of renewables generation. In Ireland the policy outlook remains steady and in France the new Macron administration has reaffirmed the existing policies supporting renewables, including moving away from a high level of dependence on nuclear energy.

As costs of renewables generation continue to come down, we may see projects emerge without fixed subsidy components to their revenues. These may represent viable opportunities with appropriate structuring, for example, corporate Power Purchase Agreements ("PPAs"), hedging and/or more cautious capital structures.

Sustainability and Corporate Culture

A corporate culture which emphasises strong governance, sympathy towards its social context and care of its environment helps maintain delivery of the Company's strategy and financial objectives. The Board of TRIG and its Managers continue to prioritise the enhancement of processes across all aspects of management, whether in the boardroom, out in the field or with our numerous stakeholders.

In the Strategic Report in 2.12, we give some specific examples on how we engage with our stakeholders to ensure that TRIG makes a positive impact on the community and on the environment in which it operates.

From an environmental perspective, TRIG plays an ever-increasing role in decarbonisation, now providing clean power for the equivalent of 490,000 households (and close to 0.5% of the overall UK electricity market) and preventing the emission of 720,000 tonnes of CO_2 annually.

TRIG's Managers continue to make themselves available to existing and potential institutional investors in both one-to-one meetings and at conferences. TRIG hosted its first capital markets seminar in October, at which a range of market-related issues were presented (with the presentation available on the TRIG website), including the evolving energy mix, the role of storage and grid-balancing, the constituents of power prices and operational enhancement opportunities. As well as the formal Q&A session with the Managers, I and other members of the independent Board were on hand for discussion. All Directors will offer themselves for re-election at the Annual General Meeting to be held on 10 May 2018.

Outlook

There are several themes in the outlook for TRIG.

The first is **sustained competition to invest in renewables assets**, primarily because of the ongoing shift in institutional allocations to the infrastructure sector, including renewables, one of its largest sub-sectors. Whilst positive for valuations, the challenge is to seek value where possible whilst maintaining a disciplined approach to investment.

TRIG has invested successfully in the construction phase of renewables. By investing at construction, we expect TRIG should be able leverage the expertise of its Managers to access further opportunities in a less crowded portion of the market offering an attractive risk-adjusted return.

The second theme is shaping TRIG's portfolio around **the evolution of the energy market**. This may involve looking at newer energy segments and technologies where the risk-return parameters are in line with TRIG's Investment Policy and objectives. The Company has made no new material solar investments during 2017 mainly as a result of significantly reduced deal volumes in the UK and high pricing in France. However, the scale and maturity of offshore wind in the UK and Northern Europe together with its reduced operational risk have made it an attractive new investment segment for TRIG. Utility-scale power storage - a small-scale technology a few years ago - is emerging as its reduced costs and flexibility mean that it provides value to the grid networks alongside intermittent renewables.

The third theme is the **globalisation of the renewable energy market**. The renewables segment now represents more than half of all infrastructure transactions globally. It is a diverse market and spans a range of countries affording potential investment opportunities.

The majority of the portfolio will remain in the UK as set out in the Company's Investment Policy (approximately 82% by value following the acquisition of Clahane wind farm in January 2018), with a significant allocation to Northern Europe. However, the Board remains open to investing in other established international markets which have a supportive renewables framework and stable regulatory regimes, to the extent that there are projects with favourable risk/return characteristics and in accordance with the Company's Investment Policy.

The secondary market for renewables remains healthy, as can be seen from the Company's recent investment activity, with further opportunities under review.

The Board would like to take this opportunity to thank our investors and our other stakeholders for their consistent support as the Company enters its fifth full year of operations since IPO. We are excited about the opportunities that lie ahead for TRIG to provide attractive returns combined with sustainable growth – in a critical market for the global economy.

Helen Mahy CBE
Chairman

19 February 2018

Strategic Report

Contents

This Strategic Report sets out information covering the following topics:

References in this report to the "Company" or "TRIG" mean The Renewables Infrastructure Group Limited (and together with its holding companies and investments, the "Group").

Freasdail Wind Farm

2.1 Summary Information on TRIG

The Renewables Infrastructure Group ("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 £300 million and is a member of the FTSE-250 index with a market capitalisation as at 31 December 2017 of approximately £1.0 billion. TRIG has a strategy of diversification by investing in multiple renewable energy technologies, jurisdictions and climate systems.

TRIG has two experienced managers, InfraRed Capital Partners and Renewable Energy Systems, working together to provide the Company's shareholders with best-in-class investment management and operational management.

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 130 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$10 billion of equity under management.

InfraRed is also adviser to HICL Infrastructure Company Limited, the largest London-listed infrastructure investment company with a market capitalisation of c. £2.8 billion as at 31 December 2017.

Renewable Energy Systems Limited ("RES") is TRIG's Operations Manager. RES is the world's largest independent renewable energy company having developed and/or constructed over 13GW of projects, with operations in 10 countries and over 1,900 employees globally. RES has the expertise to develop, engineer, 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 of more than 40 RES staff provide portfolio-level operations management to the Company and its subsidiaries, utilising RES' 35 year experience in renewables to support the evaluation of investment opportunities for the Group and provide project-level services in the UK, Ireland and France.

2.2 Objectives

TRIG was created in 2013 with the purpose of investing principally in a range of diversified operational assets which generate electricity from renewable sources, with an initial focus on onshore wind farms and solar PV parks in the UK and Northern Europe. The Company's intention is to provide investors with long-term, stable dividends, while preserving the capital value of its investment portfolio through re-investment of surplus cash flows after payment of dividends.

The key **financial objectives** of the Group are set out as follows:

- to provide shareholders with **an attractive long-term income-based return** by focusing on strong cash generation across a diversified portfolio of predominantly operating projects;
- to maintain **prudent financial management** in terms of the approach to cost control, cash management, financing arrangements and foreign exchange and interest rate hedging; and
- to **diversify its investment portfolio** to enhance spreading of risk, increase share liquidity and obtain further scale efficiencies, while seeking to enhance NAV per share for investors.

The key **non-financial objectives** of the Group are:

- to maintain an **adaptive business model** which benefits from trends in energy and infrastructure with opportunities for both portfolio management and portfolio growth, based on the evolution of the economies and societies in which the Company invests;
- to build and maintain strong **stakeholder relationships** at both the Company level and within TRIG's portfolio companies, including with investors, national and local governments, local communities, project developers, vendors, key contractors and providers of finance;
- to manage its affairs in accordance with its **sustainability** statements and policies; and
- **to provide knowledge leadership** to the sector, enhancing the understanding of investment in renewables and related energy infrastructure through appropriate disclosure and engagement with existing and potential investors, thereby further promoting interest in investment in TRIG as a benchmark investment vehicle in this expanding sector.

The Board considers that, as part of its Corporate culture, consistency in executing against its non-financial objectives (adaptive business model, stakeholder approach, sustainability and knowledge leadership) will contribute meaningfully to the Company's ability to deliver targeted long-term investment returns.

2.3 Market Background

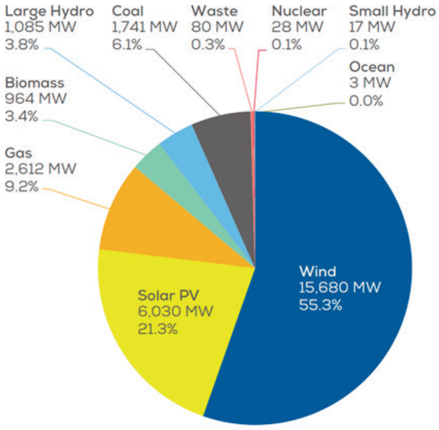
Portfolio Construction

TRIG's investment approach is based on accessing an expanding renewables market resulting from the long-term commitment of the UK and other select geographies to increasing the supply of cleaner, more secure and sustainable energy. TRIG pursues this opportunity by managing and expanding a diversified portfolio of power-generating assets across established technologies, different weather systems and electricity markets. This strategy of portfolio growth and diversification supports the long-term investment proposition of delivering stable dividends together with NAV resilience.

The Renewables Growth Opportunity

In 2017, for the second year running, more than 50% of newly installed electricity generating capacity globally and approximately 85% in the EU was in the form of renewable energy infrastructure. The direction of travel in Europe and beyond is towards a low carbon economy. In April 2017, Britain had its first ever working day without coal power since the Industrial Revolution.

2017 Share of New Power Capacity Installations in the EU (Total = 29GW peak capacity)



Source: WindEurope Annual Statistics 2017 (Copyright: WindEurope)

TRIG predominantly invests in operational renewable energy generation projects, with a focus on onshore wind and solar PV, both established renewables technologies with an effective combination of proven operating cost histories and a strong pipeline of investment opportunities.

The Company's Investment Policy allows investment in sectors other than onshore wind and solar PV of up to 20% of portfolio value. Investment in other categories, comprising a battery storage project (Broxburn) and an offshore wind farm (Sheringham Shoal), amounted in aggregate to approximately 9% of portfolio value at 31 December 2017.

Previously commissioned UK renewables capacity still owned by developers is expected to continue to provide deal flow for the Company for several years ahead. Future acquisition opportunities also lie in other areas which may include further offshore wind and storage, as well as projects that may become commercially viable without subsidy, such as onshore wind projects and solar PV as deployment costs continue to fall.

In the UK, the rapidly growing offshore wind sector is likely to match the capacity of onshore wind and solar once current construction is built out. UK operating offshore wind farms now have a combined 5.1GW of generating capacity with further build-out being projected; Germany, another leader in the sector, has a further 5.3GW of operating projects. Other technologies include other types of generation infrastructure, for example hydropower, landfill gas or supporting technologies such as storage, back-up / peaking power generation or demand-side response. Being able to acquire investments in other technologies depends on the availability of projects for investment which exhibit sufficient scale of opportunity and which conform to TRIG's risk/return profile.

Renewables Growth Drivers

Globally, the renewables sector is enjoying impressive growth on the back of national government policies and supra-national agreement via the United Nations' climate change initiatives. It is also being stimulated by reduced costs of renewable deployment, the imperative to secure energy sources in a volatile international political climate and, in many places, real concern about local levels of pollution emanating from fossil-fuel based energy sources.

Creating a system capable of delivering clean, secure and affordable energy to consumers is a key challenge for policy makers worldwide. Known as the "energy trilemma", the need for carbon mitigation, cost effectiveness and energy security continue to underpin expansion in renewables.

Carbon Mitigation

The Company expects the deployment of renewable energy as an alternative to polluting fossil fuels to continue to play a vital role helping countries to achieve their decarbonisation targets.

There is a general consensus that continued high levels of carbon emissions (whether for power, transport or heating/cooling) are unsustainable and there remains widespread public and political momentum to implement policies to mitigate the effects of climate change.

Notwithstanding the US administration's notification of their intention to withdraw from the Paris Agreement, as announced in June 2017, significant headway has been made in other areas. For example, in December 2017, less than one month after the successful conclusion of the UN Climate Change Conference in Bonn (COP-23), the French President, Emmanuel Macron, hosted "The One Planet" summit in Paris. The gathering marked the second anniversary of the Paris Agreement and was the first in a series of international summits to help countries reinforce their national climate action plans. Over the course of the summit, Climate Action 100+ was launched, an initiative where 25 of the most influential institutional investors worldwide (with over USD $26.3 trillion of assets under management) agreed to engage with the world's largest 100 largest corporate greenhouse gas emitters to encourage them to address climate change.

Cost Improvement

Across major markets, renewables technologies have benefited from subsidy regimes, helping to create the necessary market conditions to drive cost reductions to the point that renewables are now competitive with fossil fuel generation. In turn, there have been increases in economies of scale, supply chain efficiencies and technical innovation, all of which have increased competitive pressures that drive innovation. This may lead to future renewables becoming viable for developments without subsidies.

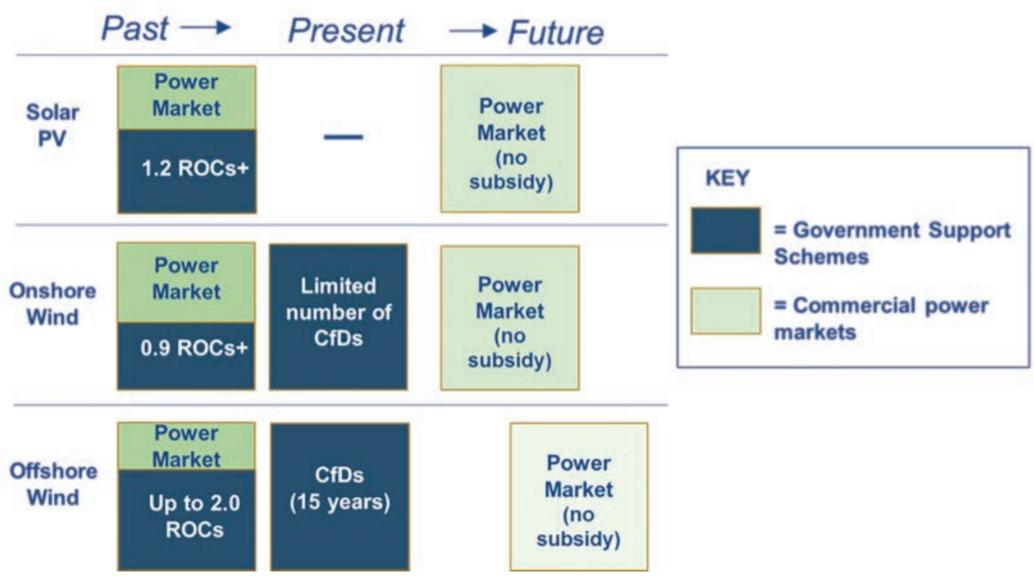
Energy Security

Growth of the renewable energy infrastructure market is supported by a long-term global shift towards achieving economic growth with sustainability. Continuing increases in human population, urbanisation, industrial and agricultural production and consumption offset the benefits of ongoing energy efficiency improvements and demand management.

It is important that there remains a sufficient capacity margin and flexibility of electricity supply to meet demand as other technologies, including coal-fired power stations, are phased out, while addressing the intermittency of renewables themselves.

The late 20th century focus on fossil fuel and nuclear generation as the mainstay of power generation (government-controlled or recently privatised and heavily regulated) has given way to a phase where renewable energy is replacing coal and to some extent nuclear following the Fukushima disaster in 2011. The future is expected to see a continuation of the shift away from coal, while the penetration of the power market by intermittent renewables will require significant amount of flexible power – for example from batteries as well as from standby gas generation.

UK market: an evolution towards a subsidy-free market



2.4 Portfolio

As at 31 December 2017, the TRIG portfolio comprised 57 investments in the UK, Republic of Ireland and France, including 27 onshore wind projects, one offshore wind project, 28 solar photovoltaic projects and one energy storage project:

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[1]	Equipment[2]
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)
Paul's Hill	GB (Scotland)	49%	31.6	2006	Siemens (2.3)
Crystal Rig 1	GB (Scotland)	49%	30.6	2003	Nordex (2.5)
Green Hill	GB (Scotland)	100%	28.0	2012	Vestas (2.0)
Rothes 1	GB (Scotland)	49%	24.8	2005	Siemens (2.3)
Freasdail	GB (Scotland)	100%	22.6	2017	Senvion (2.05)
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 (0.85)
Neilston	GB (Scotland)	100%	10.0	2017	Nordex (2.5)
Forss	GB (Scotland)	100%	7.2	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 (0.66)
Lough Hill	SEM (N. Ireland)	100%	7.8	2007	Siemens (1.3)
Taurbeg	SEM (Rep. of Ireland)	100%	25.3	2006	Siemens (2.3)
Milane Hill	SEM (Rep. of Ireland)	100%	5.9	2000	Vestas (0.66)
Beennageeha	SEM (Rep. of Ireland)	100%	4.0	2000	Vestas (0.66)
Haut Languedoc	France (South)	100%	29.9	2006	Siemens (1.3)
Haut Cabardès	France (South)	100%	20.8	2006	Siemens (1.3)
Cuxac Cabardès	France (South)	100%	12.0	2006	Vestas (2.0)
Roussas–Claves	France (South)	100%	10.5	2006	Vestas (1.75)
Total Onshore Wind at 31 December 2017			**598.5**		
OFFSHORE WIND FARMS					
Sheringham Shoal	GB (England)	14.7%	46.6	2012	Siemens (3.6)

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[1]	Equipment[2]
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/Hanwha 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
Château	France (South)	49%	1.9	2010	Sharp
Broussan	France (South)	49%	1.0	2010	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	2010	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)	39%	0.8	2010	GE
Total Solar PV at 31 December 2017			**155.9**		

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[1]	Equipment[2]
BATTERY STORAGE					
Broxburn[3]	GB (Scotland)	100%	20.0	2018	Samsung (SMA)
Total Portfolio at 31 December 2017			**821.0**		
Operating assets			801.0		
Construction assets			20.0		

1 Where a project has been commissioned in stages, this refers to the earliest commissioning date.

2 MW per turbine shown for wind assets in brackets.

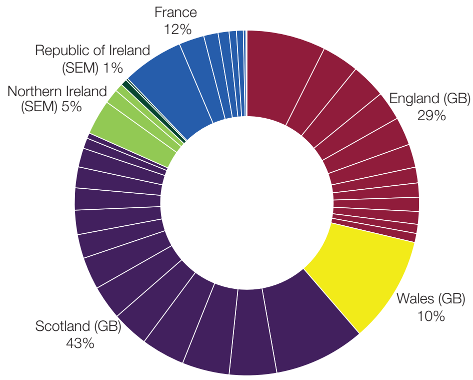
3 This asset is under construction.

Portfolio Diversification

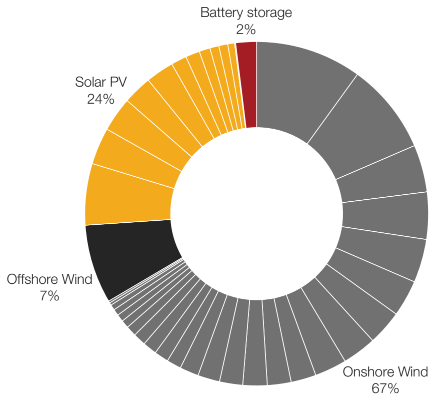
The TRIG portfolio is diversified across a range of assets across different energy markets, regulatory jurisdictions, generating technologies, revenue contracts and/or subsidy sources, as well as a variety of geographic areas with differing meteorological conditions. This is illustrated in the segmentation below:

Portfolio
As at 31 December 2017

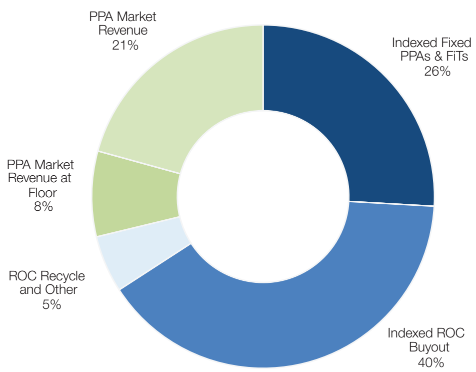
By Market / Jurisdiction[1,2]



By Technology

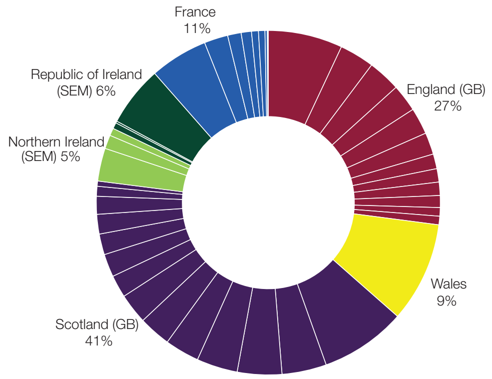


By Project Revenue Type[3]

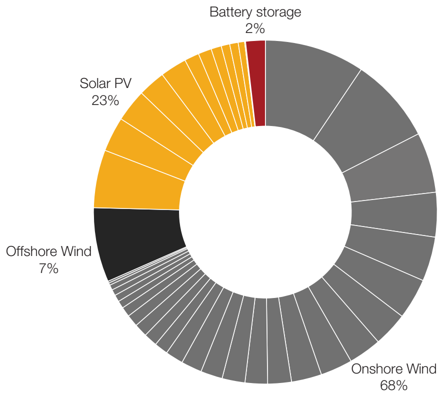


Portfolio
Following the Clahane wind farm acquisition in January 2018

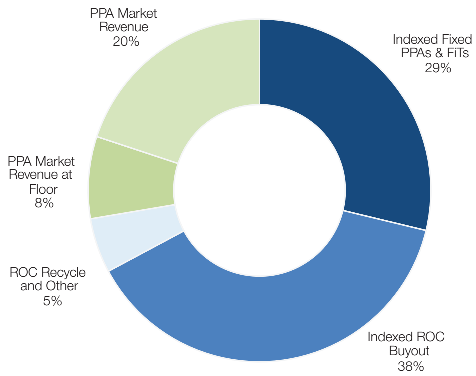
By Market / Jurisdiction[1,2]



By Technology



By Project Revenue Type[3]



Source: TRIG

Notes:

1 Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.

2 Segmentation by Jurisdiction/Power Market and by Technology/Weather System is calculated by portfolio valuation.

3 Segmentation by Project Revenue Type is by 2018 expected revenue received by the project companies.

Strategic Report continued

Revenue Profile

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

TRIG's portfolio companies have substantial near-term protection in revenues from movements in wholesale power prices as the portfolio receives a high proportion of its revenue from PPAs with fixed prices, feed-in tariffs and Renewables Obligation Certificates. 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 predetermined pricing run off. Projects now being developed are increasingly viable on a standalone basis without government support schemes, particularly in the onshore wind sector. TRIG may consider investment in such projects, albeit with lower or no project-level leverage, taking into account the variability of revenues in the absence of the fixed-type elements provided by subsidy schemes.

TRIG's portfolio revenues reflect the different regulatory jurisdictions in which TRIG is invested with revenue sources ranging from contracted feed-in tariffs ("FITs"), renewables obligation certificates ("ROCs"), embedded benefits and a variety of wholesale PPAs.

The chart below illustrates the expected project-level revenues from TRIG's current investment portfolio split by revenue type over time, assuming a "P50" level of output[1].

Acquisitions

In 2017 the Group made investments of £229.9 million which included four acquisitions amounting to £225.3 million and three small follow-on investments for £4.6 million.

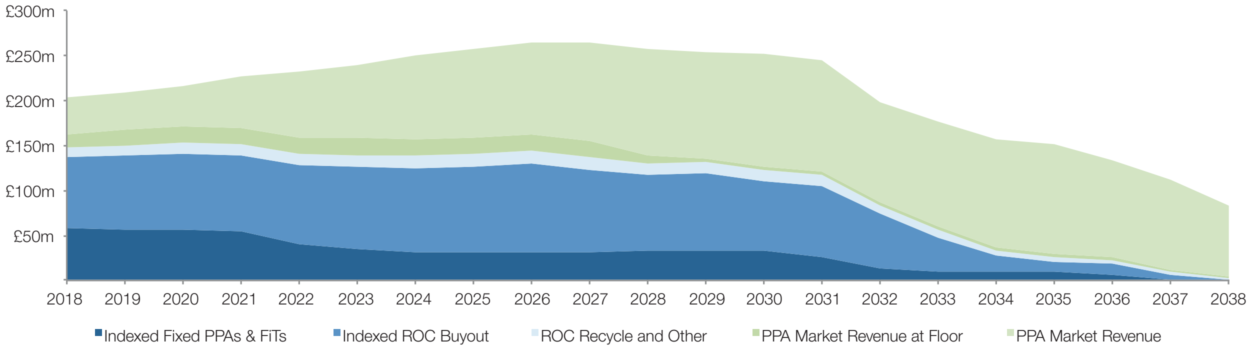
As reported in the Interim Results, TRIG acquired a 100% interest in a 10MW operational wind farm, Neilston Community Wind Farm, in May 2017. This asset was acquired from its developer, Carbon Free and Neilston Development Trust for £22.6 million without any third-party project debt. It has been accredited under the UK's 20-year 1.0 ROC per MWh support scheme and has been operating for four years. Neilston comprises four Nordex N90 wind turbines, each with a rated capacity of 2.5MW, and has a PPA with Statkraft. The asset is located in East Renfrewshire, Scotland. The Neilston investment was originated as a result of TRIG's long-term relationship with Carbon Free, its developer with whom InfraRed has transacted in the past when acquiring the Earlseat project in 2014.

Also in May 2017, TRIG completed the acquisition of its first Welsh asset, a 100% interest in a newly operational 34MW wind farm, Garreg Lwyd, in Powys. The asset was acquired from TRIG's Operations Manager, RES, pursuant to TRIG's right of first offer agreement, without third-party project debt for a total consideration of £102.8 million, making it TRIG's largest asset by value. Garreg Lwyd is one of the last assets in the UK to qualify for the ROC support subsidy and also benefits from a long-term O&M agreement with Vestas, which includes production performance incentives, and a PPA with Shell Energy.

2017 has also seen TRIG complete its first acquisitions in two new sectors: battery storage and offshore wind.

In August TRIG acquired a 100% interest in Broxburn, one of the first large-scale commercial power storage projects to be developed in the UK. The asset is located in West Lothian, Scotland. Once operational, Broxburn will have a two-way capacity of 20MW. The asset has secured a bespoke bilateral

Illustration of the split of Project Revenues by Contract Type for the Portfolio (nominal)[2]



1 The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded.

2 This chart includes revenues from the 31 December 2017 portfolio plus the post-period end acquisition of Clahane wind farm in January 2018.

contract with National Grid Electricity Transmission plc to provide dynamic, two-way grid balancing services. For the initial four years of operations under the contract, revenues are substantially based on predetermined, RPI-indexed availability payments. The asset was developed and is being constructed by its vendor, RES, TRIG's Operations Manager. TRIG's total investment in Broxburn is £20.4 million.

In December 2017, TRIG acquired an indirect equity interest in the 316.8MW Sheringham Shoal offshore wind farm located off the coast of Norfolk, UK. TRIG's net capacity ownership of the asset (pro rata to its equity interest) is 47MW. The acquisition, TRIG's first investment in an offshore wind project, was made for a total consideration of £79.5 million. TRIG's 14.7% investment was made into a new joint venture holding company alongside funds managed by Equitix, representing 25.3% of the equity. The other equity partners in the Sheringham Shoal comprise Statoil ASA (40%) and Green Investment Group, managed by Macquarie Group (20%). The asset has been operational since 2012 and has 88 wind turbines, each with a capacity of 3.6MW. Sheringham Shoal benefits from the higher 2 ROCs per MWh support scheme until 2032 and a proven operational history.

The remaining £4.6 million of capital invested was in relation to smaller investments in existing assets. TRIG purchased the freehold interest on the land at one of its solar parks, Marvel Farm, which may facilitate repowering the site in the future.

Additionally, TRIG paid RES £2.4 million in contracted true-up payments for two assets acquired from RES in June 2014, Tallentire and Meikle Carewe wind farms, on the basis of an updated yield assessment. In December 2017 TRIG completed an investment of £1 million into the TRIG/Akuo holding company which enabled it to buy out minority investors in the Marie Galante solar park in Guadeloupe.

Following the acquisition of the Clahane wind farm in January 2018, the portfolio valuation split is as follows: onshore wind projects 68% (2016: 70%), solar PV projects 23% (2016: 30%), offshore wind 7% (2016: 0%) and battery storage 2% (2016: 0%). At 19 February 2018, the portion of non-UK projects was 18%.

Since IPO, TRIG has acquired projects from eleven different vendors (or vendor groups), including from RES under the right of first offer agreement, demonstrating the breadth of opportunities available to the Company.

Ten Largest Investments

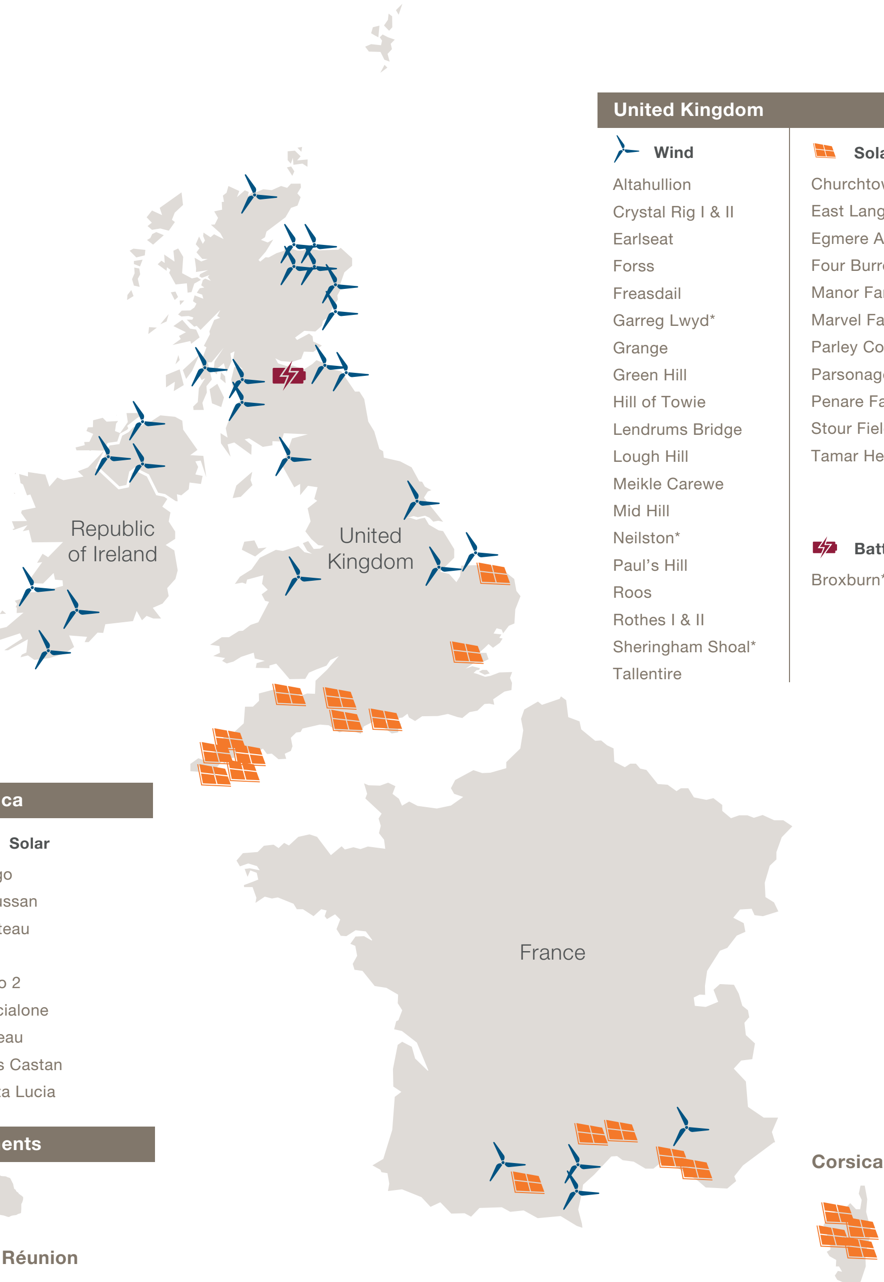
Set out below are the ten largest investments in the portfolio. As at 31 December 2017, the largest investment (the Garreg Lwyd Wind Farm) accounted for approximately 10% of the the portfolio by value. In total, the 10 largest projects accounted for approximately 52% of the project portfolio by value (2016: 52%).

Project	Location	Type	% of project portfolio by value at 31 December 2017[1]	% of project portfolio by value at 31 December 2016
Garreg Lwyd	Wales	Onshore wind	10%	–
Crystal Rig II	Scotland	Onshore wind	8%	11%
Sheringham Shoal	England	Offshore Wind	7%	–
Mid Hill	Scotland	Onshore wind	4%	6%
Hill of Towie	Scotland	Onshore wind	4%	5%
Green Hill	Scotland	Onshore wind	4%	5%
Rothes II	Scotland	Onshore wind	3%	4%
Altahullion	N. Ireland	Onshore wind	3%	5%
Parley	England	Solar PV	3%	4%
Earlseat	Scotland	Onshore wind	3%	4%
Total			**52%**	**44%**
Paul's Hill				5%
Egmere				4%
December 2016 largest ten investments				**52%**

1 Columns may not sum due to rounding differences.

Strategic Report continued

Map of TRIG's Projects at 31 December 2017



Republic of Ireland

Wind
Beennageeha
Milane Hill
Taurbeg

Wind
Solar PV
Battery Storage

United Kingdom

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

France – Mainland & Corsica

Wind
Cuxac Cabardes
Haut Cabardes
Haut Languedoc
Roussas-Claves

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

*** Additions to the TRIG portfolio since 1 January 2017**

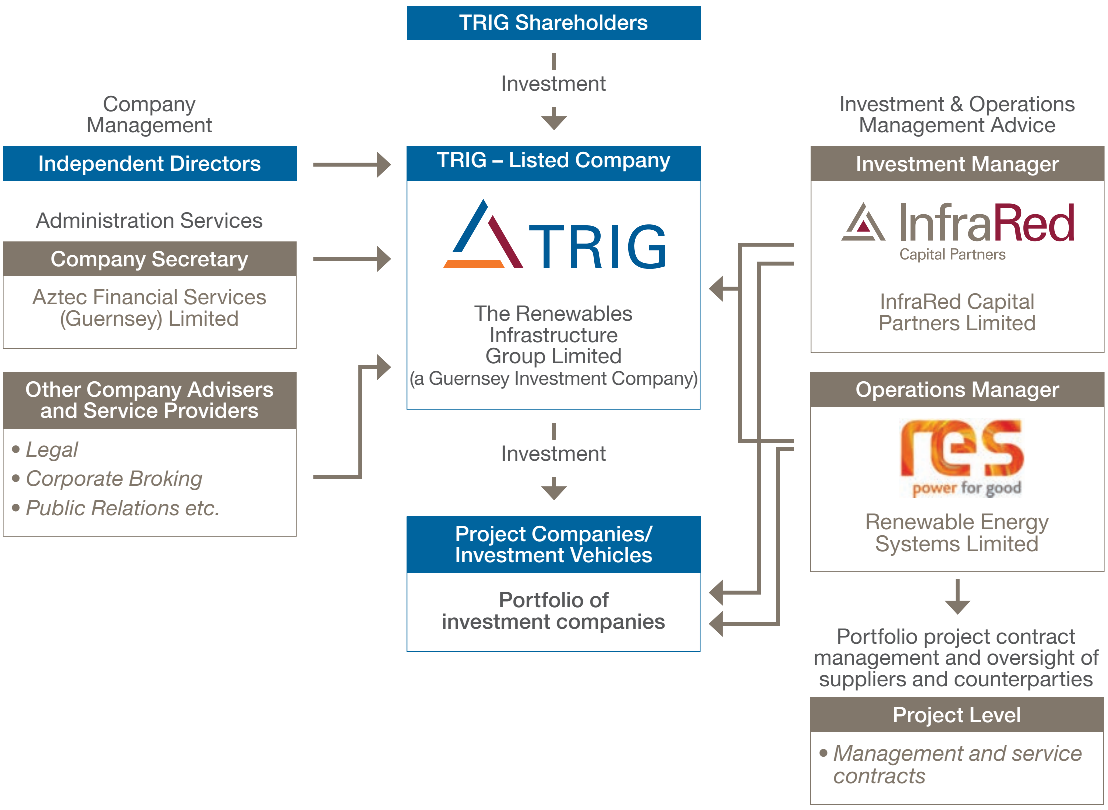
2.5 Business Model

Introduction

The Company is listed on the London Stock Exchange, with an independent board of directors. Through the group structure, the Company owns a portfolio of renewable energy infrastructure investments in the UK, Ireland and France. 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.

Group Structure

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



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 common 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 distributions paid to investors being a mixture of interest and dividends (although we note that for certain UK shareholders the tax treatment of interest income is different to dividend income). Within the holding companies are listed Eurobonds which act as Shareholder loan instruments in order to remit cash back up to the Company.

The Company has a board of four independent non-executive directors (details of whom can be found in Section 3) whose 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 a number of ad hoc meetings dependent upon the requirements of the business. In addition, the Board has five committees covering the areas of Audit, Nomination, Remuneration, Management Engagement and Market Disclosure.

Strategic Report continued

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

Investment Manager *(InfraRed)*

- 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

Operations Manager *(RES)*

- 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 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

Further details on the Investment Manager and the Operations Manager are set out in Section 2.1 and Note 18 with respect to fees.

Other key service providers to the TRIG Group include Aztec Financial Services (Guernsey) Limited providing Company Secretarial and Administrative services, Canaccord Genuity Limited and Liberum Capital Limited as joint brokers, Tulchan Communications LLP 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 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.

TRIG's Board of Directors (from left to right: Helen Mahy CBE, Jon Bridel, Shelagh Mason and Klaus Hammer)

Key members of TRIG's day-to-day management team include (from left to right) Chris Sweetman and Jaz Bains (Renewable Energy Systems) and Richard Crawford and Phil George (InfraRed Capital Partners)

Making New Investments

When seeking to acquire an investment, the proposition is subject to a two-stage process: it is considered and recommended by the Advisory Committee which includes representatives of both the Investment Manager and the Operations Manager; it is then fully assessed by the Investment Committee of the Investment Manager which, for investments within the Manager's delegated authority (with agreed limits set by the Board), gives the final approval before an investment may proceed. These committees may meet on several occasions before an investment is acquired by the Group. Commercial and technical due diligence is undertaken by the Investment Manager (including a review of sustainability in relation to the investment) with support from the Operations Manager on aspects such as energy yield assessment, off-take contract arrangements, maintenance and other operational costs. Third party legal and technical due diligence is commissioned as appropriate to support the acquisition.

While the Company is currently mainly invested in onshore wind and solar PV projects, there are investment opportunities in other maturing technologies, notably offshore wind, as well as back-up and peaking power, storage and demand-side response infrastructure. In 2017, the Company made its first investments in these technologies with the acquisition of Broxburn battery storage in August and Sheringham Shoal offshore wind farm in December. The Company may also consider unsubsidised projects to the extent that the risk-reward mix of such opportunities is in keeping with TRIG's investment objectives. This may mean such projects are acquired with limited or no project finance in place at the project company.

The Company is focused on owning operational, yielding projects although the Managers also acquire projects prior to their completion and grid connection, where advantageous for the Company. The Company's Investment Policy does not permit the cost of works on projects under development or construction (and not yet operational) to which portfolio companies are exposed to exceed in aggregate 15% of overall portfolio value. At 31 December 2017 there was one asset under construction (Broxburn energy storage) representing approximately 2% of portfolio value. Since year end, the Company's percentage of portfolio value under construction has increased to 3% following the acquisition of Clahane wind farm in January 2018.

2.6 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 target 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 20% of energy to be generated from renewable sources by 2020, the UK's 2050 carbon reduction programme and broader United Nations initiatives to achieve challenging long-term de-carbonisation goals
- extensive opportunities for investment in the secondary market for generation assets as utilities and others recycle their capital

+

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

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 onshore 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 will be focused in the UK and Northern 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 50% of the portfolio value (calculated at the time of investment) may be invested in projects that are located in countries outside the UK.

Investments will be made in onshore 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% 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% of overall portfolio value, calculated at the time of investment or commitment.

The Company will not invest more than 15%, in aggregate, of the value of its total assets in other investment companies or investment trusts that are listed on the Official List maintained by the Financial Conduct Authority.

In order to ensure that the Group has a spread of investment risk, it is the Company's intention that no single asset will account for more than 20% 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% of the portfolio value. It is intended that any facility used to finance acquisitions is likely to be repaid, in normal market conditions, within a year through further equity fund raisings.

Wind farms and solar parks, typically with 25 year or longer assumed operating lives, held within portfolio companies generate long-term cash flows that can support longer term project finance debt. Such debt is non-recourse 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% 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.

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% 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 pre-agreed 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.

2.7 Operational Review

Key Performance Indicators

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

Operational KPIs

KPI	(Year to) 31 December 2017	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014	(Part year[1] to) 31 December 2013
Largest single investment as % of portfolio by value	10%	11%	12%	10%	16%
Largest ten investments as % of portfolio by value	52%	52%	56%	65%	79%
Operating history (portfolio average, weighted by net capacity)	5.7 years	6.7 years	5.9 years	5.0 years	5.5 years
Electricity Production % increase	1,766GWh +20%	1,469GWh +9%	1,344GWh +65%	814GWh +136%	345GWh (since 1 August 2013)
Average Revenue per MWh	£80.81/MWh[2]	£82.83/MWh	£78.63/MWh	£84.43/MWh	£84.92/MWh

1 For 2013, data is derived from the period from IPO on 29 July 2013 to 31 December 2013 unless otherwise stated.

2 Figure may be subject to minor change once final power price invoices are received relating to December 2017.

Strategic Report continued

TRIG Portfolio Update

The power price achieved on a like-for-like basis was slightly higher in 2017 than in 2016. The aggregate revenue achieved per MWh in 2017 as shown in the table is reduced compared to 2016 when taking into account production from wind farm acquisitions with lower subsidies per MWh. The appropriate subsidy levels are priced into asset valuations at acquisition.

Assumed operating lives (measured from the end of construction) range between 20 and 30 years for valuation purposes with an average of 27 years (at IPO the assumed operating life was approximately 25 years). When considering operating lives, the Managers' considerations include the assets' maintenance regime, lease duration and nature of equipment. Solar assets on average have longer assumed operating lives than wind given the differences in technology.

Following a year of relatively low wind resource in 2016, the TRIG portfolio experienced more favourable weather conditions in 2017 overall. The portfolio produced a total of 1,766 gigawatt hours (GWh) of electricity during the year, an increase of 20% over the production of 1,469GWh in 2016. This reflects the growth in the portfolio's generating capacity alongside a strong operational performance.

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

Technology	Region	Electricity production (GWh) 2017	Performance vs. P50 estimates 2017	Performance vs. P50 estimates 2016
Wind	UK & Ireland	1,391	+3.7%	-9.7%
	France	215	+0.4%	-5.7%
Solar PV	UK & France	160	-5.1%	-9.7%
	TOTAL PORTFOLIO	**1,766**	**+2.5%**	**-9.2%**

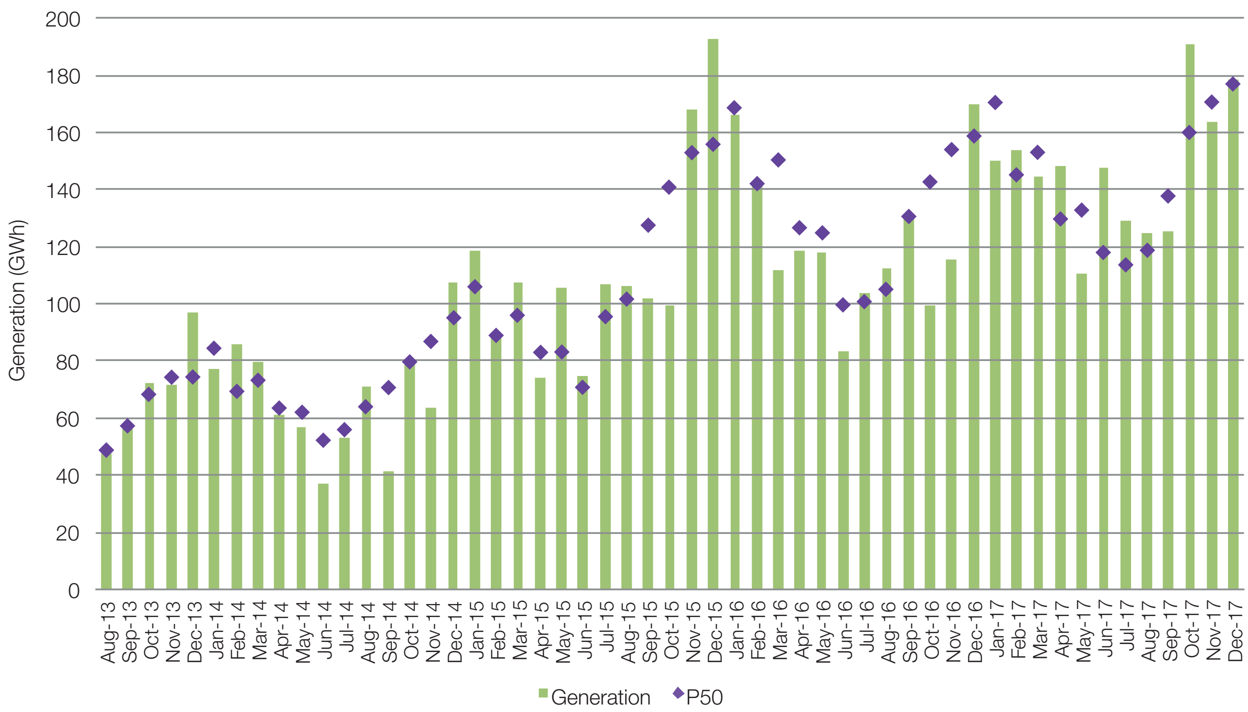
Generation across the year was 2.5% above budget.

Wind: In the UK and Ireland production was up nearly 4% on budget overall. While winds more broadly across the UK were not especially strong, TRIG's wind sites in Great Britain generated 6% above budget. Within this, the Scottish sites, including the newly-acquired Neilston and Freasdail wind farms, performed particularly well and, coupled with above long-term average wind levels, exceeded budget by 7%. This mitigated a shortfall in production at the Irish wind farms, where lower than long-term average wind speeds impacted generation, which was 5% below budget. Another notable factor in Ireland was a grid outage at the 25.3MW Taurbeg wind farm, which lasted from June until October, for which the project received partial compensation. The French wind assets were in aggregate above budget and finished the year strongly, making up for poor wind speeds in the first six months of the year and some above-average grid losses.

Solar: Solar generation was 5% higher than in 2016, and ongoing improvements were visible throughout the year following the appointment of the Operations Manager, RES, as the operations and maintenance contractor across the UK solar portfolio. Production was beneath budget however due to some downtime during the performance of long-term rectification works, above-average grid outages and lower-than-average solar irradiation in the UK. The French solar assets performed well, beating their overall budget.

The graph below shows monthly production against P50 budget since IPO. While there is some variance from month to month and year to year, performance during 2017 has been within long-term expectations. The geographical and technological diversity of the TRIG portfolio has provided good resilience to varying weather conditions, with total production in line with budget since IPO.

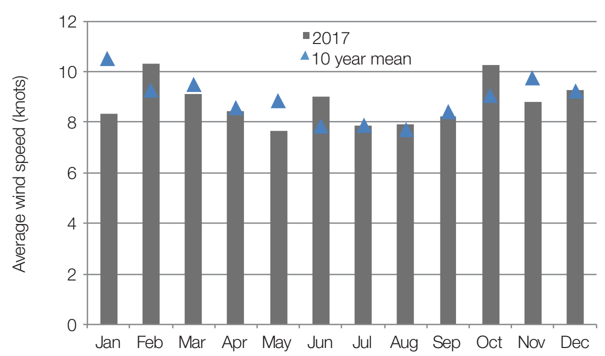
Monthly generation against P50 budget since IPO



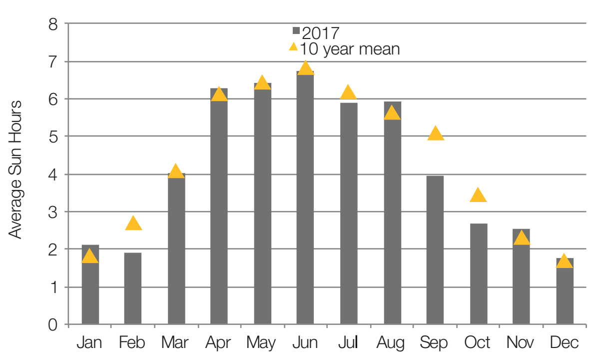
UK Weather Data: The Department for Business, Energy & Industrial Strategy publishes monthly variation in UK wind speeds and sun hours compared to a 10-year mean, as shown in the graphs below. For 2017, the BEIS data presents a negative variance in wind speed of 1.4% compared to the long-term average with stronger-than-expected winds in February, June and October balancing less windy periods in January, May and November. The sun hours generally tracked close to the historical mean but fell below average overall with particular deficits in February, September and October.

Weather versus 10 year mean

UK Wind Speeds



UK Sun Hours



Source: BEIS

Strategic Report continued

Whilst providing a guide to weather conditions, the BEIS data is collected from a distribution of weather stations across the UK, and therefore is not always representative of the weather experienced by the TRIG portfolio.

The Operations Manager, RES, continually seeks ways to enhance the value of the portfolio. RES employs a holistic approach, engaging both commercial and technical aspects of operations to derive additional value. Commercial initiatives include increasing revenue by advancing new routes to market, and reducing costs through extensive service provider contract negotiation. For example, the new O&M agreement for a Scottish wind farm renewed in early 2017 is now active and bringing annual cost savings of £370k compared to the acquisition case, without impacting on the quality of service. The scale of the TRIG portfolio has facilitated multi-project tender processes, delivering enhanced commercial terms.

The energy yield budgets represent the expected average annual production for the projects in normal operating environment and average weather conditions (known as the P50 budget – see 'Energy yield assumptions' in the Valuation Movements section of the Strategic Report for an explanation of P50). The energy yield budgets are updated periodically using current industry methodology and incorporate technical analysis of site specific variables (including topography, historical weather patterns and the associated production history where available), equipment capacity and efficiency, grid capacity and availability, and any operating restrictions.

On the technical side, the TRIG portfolio benefits from RES' extensive experience in operating renewable assets. Significant costs savings are achieved through condition monitoring, which is utilised to detect and proactively address potential problems before failure. An example of this approach is the main bearing replacement on a turbine on the Altahullion wind farm in Northern Ireland. The bearing began to fail in 2015 but was not a threat to the safe operation of the turbine. Close monitoring and enhanced maintenance allowed the bearing to run until its replacement in 2017. Overall this saved around £600k by careful spare parts management and planning the complex replacement during a low wind period.

RES as Operations Manager always strives to achieve the highest health and safety standards, as required by the TRIG board, and is a leader within the industry. Reporting of incidents and near misses is actively encouraged and RES monitors trends in the issues reported. Where significant issues are identified, root cause analysis is undertaken to identify how to avoid reoccurrence. Where solutions are required and implemented, RES follows up to ensure they have been effective.

In 2017, RES launched a global level safety initiative 'Safety Leap Forward' with the aim of achieving exemplary safety performance. This initiative focuses on seven key areas:

- Data collection, analysis and reporting
- Discipline and incentives
- Preparedness for construction
- Induction
- Hazard awareness
- Competency, training and promotion
- Cultural and behavioural change

RES will be working with the Keil Centre, a leading company of Chartered Psychologists and Registered Ergonomists to develop and roll out RES' Behavioural Standard with the target of further improvement in the business's safety culture.

Garreg Lwyd Wind Farm

2.8 Valuation of the Group's 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 31 December and 30 June 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 IAS 39, given the special nature of infrastructure investments. Where an investment is traded, a market quotation is used.

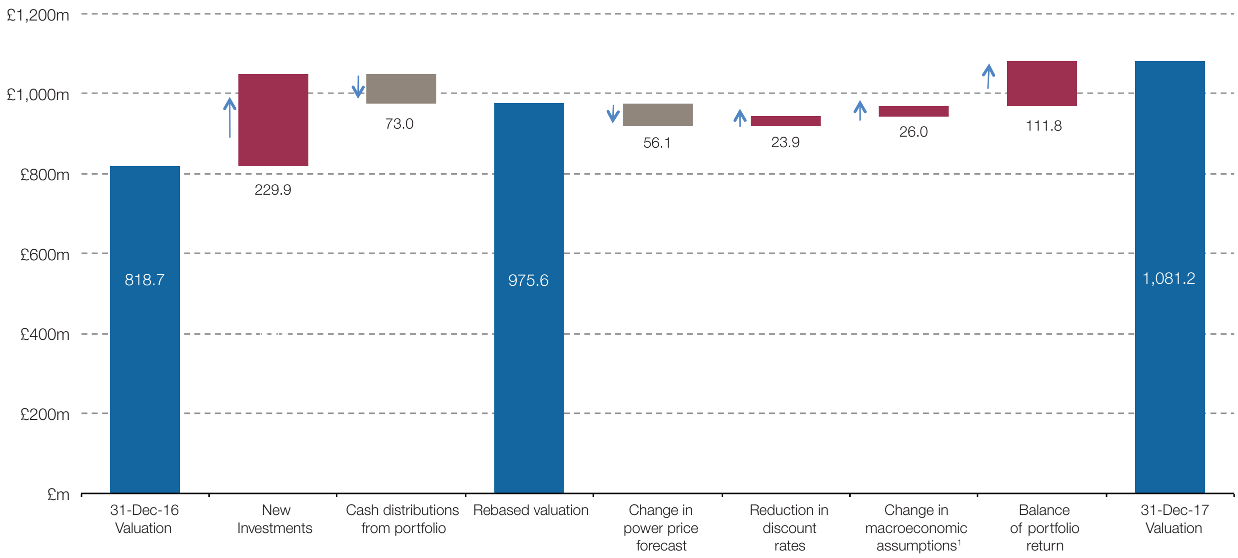
The valuation for each investment in the portfolio is derived from the application of an appropriate discount rate to reflect the perceived risk to the investment's future cash flows to give the present value of those cash flows. The Investment Manager exercises its judgement in assessing both the expected 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 is the same method as applied since the inception of the Company.

The Directors' valuation of the portfolio as at 31 December 2017 was £1,081.2 million. This valuation compares to £818.7 million as at 31 December 2016 and £951.8 million at 30 June 2017. The Company commissioned an independent valuation across a sample of the investments representing 57% by value. This independent valuation provides additional corroboration of the latest valuations produced by the Investment Manager.

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 2017



1 Change in macroeconomic assumptions includes: changes in tax rates in France, changes in inflation assumptions and movements in foreign exchange.

Valuation movement during the year to 31 December 2017	£'million	£'million
Valuation at 31 December 2016		**818.7**
New investments in the year	229.9	
Cash distributions from portfolio	(73.0)	
Rebased valuation of portfolio		**975.6**
Changes in forecast power prices	(56.1)	
Reductions in valuation discount rates	23.9	
Changes in macroeconomic assumptions[1]	26.0	
Balance of portfolio return		111.8
Valuation at 31 December 2017		**1,081.2**

1 This comprises a £10.9 million gain due to changes in taxation in France, a £9.8 million gain attributable to changes in inflation assumptions and a £5.3 million foreign exchange gain (the net gain for the Company was £3.4 million after the impact of foreign exchange hedges held at Company level.)

The opening valuation at 31 December 2016 was £818.7 million. Allowing for investments of £229.9 million and cash receipts from investments of £73.0 million, the rebased valuation is £975.6 million.

Investments of £229.9 million in the year comprised the following:

- a £102.8 million investment in Garreg Lwyd wind farm;
- a £22.6 million investment in Neilston Community wind farm;
- a £1.1 million investment in the freehold land interest at the Marvel Farms solar park;
- a £2.4 million true-up payment payable in relation to the Meikle Carewe and Tallentire Wind Farms following increased post acquisition yields;
- a £20.4 million investment in the Broxburn battery energy storage project;
- a £79.5 million 14.7% investment in the Sheringham Shoal offshore wind farm; and
- a £1.0 million follow-on investment in the TRIG/Akuo holding company to enable it to buy out minority investors in the Marie Galante solar park in Guadeloupe.

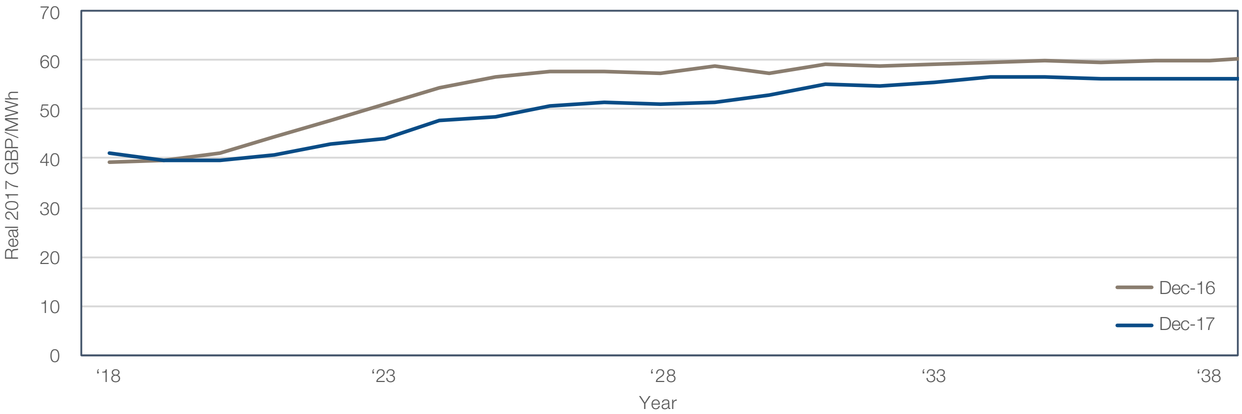
Each movement between the rebased valuation of £975.6 million and the 31 December 2017 valuation of £1081.2 million is considered in turn below:

(i) *Forecast power prices:* Overall net reductions in power price forecasts during the year had the impact of reducing the valuation of the portfolio by a net £56.1 million. The valuation uses updated power price forecasts for each of the markets in which TRIG invests, namely the GB market, the Irish Single Electricity Market, and the French market.

The main driver reducing the forecast power prices continues to be reduced gas prices, both in the near term as global gas prices remain subdued and in the longer term as forecasters adopt slightly lower projections of future gas prices. In addition, the forecasters assume a lower carbon cost over the medium term resulting from faster than previously assumed renewables deployment.

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 three power markets in which TRIG is invested after applying expected PPA power sales discounts and reflecting cannibalisation. The forecast assumes an increase in power prices in real terms over time. The equivalent power price curve assumed at 31 December 2016 is also shown.

Illustrative blended power price curve (real prices) for TRIG's portfolio[1]



1 Power price forecasts used in the Directors' valuation for each of GB, the Single Electricity Market of Ireland and France 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 2017 Portfolio. Forecasts are shown net of assumptions for PPA discounts and cannibalisation.

(ii) *Reduction in valuation discount rates:*

During the year, there has continued to be strong demand for income-producing infrastructure assets, including renewable energy projects, as the market continues to mature with more investors seeking to gain exposure. This has resulted in a continued reduction in the prevailing discount rates applied for renewables investments which partially offsets the impact of the net overall reductions in power price forecasts. 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% in discount rates in the year (a 0.2% reduction was applied in the first half of the year and a further 0.2% reduction has been applied at the year-end). This change in assumption has led to an increase in the valuation of the investments of £23.9 million.

The weighted average portfolio valuation discount rate at 31 December 2017 was 8.0% (31 December 2016: 8.4%). The reduction reflects the market discount rate compression described above. The impact of acquisitions in the year has been neutral because their returns have, on a weighted average basis, been similar to the portfolio average discount rate.

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.

Strategic Report continued

(iii) *Changes in macroeconomic assumptions:*

Changes in tax rates in France: The valuation of the French investments, which comprised 12% of the portfolio at the year end, has increased by £10.9 million as a result of the phased reduction in the corporation tax rate from 33% to 28% over the period to 2020, a further planned phased reduction in the corporation tax rate from 28% to 25% between 2020 and 2022 as well as the repeal of the 3% dividend tax.

Inflation assumptions: The level of inflation that has been applied to expected UK ROC revenues has been increased from 2.75% to 3.4% in 2018 and 2.9% in 2019 reflecting current higher than trend domestic inflation before reverting to the long-term assumption of 2.75%. The level of inflation that has been applied to project income and costs in France and Ireland has been reduced 2.0% to 1.5% in 2018 and 1.75% in 2019 reflecting current lower than trend EU inflation before reverting to the long-term assumption of £2.0%. The combined impact of the changes in inflation assumptions adopted has been to increase the valuation by £9.8 million.

Foreign exchange: Weakening of sterling in the year versus the euro has led to a £5.3 million gain on foreign exchange in the period in relation to the euro-denominated investments located in France and the Republic of Ireland, which reduces to a £3.4 million gain after the impact of hedges as stated below. At 31 December 2017, euro-denominated investments comprised 13% of the portfolio.

As sterling depreciated the currency hedge incurred a £1.9 million loss in the year to 31 December 2017 and serves to reduce the sensitivity to movements in the euro/sterling exchange rate. The euro-denominated assets saw a £5.3 million foreign exchange gain. However, the overall positive impact on net assets of the foreign exchange movement was £3.4 million after netting off the £1.9 million impact of the foreign exchange hedge.

(iv) *Balance of portfolio return:*

This refers to the balance of valuation movements in the year (excluding (i) to (iii) above) and represents an uplift of £111.8 million. This represents an 11.5% increase over the rebased value of the portfolio. The balance of portfolio return mostly reflects the net present value of the cash flows brought forward by a year at the average prevailing portfolio discount rate (around 8.2% as this reduced during the year) and also some additional valuation adjustments. These include reduced maintenance costs and improving PPA as these markets become more competitive. The outperformance also recognises refinance gains as some of the older project debt packages can be refinanced with new long-term debt on more favourable terms (such as the refinancing of a portfolio of three UK solar projects during the year).

Valuation Sensitivities

The Investment Manager has provided sensitivity analysis 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. All of the NAV per share sensitivities assume 947.3 million ordinary shares as at 31 December 2017 (which includes those in issue as well as approximately 0.9 million shares due to be issued in March 2018 as part-payment of the Managers' fees).

The analysis below shows the sensitivity of the portfolio value to changes in key assumptions as follows:

Discount rate assumptions

The weighted average valuation discount rate applied to calculate the portfolio valuation is 8.0% at 31 December 2017. The sensitivity shows the impact on valuation of increasing or decreasing this rate by 0.5%.

Discount rate sensitivity	**-0.5%**	**Base 8.0%**	**+0.5%**
Change in Portfolio Valuation	+£38.9m	£1,081.2m	-£37.8m
Implied change in NAV per Ordinary Share	+4.1p/share		-4.0p/share

Energy yield assumptions

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. The terms P90, P50 and P10 are explained below.

Energy yield sensitivity	**P90 (10-year)**	**Base (P50)**	**P10 (10-year)**
Change in Portfolio Valuation	-£108.3m	£1,081.2m	+£104.7m
Implied change in NAV per Ordinary Share	-11.4p/share		+11.1p/share

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).

Power price assumptions

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.

Power price sensitivity	-10%	Base	+10%
Change in Portfolio Valuation	-£79.1m	£1,081.2m	+£81.1m
Implied change in NAV per Ordinary Share	-8.3p/share		+8.6p/share

Inflation assumptions

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 France 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 rate sensitivity	-0.5%	Base	+0.5%
Change in Portfolio Valuation	-£43.5m	£1,081.2m	+£50.8m
Implied change in NAV per Ordinary Share	-4.6p/share		+5.4p/share

Operating costs at project company level

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 2018 and that change to the base case remains reflected consistently thereafter during the life of the projects.

Operating cost sensitivity	-10%	Base	+10%
Change in Portfolio Valuation	+£41.5m	£1,081.2m	-£42.0m
Implied change in NAV per Ordinary Share	+4.4p/share		-4.4p/share

Euro/sterling exchange 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 2017 valuation (based on a 31 December 2017 exchange rate of €1.1252 to £1). In each case it is assumed that the change in exchange rate occurs from 1 January 2018 and thereafter remains constant at the new level throughout the life of the projects.

At the year-end, 13% of the portfolio was located in France and Ireland comprising euro-denominated assets. The Group has entered into forward hedging of the expected euro distributions for the next 18 months and in addition placed further hedges to reach a position where approximately 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.

Exchange rate sensitivity	-10%	Base	+10%
Change in Portfolio Valuation	-£6.2m	£1,081.2m	+£6.2m
Implied change in NAV per Ordinary Share	-0.7p/share		+0.7p/share

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.

Strategic Report continued

Interest rates applying to project company debt and cash balances

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 2018 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.

Interest rate sensitivity	**-1%**	**Base**	**+2%**
Change in Portfolio Valuation	-£0.1m	£1,081.2m	+£0.4m
Implied change in NAV per Ordinary Share	0.0p/share		0.0p/share

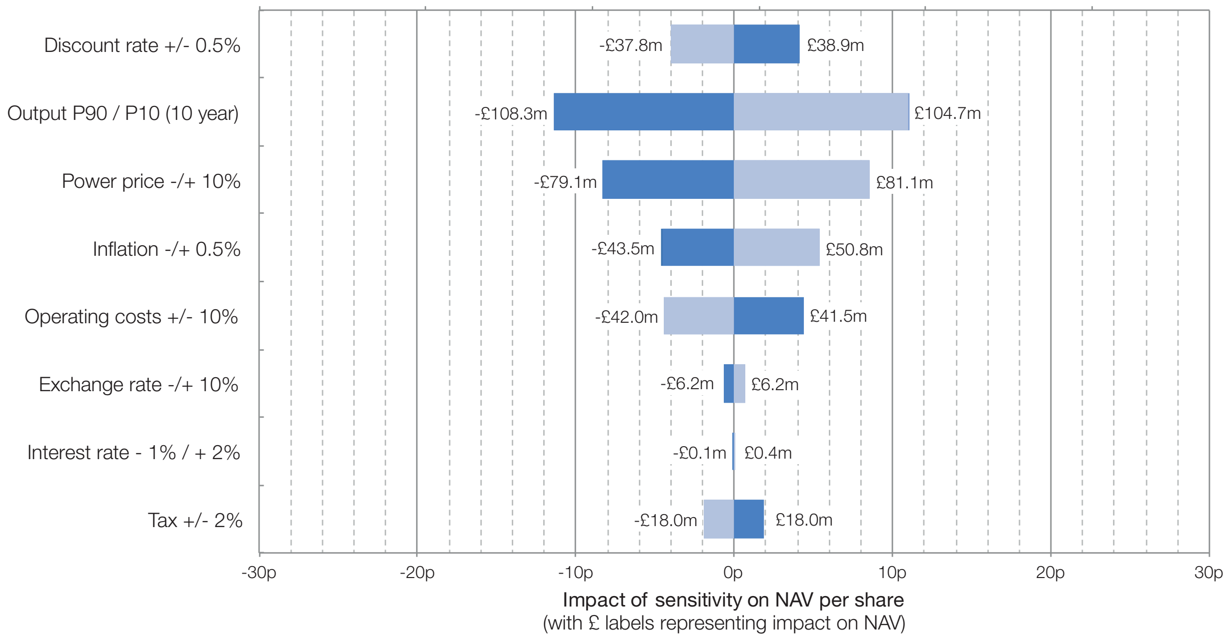
Corporation tax rates

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 9 to the financial statements). The tax sensitivity looks at the effect on the Directors' valuation and the NAV per share 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.

Tax sensitivity	**-2%**	**Base**	**+2%**
Change in Portfolio Valuation	+£18.0m	£1,081.2m	-£18.0m
Implied change in NAV per Ordinary Share	+1.9p/share		-1.9p/share

Illustration of 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 of the sensitivities on portfolio value as described above):



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

2.9 Analysis of Financial Results

At 31 December 2017, the Group had investments in 57 projects. As an investment entity for IFRS reporting purposes, the Company carries these 57 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. 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 2017 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 31 December 2017.

At 31 December 2017, TRIG UK I was £106.4 million drawn on its revolving acquisition facility (2016: £nil drawn) explaining 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 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.

Income Statement

Summary	Year to 31 December 2017 £'million Statutory IFRS Basis	Adjustments[1]	Expanded Basis	Year to 31 December 2016 £'million Statutory IFRS Basis	Adjustments[1]	Expanded Basis
Operating income	93.1	12.6	105.7	76.0	12.1	88.1
Acquisition costs	–	(0.8)	(0.8)	–	(0.3)	(0.3)
Net operating income	**93.1**	**11.8**	**104.9**	**76.0**	**11.8**	**87.8**
Fund expenses	(1.1)	(9.9)	(11.0)	(1.0)	(7.9)	(8.9)
Foreign exchange (loss)/gains	(1.8)	–	(1.8)	(7.1)	–	(7.1)
Finance costs	–	(1.9)	(1.9)	–	(3.9)	(3.9)
Profit before tax	**90.2**	**–**	**90.2**	**67.9**	**–**	**67.9**
EPS	9.8p		9.8p[2]	8.8p		8.8p

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 915.9 million shares.

Analysis of Expanded Basis Financial Results

Profit before tax for the year to 31 December 2017 was £90.2 million, generating earnings per share of 9.8p, which compares to £67.9 million and earnings per share of 8.8p for the year to 31 December 2016.

The EPS of 9.8p is after the impact of reductions in power prices in the year offset by reduced valuation discount rates, beneficial movements in macroeconomic assumptions and valuation enhancements driven predominantly from expected maintenance costs reductions, improving PPA terms and refinance gains.

Portfolio value movements (which make up operating income) are more fully described in Section 2.8 of this Strategic Report.

Increases in both net operating income and fund expenses in the year to 31 December 2017 as compared to the year to 31 December 2016 reflect the increase in the size of the portfolio.

Acquisition costs relate to three wind farm investments and one battery storage facility in the year, being Garreg Lwyd, Neilston, Sheringham Shoal and Broxburn.

	Year to 31 December 2017 (£'million)	Year to 31 December 2016 (£'million)
Acquisition costs	0.8	0.3
Purchase of new investments	229.9	77.7
Acquisition costs as % of investments	0.3%	0.4%

Fund expenses of £11.0 million (2016: £8.9 million), includes all operating expenses and £9.1 million (2016: £7.6 million) fees paid to the Investment and Operations Managers. Management fees are charged at 1% of Adjusted Portfolio Value (APV) up to an APV of £1 billion and 0.8% thereafter. These fees are set out in more detail in the Related Party and Key Advisor Transactions note, Note 18 to the financial statements.

The slight strengthening of the euro against sterling from 0.854 at the end of 2016 to 0.889 at the end of 2017 has increased the value of the euro-denominated assets in the TRIG investment portfolio, with foreign exchange gains recognised in the portfolio of £5.7 million (2016: £16.0 million gain). This was partially offset by the foreign exchange losses on hedges held outside the portfolio of £1.8 million (2016: £7.1 million loss). Portfolio value movements (included in operating income) are more fully described in Section 2.8 of this Strategic Report. The net foreign exchange gain in the year is hence £3.9 million (2016: £8.9 million gain).

Finance costs relate to the interest and fees incurred relating to the Group's revolving acquisition facility.

Ongoing Charges

Ongoing Charges (Expanded Basis)	Year to 31 December 2017 £'000s	Year to 31 December 2016 £'000s
Investment and Operations Managers' fees	9,071	7,609
Audit fees	117	93
Directors' fees and expenses	198	195
Other ongoing expenses	815	676
Total expenses[1]	10,201	8,573
Average net asset value	921,882	780,443
Ongoing Charges Percentage (OCP)	1.11%	1.10%

1 Total expenses excludes £0.8 million (2016: £0.3 million of predominantly lost bid costs incurred during the year.

The Ongoing Charges Percentage is 1.11% (2016: 1.10%). 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 slightly higher Ongoing Charges Percentage in 2017 reflects the higher average cash balances in 2016 compared to 2017. There is no performance fee paid to any service provider.

Balance Sheet

	As at 31 December 2017 £'million			As at 31 December 2016 £'million		
Summary	**Statutory IFRS Basis[1]**	**Adjustments**	**Expanded Basis**	**Statutory IFRS Basis**	**Adjustments**	**Expanded Basis**
Portfolio value	973.3	107.9	1,081.2	817.8	0.9	818.7
Working capital	(1.2)	(1.6)	(2.8)	(2.0)	(1.1)	(3.1)
Debt	–	(106.4)	(106.4)	–	–	–
Cash	10.6	0.2	10.8	18.5	0.2	18.7
Net assets	**982.8**	**–**	**982.8**	**834.3**	**–**	**834.3**
Net asset value per share	103.6p		103.6p	100.1p		100.1p

1 Columns may not sum due to rounding differences.

Analysis of Expanded Basis Financial Results

Portfolio value grew by £262.5 million in the year to £1,081.2 million, primarily as a result of the investments made in the year to 31 December 2017 as described more fully in the "Valuation Movements" section of this Strategic Report.

Group cash at 31 December 2017 was £10.8 million (2016: £18.7 million) and acquisition facility debt drawn was £106.4 million (2016: £nil).

Net assets grew by £148.5 million in the year to £982.8 million. The Company raised £109.4 million (after issue expenses) of new equity during the year and produced a £90.2 million profit in the year, with net assets being stated after accounting for dividends paid in the year (net of scrip take up) of £51.9 million. Other movements in net assets totalled £1.0 million, being the Managers' shares accrued at 31 December 2017 and to be issued on or around 31 March 2018.

Net asset value ("NAV") per share as at 31 December 2017 was 103.6p compared to 100.1p at 31 December 2016.

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 2016	100.1p	833.8	834.3
Profit/EPS to 31 December 2017	9.8p[1]	–	90.2
Shares issued (net of costs)	0.1p	107.7	109.3[2]
Dividends paid in 2017	(6.4)p	–	(58.3)
Scrip dividend take-up	–	5.9[3]	6.3
H2 2017 Managers' shares to be issued	–	0.9	1.0
Net assets at 31 December 2017	103.6p	948.3	982.8

1 Calculated based on the weighted average number of shares during the year being 915.9 million shares.

2 Includes shares issued to managers (less costs) during the year.

3 Scrip dividend take-up comprises 0.6 million shares in March 2017, equating to £0.7 million, 1.0 million shares in June 2017, equating to £1.1 million, 2.7 million shares in September 2017, equating to £2.9 million, and 1.6 million shares in December 2017, equating to £1.7 million issued in lieu of dividends paid.

Cash Flow Statement

	Year to 31 December 2017 £'million			Year to 31 December 2016 £'million		
Summary	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments[1]	Expanded Basis
Cash received from investments	59.2	13.8	73.0	47.4	12.1	59.5
Operating and finance costs	(1.1)	(8.8)	(9.9)	(1.1)	(8.1)	(9.2)
Cash flow from operations	58.1	5.0	63.1	46.3	4.0	50.3
Debt arrangement costs	–	(0.2)	(0.2)	–	(1.6)	(1.6)
Foreign exchange losses	(2.6)	(0.2)	(2.8)	(4.9)	–	(4.9)
Issue of share capital (net of costs)	110.1	(1.5)	108.6	92.7	(1.5)	91.2
Acquisition facility drawn/(repaid)	–	106.4	106.4	–	–	–
Purchase of new investments (including acquisition costs)	(121.6)	(109.5)	(231.1)	(77.5)	(1.0)	(78.5)
Distributions paid[1]	(51.9)	–	(51.9)	(53.0)	–	(53.0)
Cash movement in year	(7.9)	–	(7.9)	3.6	(0.1)	3.5
Opening cash balance	18.5	0.2	18.7	14.9	0.3	15.2
Net cash at end of year	10.6	0.2	10.8	18.5	0.2	18.7

1 The distribution paid in the year to 31 December 2016 is higher than that paid in the year to 31 December 2017 because the distributions in 2016 relate to fifteen months of operations, being the six months to 31 December 2015 and three quarterly dividends thereafter. This is as a result of the company changing its payment cycle from semi-annual to quarterly dividends in H1 2016.

Analysis of Expanded Basis Financial Results

Cash received from investments in the year was £73.0 million (2016: £59.5 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 £51.9 million (net of £6.3 million scrip dividends). Dividends paid in the prior year totalled £53.0 million (net of £6.7 million scrip dividends) and relate to fifteen months of operations as the Company moved from paying dividends semi-annually to quarterly during the first half of 2016.

Cash flow from operations in the year was £63.1 million (2016: £50.3 million) and covers dividends paid of £51.9 million in the year by 1.2 times (or 1.1 times without the benefit of scrip take up), or 1.7 times before factoring in amounts invested in the repayment in project level debt. The Group repaid £25 million (net) of project-level debt (pro-rata to the Company's equity interest) in the year.

Share issue proceeds (net of costs) totalling £108.6 million (2016: £91.2 million) reflects the net proceeds of the 106.8 million shares issued in April 2017.

In the year, £231.1 million was invested in acquisitions and acquisition expenses. This was funded through £10.0 million of uninvested capital from 2016, £108.6 million of share capital raised (net of costs), £106.4 million of acquisition facility debt that remained drawn at the year end and the balance being £6.1 million of reinvested cash generated in the year to 31 December 2017.

Cash balances reduced in the period reflecting the application of the new share capital proceeds raised in 2016 and outstanding at the end of 2016 being invested in 2017.

2.10 Financial KPIs and Review of the Year

	(Year to) 31 December 2017	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014	(Part year[1] to) 31 December 2013
Dividend per share (declared)	6.40p	6.25p	6.19p	6.08p	6p (annualised)
Share price	108.6p	109.6p	102.3p	104.00p	102.25p
Net Asset Value per share	103.6p	100.1p[2]	99.0p[2]	102.4p	101.5p
Total Shareholder Return[3] (share price basis, annualised)	+5.11% (FTSE All Share: +13.1%)	+15.7% (FTSE All Share: +16.8%)	+4.4% (FTSE All Share: +1.0%)	+7.5% (FTSE All Share: +1.2%)	–
Portfolio Value[4] *Year-on-year growth* *Number of projects* *Aggregate capacity*	£1,081.2m +32% 57 821MW	£818.7m +15% 53 710MW	£712.3m +51% 36 658MW	£472.9m +57% 29 439MW	£300.6m – 20 288MW
Market capitalisation *Year-on-year growth* *Number of shares in issue*	£1,028.8m +13% 947.3m	£912.9m +22% 833.0m	£749.7m +73% 732.8m	£432.1m +36% 415.5m	£317.0m – 310.0m
Ongoing Charges Percentage	1.11%	1.10%	1.20%	1.25%	1.20% (annualised)

NOTES

1 For 2013, data is derived from the period from IPO on 29 July 2013 to 31 December 2013 unless otherwise stated.

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 2016. 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 2017 TSR reflects the lower share price in 2017 compared to 2016 and dividends paid.

4 There have been five investment transactions plus three small follow-on investments amounting to a total consideration of £229.9 million, as set out in more detail in section 2.8 of the Strategic Report.

The weighted average portfolio discount rate is 8.0%. Adjusted for fund-level costs, the discount rate implies the expected level of return to investors from a theoretical investment in the Company made at NAV per share.

Financing

In January 2018, the Group amended its three-year revolving acquisition facility to increase the facility size from £150 million to £240 million to fund acquisitions and reflecting the Company's active pipeline of investments. ING Group were admitted as an additional lender into the expanded facility alongside existing lenders Royal Bank of Scotland plc and National Australia Bank Limited. The facility expiry date remains 30th September 2019 and the margin when drawn remains at 2.05%.

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 £15 million working capital element.

This short-term financing 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 earlier in 2017, was drawn down to fund investments several times in the year and at the year-end was drawn £106.4 million. Since the year-end, further acquisitions have increased the balance to approximately £148 million.

During 2017 total investments of £229.9 million were made which were funded by the proceeds of raising new equity capital (net of costs) of £108.6 million, drawdowns on the revolving acquisition facility of £106.4 million, the application of approximately £10 million of equity capital raised in 2016 deployed in H1 2017 and an element of reinvestment of investment cashflows.

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 2017 across the portfolio was 38% (2016: 40%). The decrease in gearing reflects repayments made during the year with the impact of acquisitions being broadly neutral. Overall gearing may also change as a result of the purchase of further investments with or without project-level debt within them, scheduled repayment of project-level debt and refinancings. Long-term non-recourse project-level debt in the portfolio has generally been secured for the full duration of its expected amortisation (i.e. is without refinancing risk) and has swap instruments fixing interest rates over the majority of the loans (i.e. minimising exposure to increasing interest rates).

The composition of the portfolio is relevant in considering the appropriate level of gearing to deploy within a renewables portfolio. In considering the Company's portfolio alongside others it may be noted that, in the opinion of the Managers:

- Certain of the Company's projects have no or very low power price risk during the subsidy period, when project debt is often in place, because of the design of the subsidy arrangements. These include French feed-in tariff projects, projects with long-term fixed price PPAs and, in due course, UK CfD projects. Of the TRIG portfolio, 28% by value falls into this category (of which broadly half are onshore wind projects and half are solar PV projects).
- In respect of other operational risks, the Company is invested in renewables technologies which are established and do not, for example, rely on feedstock supplies or process engineering. The portfolio includes solar PV projects which typically enjoy lower variation to their periodic cash flows than wind projects.

As at 31 December 2017, the Group had cash balances of £10.8 million, excluding cash held in investment project companies as working capital or otherwise.

Foreign Exchange Hedging

At the year-end, 13% of the portfolio was located within France and the Republic of Ireland and hence is invested in euro-denominated assets. Since the year-end, the euro proportion of the portfolio increased to 18% taking into consideration the post-period end acquisition of Clahane wind farm.

The Group enters into forward hedging contracts against its expected income from the euro-denominated investments' distributions over the short term, currently approximately the next 18 months. In addition the Group enters 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 approximately 50% of their aggregate value.

The Investment Manager keeps under review the level of euros hedged, with the objective of minimising variability in shorter term cash flows with 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 0.7p – this is explained in more detail in Section 2.8 (Valuation Sensitivities – euro/sterling exchange rate).

2.11 Risks and Risk Management

Risks and Uncertainties

While there are a broad range of risk elements that may potentially impact TRIG including ones 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 risks in the year.

Major Risk Category	Key Mitigants
Portfolio electricity production falling short of expectations	▲ Established nature of onshore wind and solar PV technologies ▲ Complementary seasonal bias of wind and 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 falling or not recovering as expected	▲ Approximately two-thirds of TRIG's near-term portfolio-level revenue is fixed in nature, without power price exposure ▲ Electricity is sold into three distinct electricity markets (GB, Irish SEM[1] and France) ▲ 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 ▲ Recent falls in electricity prices provide upside opportunity from economic growth, increased carbon taxes, generation supply constraints or other factors that may cause prices to rebound ▲ 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
Government or regulatory support for renewables changes adversely	▲ UK and Northern 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

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 termed "intermittent" sources of electricity, compared say 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 98%.

Electricity Prices: In valuing the TRIG portfolio, it is necessary to take a long-term view on wholesale electricity prices which is done in consultation with independent energy price forecasters. It should be noted that TRIG is more concerned about long-term energy prices, as in the near term its revenues comprise a greater proportion of subsidies together with PPAs with fixed prices or price floors, fixed price feed-in tariffs ("FITs") and some assets with no exposure at all.

In 2018, the portfolio expects to benefit from approximately two-thirds 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.

It is expected that in the long term European energy wholesale prices will increase in real terms from current levels. The primary driver for rises is recovering gas prices, with cheap sources of gas declining and an increased reliance on more expensive gas (LNG) to meet demand. Carbon taxes are also expected to increase across Europe.

In TRIG's markets, while 2017 has seen some improvement over prior years in terms of wholesale power prices, forecasters expect near-term weakness before a gradual long-term recovery. With the trajectory assumed by TRIG (illustrated in Section 2.8) considerably lower than at IPO (after a number of reductions in the forecast price curve) on the back of excess gas supplies in Europe together with muted demand growth, it may be assumed that power prices will continue to fluctuate.

Progress in storage technologies may assist with dispatching wind and solar generation to a market with increasingly intermittent generation. 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. Current battery storage projects, such as at TRIG's Broxburn site under construction, are mainly utilised for frequency response services, supplying the grid with capacity to match very short-term imbalances in the frequency.

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 would be offset over time by projects purchased when the power forecasts turn out to have been at relatively low levels.

Government Regulations: 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. The gradual emergence of local shale oil and gas opportunities may partially mitigate any reduction in North Sea oil and gas production, but 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 focuses its investments predominantly on the UK and Northern Europe where there is a strong emphasis on meeting decarbonisation targets and showing consistency in grandfathering prior subsidy commitments to operating plants. The Company may also consider investments in other geographies such as Australia and North America where the Managers believe there is a stable regulatory regime.

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 the Company's portfolio valuation in Section 2.8.

Other risk factors which TRIG has been monitoring closely include:

Interest rates: While interest rates remain low by historic standards in our markets of focus, there have been small increases during 2017. Modest UK and European GDP growth rates and inflation (partly driven in the UK by the currency impact post the June 2016 Brexit vote) suggest a slow and manageable trajectory of interest rate recovery over time. To the extent that higher rates are correlated with higher inflation, the portfolio has protection by a natural hedge through exposure to inflation-linked contracts 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.

The Brexit Vote: The UK's vote in June 2016 to leave the EU has resulted in political and economic uncertainty with consequent market volatility. The full implications of the Brexit vote are still difficult to assess with the Article 50 leaving negotiations ongoing. The impact of Brexit is already partially addressed under the major risk factors above, although one additional uncertainty is how Brexit may affect Scotland and in particular how any further potential independence initiatives might impact on its currency (potentially leaving sterling for the euro materially increasing the Group's currency exposure) and on the renewables market, including future new capacity deployment, the treatment of subsidies or the trajectory of power prices.

For TRIG's future portfolio valuations, further depreciation of sterling may cause overseas assets to become more expensive relative to valuations using historic foreign exchange rates. The Company has foreign exchange hedges in place that aim to offset approximately 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. The immediate effect has been an upward pressure on GB market electricity pricing, pushing up the portfolio valuation (see Electricity Prices, discussed above). Over the longer term, the impacts 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.

In addition, there are other risks also regularly assessed by TRIG – including in the areas of operations, markets, liquidity, credit, counterparties and taxation, and these are set out in the following section on risk management.

Other regulatory change: A future Labour government in the UK may introduce adverse changes in taxation as indicated by their 2017 manifesto. Under a Labour Government, should this occur, UK corporation tax may increase to 26%, which would reduce TRIG's NAV due to the higher taxes paid. Sensitivities, from which the impact of changes to tax rates may be gauged, can be found in the Company's portfolio valuation in Section 2.8.

Labour is also proposing to remove the Withholding Tax exemption for Eurobonds and to disallow private funds from holding public assets offshore. If such a situation were to arise, TRIG would likely come onshore with reference to the UK with the company deeming a portion of its dividends paid to investors as interest distributions by applying the UK's Investment Trust (Approved Company) (Tax) Regulations (2011). Please refer to 'Group Structure' under Business Model in section 2.5 where TRIG's offshore structure is also discussed.

A potential Labour government may look to nationalise important UK infrastructure projects. Electricity generation assets have not been identified as a target for nationalisation although they may be impacted via the local energy companies which, along with transmission networks, may be brought into state control. The Manager views this as a low risk scenario, especially as initial targets for nationalisation would likely prioritise the water, rail, some PFI and gas transmission sectors.

As a positive, Labour's favourable stance on renewables deployment may incentivise further renewables construction which in turn could increase the Company's UK pipeline.

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 creation 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 Northern 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

Counterparty Exposures

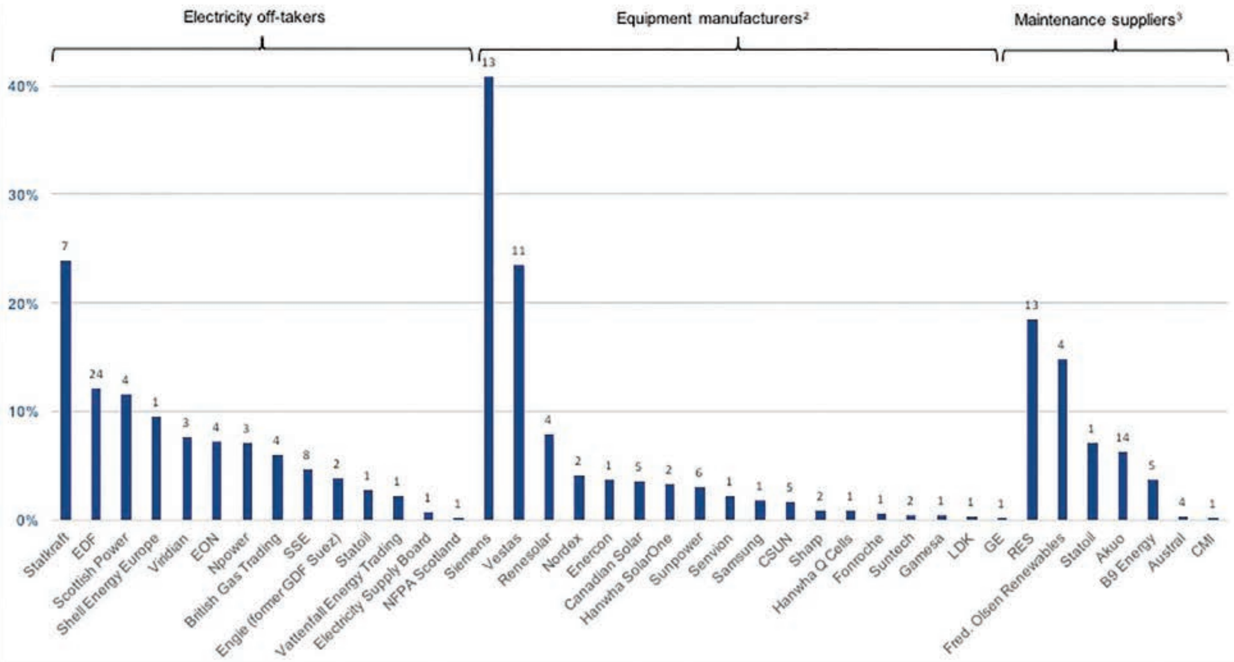
Given the importance of state subsidies for investment in renewables, TRIG has exposure to the creditworthiness of and policy commitments by national governments and is reliant on the consistency of government policy, for example "grandfathering" within the UK whereby renewables generators continue to 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 with a utility or energy trading company to enable them to sell the electricity generated and to receive the feed-in tariff or Renewables Obligation Certificate ("ROC") 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 usually 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.

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, EDF and SSE (as PPA providers), Siemens and Vestas (as turbine suppliers and maintainers) and Akuo 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.

No supplier or off-taker is currently involved in more than 50% of the projects by value or number (with the exception of RES, TRIG's Operations Manager, which has project asset management and/or maintenance roles in relation to a number of the projects in addition to the portfolio-level services it provides to TRIG). 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.

Illustration of the range of PPA counterparties, equipment manufacturers and maintenance suppliers by relative value of associated projects (bars) and number of projects (numbers above bars)[1 2]:



1 Some projects have more than one counterparty in a category, in which case the valuation of the associated project is apportioned.

2 Including the post period-end acquisition of Clahane wind farm on January 2018.

3 Equipment manufacturers generally also supply maintenance services.

4 Where separate from equipment manufacturers.

Source: InfraRed.

Earlseat wind farm

2.12 Stakeholders, Corporate Culture and Sustainability

Stakeholder Management

The Board believes it is of great importance to maintain a reputation for a high standard of business conduct and stakeholder engagement and ensure a positive impact on the community and the environment in which it operates. Active monitoring and consideration of its stakeholders, including building strong relationships with suppliers, customers, communities and authorities among others also allows the Company to position its business well for the long term as 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 Company 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 and with the brokers to keep abreast of the needs and concerns of shareholders.

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 Canaccord Genuity 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 TRIG's growth. 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 Tulchan Communications. 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 Fred. Olsen Renewables and Akuo Energy and others being financial co-investment partners, for example 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.

Vendors: TRIG's reputation for reliability and efficiency in transaction management with a variety of vendor counterparties (having now transacted with eleven counterparties) helps the Company to continue to derive value in origination by accessing projects off-market (including from RES 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 in particular Original Equipment Manufacturer ('OEM') and spare part O&M providers and, on construction projects, contracting teams. Utilities also provide certain site-specific services such as meter readings. The operations teams maintain relationships with the site land owners who receive rental payments. Lenders to the project companies include many leading domestic and international banking groups – while these loans are predominantly in place prior to TRIG's investment as part of the long-term project finance, 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.

Some of the key counterparties on the operational side are illustrated in the chart below, Illustration of principle stakeholders.

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, the Managers seek to provide educational events at its larger sites, while also contributing via community funds to local projects ranging from playgroups to cultural events. Economic activities around the sites provide additional demand for local goods and services and 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. At some sites, including in France, TRIG provides additional local resources by maintaining new tracks that may be used for leisure activities. TRIG seeks to promote best practices across the portfolio, in areas as diverse as sound monitoring, shadow flicker, ice throw, landscaping, the provision of community events and liaison with the local media.

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 in the UK or local networks. At a policy level, TRIG's Managers monitor EU requirements and engages 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 apprised of TRIG's strategy, performance and outlook.

Illustration of principal 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

- Fred. Olson/Akuo Energy/ Equitix/GIG/Statoil

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

Corporate Culture

The Company's approach to sustainability and corporate culture includes:

- Considering the risk culture of the Company on a regular basis to confirm it is appropriate and expected to support the sustainability of the company and consistent with the risk appetite;
- 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;
- 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 Board and Managers prioritise engagement with the investment community, the renewables industry and regulators where the Company's progress can be measured amongst the broader stakeholders. The Board sets the bar high in creating and maintaining an effective corporate culture, for example, by the Chairman's active advocacy of equal opportunities (outside TRIG, the Chairman is a member of the steering committee of the Parker Review which reported on ethnic minorities on U.K. Boards in 2016), by attending site visits with investors and investment industry events and by making a point of putting business in its proper perspective at a more detailed level, for example by ensuring safety is the first issue addressed at Board meetings. The Board has chosen to adopt a definitive policy with quantitative targets for Board diversity and holds the Managers to account on their progress on inclusion and diversity in the promotion and inclusion of their workforce.

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 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.

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. 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;
- 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: in the last staff satisfaction survey, 92% of RES employees said they were 'proud to be associated with RES'.

RES' leadership insists 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. In 2013, RES people across the company were involved in the development of the company's values. More recently these have been simplified to Passion, Accountability, Collaboration and Excellence.

RES supervises a range of activities at a portfolio level 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. These community initiatives included more than £580,000 in financial contributions alongside substantial staff involvement.

Sustainability

The overall environmental contribution of the investment portfolio is substantial, with the portfolio as at 31 December 2017 capable of producing enough clean energy annually to power the equivalent of 490,000 homes and avoiding the emission of 720,000 tonnes of CO_2 annually.

The integration of generating plants into the landscape is optimised to seek the maximum renewable energy generation while minimising any local impacts through extensive consultation with statutory consultees, local authorities and the local communities. Engagement with stakeholders once assets become operational is maintained at the highest standards.

As Operations Manager, RES has responsibility for monitoring the operational performance of the asset portfolio as well as acting as the interface with underlying third party asset managers or O&M contractors and with local government and communities. With RES' long history of developing and operating assets in the renewable energy sector in the UK, France and Ireland, as well as elsewhere around the world, it has developed a reputation for establishing and maintaining best practices in sustainability matters with staff dedicated to support its operational management activities in these areas.

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.

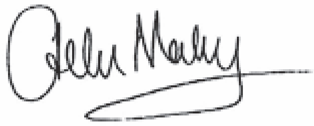
The Board wishes to be at the forefront of disclosure and reporting of the Company's performance and strategic intentions. The Board believes this is achieved by the communications as follows:

- 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.



19 February 2018

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

TRIG in the Community

A number of TRIG assets support the development of social projects to serve the community needs of its local area. These range from educational outreach and student bursaries to funding for projects and an innovative Local Electricity Discount Scheme (LEDS). Through these actions and approach to engagement with local stakeholders, TRIG continues to make a positive impact in the communities where it operates.

COMMUNITY FUNDS – 2017

Fourteen projects in the TRIG portfolio provide direct community support through dedicated funds aimed at local groups, projects and good causes around each wind farm or solar project. TRIG's actions in community funding have provided vital assistance to more than 100 worthy causes and examples of the projects supported this year can be found below.

LEDS – Local Electricity Discount Scheme

LEDS offers residential, commercial and community properties closest to several TRIG onshore wind farms an annual discount on their electricity bills. LEDS is unique and doesn't require participants to change supplier or tariff. LEDS allows individuals to directly benefit from our projects and helps tackle fuel poverty around TRIG projects.

1,055
Properties

- Garreg Lwyd Hill
- Meikle Carewe
- Freasdail
- Tallentire

£158
Average discount per property

Case Study: Primary School Visit to Altahullion Wind Farm

Three local schools and more than 100 pupils enjoyed visiting Altahullion Wind Farm during 2017.

Teachers use visits to Altahullion to support their teaching on topics associated with sustainability. This year TRIG supported visits for Kilronan Primary School, St Mary's Primary School, Roe Valley Primary School and Limavady Central Primary School. During each visit pupils were shown around the turbines by the RES team and completed worksheets based on the information that they had learnt.

One of the teachers from Roe Valley Primary School said:

"Primary 6 were so lucky to get the fantastic opportunity to be able to take a visit to Altahullion Wind Farm in June. This was part of our Reduce, Reuse, Recycle topic and we found the trip extremely interesting and very informative!"

Photo: Limavady Central Primary School visited Altahullion in September

Case Study: Local Groups Benefit at Meikle Carewe Wind Farm

Funding was awarded to a range of local groups and projects at the Meikle Carewe Wind Farm Community Fund Awards in December 2017. Sixteen groups attended to receive funding to support a wide range of projects. TRIG's fund supported Portlethen & District Men's Shed which is currently being established in the old Public Toilet Block in the town. The space will be used by local men to connect, converse and create and as well as being a place of fun, it will also help reduce loneliness and isolation.

Photo: Recipients of funding from the Meikle Carewe Wind Farm Community Fund

Successful applicants this year include:

- Drumoak & Durris Playgroup
- Drumoak Primary School Football Club
- Newtonhill Community Hall Association
- Newtonhill Pipe Band
- Maryculter Driving for the Disabled
- Maryculter Woodlands Trust
- 1st Portlethen Scout Group
- Portlethen & District Men's Shed
- Portlethen Moss Conservation
- Stonehaven Community Radio
- Stonehaven Business Association
- Stonehaven Gymnastics Club
- Stonehaven Folk Festival
- Stonehaven & District Men's Shed
- Stonehaven Town Partnership

Case Study: Student Bursary Support at Freasdail Wind Farm

This summer communities around Freasdail Wind Farm received their first Community Fund payment following the site's commissioning in May 2017.

Freasdail Wind Farm

One of the recipients, West Kintyre Community Benefit Fund, is using the fund to support access to further education opportunities for their residents.

They have established a bursary scheme for young local residents who require financial support in order to access the opportunity to continue their education.

This year four students have been successful and will benefit from a bursary to help them with travel, accommodation and other costs associated with studying such as textbooks. One of the students receiving the bursary is studying an undergraduate course in renewable energy.

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 56, is an experienced chairman and non-executive director. In addition to being Chairman of TRIG, Helen serves as a non-executive director for the following listed companies: SSE plc, Bonheur ASA and MedicX Fund Limited (where she is Chairman). Helen is also a member of the steering committee of the Parker Review into the Ethnic Diversity of UK boards which was published in October 2017. Previous Directorships include SVG Capital plc, Stagecoach Group plc and Aga Rangemaster Group plc. 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.

Jon Bridel *(Director, appointed 14 June 2013)*, aged 53, currently serves across various listed and unlisted companies as a Director or non-executive Chairman. These include Alcentra European Floating Rate Income Fund Limited, Starwood European Real Estate Finance Limited, Sequoia Economic Infrastructure Income Fund Limited and Funding Circle SME Income Fund Limited, as well as DP Aircraft I Limited, Fair Oaks Income Limited and Phaunos Timber Fund Limited which is currently being wound up. 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.

Shelagh Mason *(Director, appointed 14 June 2013)*, aged 58, 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. Her last position in the United Kingdom was as a senior partner of Edge & Ellison. Previously Shelagh was Chief Executive of a property development company active throughout the United Kingdom and the Channel Islands and 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 recently retired from the board of Medicx Fund Limited, a main market listed investment company investing in primary healthcare facilities. She is also the 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 and she also holds other non-executive positions. 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.

Klaus Hammer *(Director, appointed 1 March 2014)*, aged 62, 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. Klaus is a resident of Germany.

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 period. 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 IFRS 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' responsibilities 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 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

19 February 2018

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

Report of the Directors

The Directors present their report and accounts of the Company for the year to 31 December 2017.

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 Valuation of the Portfolio section of the Strategic Report (Sections 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 2017 for an aggregate annual dividend of 6.40p (2016: 6.25p) per share as follows:

- 1.60p per share was declared on 4 May 2017, to shareholders on the register as at 19 May 2017, paid on 30 June 2017;
- 1.60p per share was declared on 27 July 2017, to shareholders on the register as at 18 August 2017, paid on 29 September 2017;
- 1.60p per share was declared on 9 November 2017, to shareholders on the register as at 17 November 2017, to be paid on 29 December 2017; and
- 1.60p share was declared on 8 February 2018, to shareholders on the register on 16 February 2018, to be paid on 29 March 2018.

The Company had one class of share capital, Ordinary Shares, in issue as at 31 December 2017.

Shares in Issue

Ordinary Shares in issue have increased during the year from 832,998,413 to 947,342,959 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 2016	Opening Position	832,998,413	832,998,413
31 March 2017	Issue of scrip dividend shares in lieu of 2016 4th (Q4) interim dividend	632,624	833,631,037
31 March 2017	Issue of shares to the Managers in lieu of fees relating H2 2016	787,826	834,418,863
3 April 2017	Placing (£110m gross raised)	106,796,117	941,214,980
30 June 2017	Issue of scrip dividend shares in lieu of 2017 1st (Q1) interim dividend	999,908	942,214,888
30 September 2017	Issue of scrip dividend shares in lieu of 2017 2nd (Q2) interim dividend	2,665,412	944,880,300
30 September 2017	Issue of shares to the Managers in lieu of fees relating to H1 2017	855,315	945,735,615
30 December 2017	Issue of scrip dividend shares in lieu of 2017 3rd (Q3) interim dividend	1,607,344	947,342,959
31 December 2017	Closing Position	947,342,959	947,342,959

Share Issues in the Year

On 3 April 2017, the Company raised gross proceeds of £110.0 million through the issue of 106,796,117 New Ordinary Shares at an Issue Price of 103.0 pence each. The net proceeds were applied towards TRIG's pipeline including the April 2017 acquisition of the Neilston wind farm in Scotland and the May 2017 acquisition of the Garreg Lwyd wind farm in Wales.

During the period, the Company made four acquisitions amounting to £225.4 million and three small follow-on investments for £4.6 million. These were funded by a combination of £108.6 million of share capital raised (net of costs), £106.4 million of acquisition facility debt (which remained drawn at the 2017 year-end), cash resources of £10.0 million from 2016 and £5.0 million of reinvested surplus cash generated during 2017.

Shares Issued to the Managers

The Managers are paid 20% of their annual management and advisory fees in shares. In relation to this, 787,826 shares were issued in March 2017 (512,087 to the Investment Manager and 275,739 to the Operations Manager) relating to fees for the second six months of 2016. A further

855,315 shares were issued in September 2017 (555,955 to the Investment Manager and 299,360 to the Operations Manager) relating to fees for the first 6 months of 2017. Shares in lieu of fees relating to the second six months of 2017 (expected to be 946,862 shares in total – comprised 615,206 to the Investment Manager and 331,656 to the Operations Manager) are to be issued in March 2018. (See note 18 to the financial statements for further detail).

For the calculation of Net Asset Value ("NAV") per share as at 31 December 2017, 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 948,289,821 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 915,857,341.

As a result of the share issues during the year and the expected issuance to the Managers in March 2018, the number of shares in the Company held by the Investment Manager[1] will be 3,624,405 and the number of shares held by the Operations Manager will be 1,628,509 shares.

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 2018.

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 2017. A scrip alternative will again be offered to shareholders for the dividend to be paid on 29 March 2018 relating to the final quarter of 2017 and a scrip dividend circular will be published separately in May 2018 with details of the scrip dividend alternative for 2018. 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 10.9%.

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 period to 31 December 2017 were:

Helen Mahy CBE
Jon Bridel
Shelagh Mason
Klaus Hammer

Biographical details of each of the Directors are shown on page 52.

Investment Manager

InfraRed Capital Partners Limited (the "Investment Manager" or "InfraRed") acts as Investment Manager to the Group. A summary of the remuneration arrangements 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 remuneration arrangements 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 and their roles are provided in Sections 2.1 and 2.5 of the Strategic Report.

Broker, Administrator and Company Secretary

The Company's joint brokers during the year to 31 December 2017 were Canaccord Genuity Limited and Liberum Capital Limited.

The Company's Administrator during the year to 31 December 2017 was Aztec Financial Services (Guernsey) Limited.

Substantial interests in share capital

As at 19 February 2018, 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*
M&G Investment Management	97,471,469	10.28%
Newton Investment Management	83,415,189	8.80%
Investec Wealth & Investment Limited	66,382,750	7.01%

1 Some shares are held by the Investment Manager's group for the benefit of employees and partners of the group

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.

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 on pages 7 to 51. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review section of the Strategic Report on pages 33 to 39. 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 £15 million as part of its revolving acquisition facility (currently sized at £240 million and limited to 30% of Portfolio Value). 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 2022. 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 renewables), in severe but plausible downside scenarios, and the effectiveness of any mitigating actions.

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 2022 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.

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 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 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. 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 2022.

Internal Controls Review
Taking into account the information on principal risks and uncertainties provided on pages 40 and 44 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 pages 66 to 69 of 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.

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

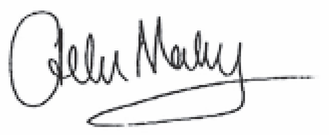
No shares have been bought back in the period. The latest authority for the Company to make market purchases of Ordinary Shares was granted to the Directors on 3 May 2017 and expires on the date of the next Annual General Meeting. The Directors are proposing that their authority to buy back shares be 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 (3 May 2017) 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



19 February 2018

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

Hill of Towie, Scotland

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.

Association of Investment Companies

The Company is a member of the Association of Investment Companies (the "AIC") and has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") and has decided to follow the AIC's Corporate Governance Guide for Investment Companies (the "AIC Guide"). The Company has complied with the recommendations of the AIC Code and in doing so the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company as it has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Guernsey regulatory environment

The Guernsey Financial Services Commission (the "Commission") has issued a Finance Sector Code of Corporate Governance (the "Guernsey" code). 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 the 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 and such 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

Disclosure under Principle 5 of the AIC Code

The Board consists of four non-executive Directors. In accordance with Principle 2 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 Principle 1 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 Principle 1, 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 Principle 3 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 10 May 2018.

The Board believes that long-serving Directors should not be automatically prevented from forming part of an independent majority of the Board upon reaching nine years' service. In accordance with Principle 4 of the Code, if a Director has served more than nine years, the Board will consider the issue of independence carefully on an annual basis as part of the Board self-evaluation and will disclose its conclusions in the Directors' Report. As the Company was formed in 2013 no Director has yet served for nine years or more. A Director who retires at an annual general meeting may, if willing to act, be reappointed. The Directors are not subject to automatic re-appointment.

The Board believes that the balance of skills, gender, experience and knowledge of the current Board provides for a sound base from which the interests of investors will be served to a high standard, although as the Company grows, the Board may consider whether additional directors may be suitable. 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. However, gender, knowledge, skills, experience, residency and governance credentials are all considered by the Nominations Committee when recommending appointments to the Board and in formulating succession plans. Notwithstanding this, the selection of the preferred individual to be invited to join the Board will always be based on merit.

The Board requires the Investment Manager and the Operations Manager, to whom the day-to-day management of the Company is delegated, to present to them on their own diversity policies, targets and achievements as part of the review of the Managers carried out by the Management Engagement Committee.

The Board recommends the re-election of each Director and supporting biographies are disclosed on page 52 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 Chairman and members of each committee as at 31 December 2017 are as follows:

	Quarterly Board meetings	*Audit Committee*	*Management Engagement Committee*	*Remuneration Committee*	*Nomination Committee*	*Market Disclosure Committee*
Number of meetings	4	4	3	2	3	2
Meetings Attended:						
H Mahy	4	N/A*	3	2	3	2
J Bridel	4	4	3	2	3	2
S Mason	4	4	3	2	3	2
K Hammer	4	4	3	2	3	2

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

During the period a further 20 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. The annual evaluation for the period ended 31 December 2017 has been completed by the Chairman and took the form of a questionnaire completed by all of the Directors and additionally by the Managers and the Company Secretary, including one-to-one interviews with each Director holding office as at 31 December 2017.The questionnaire that was completed covered Board effectiveness including areas such as inclusion and diversity in accordance with the recommendations of the Parker Review[1]. For the evaluation of the Chairman, the Senior Independent Director discussed the results of a questionnaire with the Chairman following consultation with the other Directors. The exercise confirmed that the Board runs well and effectively with an appropriate level of balance and challenge. The Board will consider Directors' succession planning during 2018.

1 The Parker review into the Ethnic Diversity of UK boards was published in October 2017.

Corporate Governance Statement continued

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. 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 2017 and since the launch of the Company in 2013. 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 will inform the Directors in the recruitment of any additional or replacement Directors to the Company. The Board considers its composition to be appropriate and hence no such recruitment is currently considered necessary at this time. The Board considers the appropriateness of its composition each year.

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 2017 are as follows:

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

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 6 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.

The Nomination Committee met three times during 2017. The Board is currently composed of 50% male and 50% female directors.

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.

The Management Engagement Committee met three times in 2017 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 2017 and no material issues were identified in connection with their respective appointments.

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 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; and
- to ensure that effective arrangements are in place to prevent access to inside information

The Committee met twice during 2017.

Relations with shareholders – AIC Code Principle 19

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.

The Company reports formally to shareholders twice a year and will hold an Annual General Meeting in Guernsey on 10 May 2018, 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.

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 on page 102 of the Report and Financial Statements.

Corporate Governance Statement continued

Broxburn battery storage

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.

The Board commissioned an independent remuneration consultant to conduct a formal review of Directors' remuneration and the Board reviewed the recommendations and, subject to shareholder approval, has agreed to implement them.

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 Incorporation is £350,000.

Remuneration Committee

The Remuneration Committee met twice during 2017 to consider the remuneration of the Directors.

As set out above, the Board commissioned Trust Associates Limited, an independent consultant to conduct a formal review of Directors' remuneration. The Chairman of the Board and the Chairman of the Remuneration Committee briefed Trust Associates, who then spoke with each of the Directors, the Company Secretary and the Managers to understand specific factors affecting the Company. Trust Associates reviewed the remuneration of the Directors of the Company, their time commitment and levels of responsibility compared with those of similar investment companies.

The conclusions of Trust Associates' report were that:

- there has been a significant rise in investment company board remuneration in recent years, particularly those investing in alternative asset classes;
- the effect of the size of the investment portfolio and market capitalisation has a significant impact on the level of remuneration, and that the Company has grown significantly since the previous review by Trust Associates in 2015 with net assets having increased by 35% in that period. The Company is among the top 10% by market capitalisation of London-listed investment companies; and
- the workload and time commitment required of Directors was higher than that of many investment company directors due to the specialist nature of the investments.

Taking account of these factors and the remuneration paid to investment companies of a similar size and characteristics, Trust Associates recommended the following changes to remuneration for routine business:

- each Director's fees to be increased to £47,000 per annum;
- the fees of the Chairman of the Audit Committee to rise to £56,400 per annum, reflecting a 20% premium to the Directors' fees, to recognise the additional responsibility; and
- the fees of the Chairman of the Board to rise to £69,800 p.a., reflecting a circa 50% premium to each Director's fees, in recognition not only of the considerably greater weight of responsibility but also the involvement in a number of additional meetings during the year – some of these with shareholders and potential investors each year, as well as hosting events on behalf of the Company.

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.

The Remuneration Committee has considered the recommendations of the independent consultant and recommended them to the Board. After taking into account any views on remuneration expressed by shareholders, the Board has approved the proposed increases and is seeking shareholder approval for the Directors' Remuneration Policy

Directors' Remuneration Report continued

at the AGM on 10 May 2018, with a view to backdating its implementation to 1 January 2018. 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.

Having engaged an independent formal review of remuneration in 2017, the Remuneration Committee does not expect to commission a further review until 2020 although retains the discretion to do so should the Company's circumstances change significantly. In between independent formal reviews, the Committee will carry out its own review exercises each year considering amongst other measures any appropriate inflationary increases, the size and complexity of the Company and the levels of remuneration of similar investment companies.

The table below sets out the Directors' remuneration approved and actually paid for the year to 31 December 2017 as well as that proposed for the year ending 31 December 2018.

Director	*Role*	*Base remuneration proposed for 2018*	*Base (and total) remuneration paid 2017*
Helen Mahy	Chairman	£69,800	£61,500
Jon Bridel	Audit Committee Chairman	£56,400	£49,200
Klaus Hammer	Director	£47,000	£41,000
Shelagh Mason	Director	£47,000	£41,000
Total		£220,200	£192,700

No additional fees were payable to the Directors in 2017. 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.

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 2017 was £5,613.

The Board will seek approval at the AGM in May 2018 for the Remuneration Policy and the annual Directors' fees for routine business for 2018 and fees for additional specific corporate actions, as set out above, with a view to implementing the proposed increases back-dated to 1 January 2018.

Directors' Interests

The Directors of the Company at 31 December 2017 and their interests in the Ordinary Shares of the Company, are shown in the table below.

	31 December 2017 *Ordinary Shares*	**31 December 2016** *Ordinary Shares*
Helen Mahy[1]	71,322	67,249
Jon Bridel[1]	23,607	22,260
Klaus Hammer	24,838	24,838
Shelagh Mason[1]	64,320	60,650

1 Jointly held with 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.

Other Disclosures

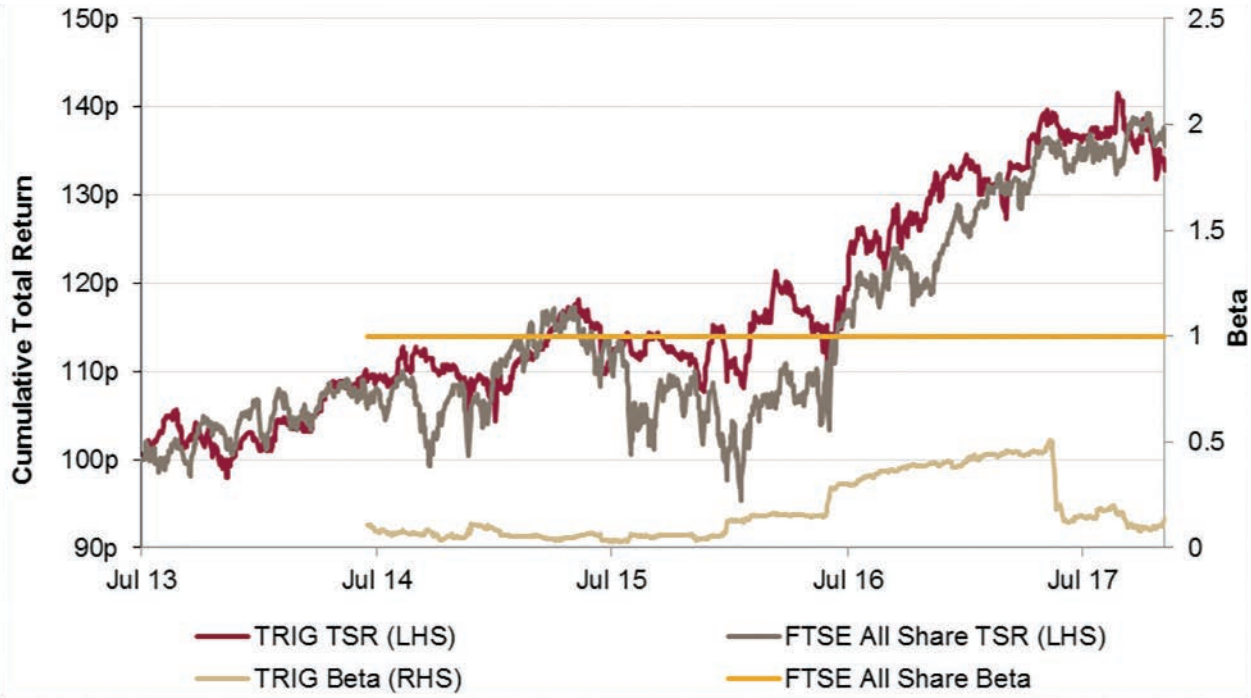
At the last AGM, held on 3 May 2017, the following resolution including Directors Remuneration was approved:

Ordinary Resolution 9 - 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 2017:

	Shares voted	*Percentage*
In Favour	532,750,670	99.99
Against	43,461	0.01
Withheld	5,009	N/A

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 2017, the annualised Total Shareholder Return (on a share price basis) for the Company was 5.1% (2016: 15.7%) versus 13.1% for the FTSE-All Share Index (2016: 16.8%). Over the period from the IPO in July 2013 to 31 December 2017 the annualised Total Shareholder Return (on a share price basis) for the Company was 7.7% p.a. and for the FTSE-All Share it was 8.3% p.a.



Source: Thomson Reuters Datastream

Note: Beta is presented on a basis of a 250-day rolling average against the FTSE All Share Index.

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 C3.1 of the UK Corporate Governance Code). It is also the formal forum through which the auditor reports to the Board of Directors and met four times in 2017 (it meets at least three times annually).

The main duties of the Audit Committee are:

- giving full consideration 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. The qualifications of the Audit Committee members are outlined in the Director's Biographies on page 52.

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 2017 was £973.3m. 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 2017 prior to the year-end valuation process and again in February 2018 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 a valuation review for a sample of the investments as well as a review of valuation discount rates. The expert provided a report to the Audit Committee that confirmed that the valuations on the sample they reviewed were within a range of acceptable outcomes and that the discount rates adopted 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. Market participants expect electricity prices to increase in real terms (i.e. ahead of inflation) over the medium and long term. 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, 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 cost assumptions*

  Other key assumptions include operating costs, facility energy generation levels and facility remaining operating life assumptions.

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 of Investments – 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 2016 and at December 2017) and satisfied itself that the rates applied were appropriate. 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.

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.

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

Audit Committee Report continued

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 annually 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 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 only cover reviews of interim financial statements and tax compliance. 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 before being initiated. 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.

The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the audit-related, with particular regard to the level of non-audit fees. Total fees paid amounted to £371,680 for the period ended 31 December 2017 of which £89,490 related to audit and audit-related services to the Company and its subsidiaries, TRIG UK and TRIG UK Investments, and £246,010 related to audit of the Group's project subsidiaries and other audit-related services. The only 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 £27,500, and other services amounting to £8,680.

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 2020, 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 ten years. This is the fifth year of Deloitte's appointment as the Company's auditor. The Audit Partner for the Company is David Becker and he has been in place for four years.

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 auditor for the year ended 31 December 2018.

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 350 Index on 18 December 2015 and up to 31 December 2017. 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 intends to conduct a full review of Deloitte following the issue of these financial statements as it did in 2017 to ensure that the Committee considers all aspects of the auditor's service and performance. The outcome of the review in May 2017 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 period ending 31 December 2018.

Audit Committee performance evaluation

During the year the Committee evaluated its performance using a checklist provided by a leading audit firm. 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.

Interaction with the Financial Reporting Council

The FRC's Audit Quality Review team selected the audit of the 2016 financial statements to review as part of their 2017/18 annual inspection of audit firms. The focus of the review and their reporting is on identifying areas where improvements are required rather than highlighting areas performed to or above the expected level. The Chairman of the Audit Committee received a full copy of the findings of the Audit Quality Review team and has discussed these with Deloitte. The Audit Committee confirms that there were no significant areas for improvement identified within the report. The Audit Committee is also satisfied that there is nothing within the report which might have a bearing on the audit appointment.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 of The Renewables Infrastructure Group Limited (the 'company') 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.

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 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.

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
Materiality	The materiality that we used in the current year was £19.7m 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 change in approach for the current period.

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the directors' statement in Note 2(b) 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 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.

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

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 40 to 44 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation on page 57 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; or
- the directors' explanation on page 56 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.

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

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.

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 and solar park 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, with £155.5m of further investment during the year, funded through issue of equity and a drawdown of the Group's revolving acquisition facility. The year-end valuation of £973.3 million at 31 December 2017 (31 December 2016: £817.8m) requires significant judgements in respect of the forecast cash flows and discount rates applied.

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 67 and it 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.

How the scope of our audit responded to the key audit matter

Our audit is directed to considering the evidence available to support these assumptions and the sensitivity of the valuation to reasonably possible changes in these assumptions.

We critically assessed these assumptions and the fund valuation model in which they are applied in determining the fair value. Our audit procedures included:

- holding key meetings with key personnel, including the Investment Manager and the Operations Manager;
- understanding and reviewing the design and implementation of internal controls around updates to the valuation model used at 31 December 2017;
- 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 our own Deloitte internal valuation specialists to benchmark the discount rates against comparable market participants;
- 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;
- using macroeconomic data (including inflation and tax rate forecasts) and observable market data to benchmark key assumptions;
- testing the incorporation of the assumptions into the valuation model and the correct application of the selected discount rates;
- reviewing cash flow projections, focusing on changes since the previous reporting date or the date of acquisition for current period assets acquired, substantiating any contracted revenues and costs and comparison against actual historical results for the underlying investments; and
- reviewing the adequacy of the disclosures made in the financial statements.

Key observations

Using macroeconomic data (including inflation and tax rate forecasts) and other observable market data to benchmark the key assumptions and discount rates, we concluded that in aggregate the assumptions are within the acceptable range of reasonably possible alternatives and none of the assumptions tested individually fell outside the acceptable threshold.

Our application of 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	£19.7m (2016: £15.4m)
Basis for determining materiality	2% (2016: less than 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.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £983,000 (2016: £770,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal controls, 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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

We have nothing to report in respect of these matters.

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

- *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.

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.

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.

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

Use of our report

This report is made solely to the 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.

Matters on which we are required to report by exception

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 by the company; or
- the company financial statements are not in agreement with the accounting records

We have nothing to report in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Audit Committee 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 5 years, covering the years ending 31 December 2013 to 31 December 2017.

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).

David Becker (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Guernsey, Channel Islands
19 February 2018

Financial Statements

Green Hill, Scotland

Income Statement

For the year ended 31 December 2017

	Note	**Year ended 31 December 2017** *£'000s*	**Year ended 31 December 2016** *£'000s*
Total operating income	6	93,097	76,026
Fund expenses	7	(1,110)	(995)
Operating profit for the year		91,987	75,031
Net finance cost	8	(1,814)	(7,128)
Profit before tax		90,173	67,903
Income tax credit/(expense)	9	–	–
Profit for the period	10	90,173	67,903
Attributable to:			
Equity holders of the parent		90,173	67,903
		90,173	67,903
Basic and diluted earnings per share (pence)	10	9.8	8.8

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.

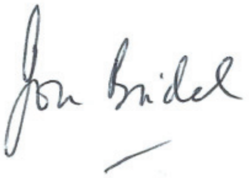
Balance Sheet

As at 31 December 2017

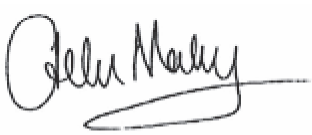
	Note	As at 31 December 2017 £'000s	As at 31 December 2016 £'000s
Non-current assets			
Investments at fair value through profit or loss	13	973,313	817,761
Total non-current assets		973,313	817,761
Current assets			
Other receivables	14	1,007	815
Cash and cash equivalents	15	10,646	18,537
Total current assets		11,653	19,352
Total assets		984,965	837,113
Current liabilities			
Other payables	16	(2,190)	(2,847)
Total current liabilities		(2,190)	(2,847)
Total liabilities		(2,190)	(2,847)
Net assets	12	982,775	834,266
Equity			
Share premium		944,078	827,650
Other reserves	17	966	776
Retained reserves		37,731	5,840
Total equity attributable to owners of the parent	12	982,775	834,266
Net assets per Ordinary Share (pence)	12	103.6	100.1

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 19 February 2018, and signed on its behalf by:



Director



Director

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2017

For the year ended 31 December 2017

	Share premium *£'000s*	**Other reserves** *£'000s*	**Retained reserves** *£'000s*	**Total equity** *£'000s*
Shareholders' equity at beginning of period	827,650	776	5,840	834,266
Profit for the year	–	–	90,173	90,173
Dividends paid	–	–	(51,939)	(51,939)
Scrip shares issued in lieu of dividend	6,343	–	(6,343)	–
Ordinary Shares issued	110,000	–	–	110,000
Costs of Ordinary Shares issued	(1,538)	–	–	(1,538)
Ordinary Shares issued in period in lieu of Management Fees, earned in H2 2016[1]	776	(776)	–	–
Ordinary Shares issued in period in lieu of Management Fees, earned in H1 2017[2]	847	–	–	847
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2017[3]	–	966	–	966
Shareholders' equity at end of period	944,078	966	37,731	982,775

For the year ended 31 December 2016

	Share premium *£'000s*	**Other reserves** *£'000s*	**Retained reserves** *£'000s*	**Total equity** *£'000s*
Shareholders' equity at beginning of period	728,227	706	(2,341)	726,592
Profit for the year	–	–	67,903	67,903
Dividends paid	–	–	(52,987)	(52,987)
Scrip shares issued in lieu of dividend	6,735	–	(6,735)	–
Ordinary Shares issued	92,920	–	–	92,920
Costs of Ordinary Shares issued	(1,684)	–	–	(1,684)
Ordinary Shares issued in period in lieu of Management Fees, earned in 2015[4]	706	(706)	–	–
Ordinary Shares issued in period in lieu of Management Fees, earned in H1 2016[5]	746	–	–	746
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2016[1]	–	776	–	776
Shareholders' equity at end of period	827,650	776	5,840	834,266

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 £776,325 transfer between reserves represents the 787,826 shares that relate to management fees earned in the six months to 31 December 2016 and were recognised in other reserves at 31 December 2016, and were issued to the Managers during the year, with the balance being transferred to share premium reserves on 31 March 2017.

2 The £846,762 addition to the share premium reserve represents the 855,315 shares that relate to management fees earned in the six months to 30 June 2017 and were issued to the Managers on 30 September 2017.

3 As at 31 December 2017, 946,862 shares equating to £965,802, based on a Net Asset Value ex dividend of 102.0 pence per share (the Net Asset Value at 31 December 2017 of 103.6 pence per share less the interim dividend of 1.6 pence per share) were due but had not been issued. The Company intends to issue these shares to the Managers around 31 March 2017.

4 The £705,933 transfer between reserves represents the 736,190 shares that relate to management fees earned in the six months to 31 December 2015 and were recognised in other reserves at 31 December 2015, and were issued to the Managers during the year, with the balance being transferred to share premium reserves, on 31 March 2016.

5 The £745,506 addition to the share premium reserve represents the 781,125 shares that relate to management fees earned in the six months to 30 June 2016 and were issued to the Managers on 31 September 2016.

Cash Flow Statement

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000s	Year ended 31 December 2016 £'000s
Cash flows from operating activities			
Profit before tax	10	90,173	67,903
Adjustments for:			
Gain on investments	6, 13	(49,178)	(38,675)
Investment income	6, 13	(43,919)	(37,351)
Movement in other reserves relating to Manager shares		189	70
Accrued share issue costs		–	62
Exchange losses on FX hedges		(2,645)	(4,875)
Finance and other income	8	1,814	7,128
Operating cash flow before changes in working capital		(3,566)	(5,738)
Changes in working capital:			
Increase in receivables		(173)	(78)
Increase/ (decrease) in payables		124	(64)
Cash flow from operations		(3,615)	(5,880)
Interest and principal received from investments	13	59,145	47,395
Interest income		33	36
Net cash from operating activities		55,563	41,551
Cash flows from investing activities			
Purchases of investments	13	(121,600)	(77,526)
Net cash used in investing activities		(121,600)	(77,526)
Cash flows from financing activities			
Proceeds from issue of share capital during period	17	111,623	94,372
Costs in relation to issue of shares	17	(1,538)	(1,746)
Dividends paid to shareholders	11	(51,939)	(52,987)
Net cash from financing activities		58,146	39,639
Net (decrease)/ increase in cash and cash equivalents		(7,891)	3,664
Cash and cash equivalents at beginning of period	15	18,537	14,873
Exchange gains on cash		–	–
Cash and cash equivalents at end of period	15	10,646	18,537

Notes to the Financial Statements

For the year ended 31 December 2017

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 operational renewable energy generation projects, predominantly in onshore wind and solar PV segments, across the UK and Northern Europe. The Company, TRIG UK and its portfolio of investments are known as the "Group".

These financial statements are for the year ended 31 December 2017 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 19 February 2018.

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 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 period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 the Directors' Report on page 56. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Results on pages 33 to 39. 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, and the Group's project-level financing, limited to 50% of Gross Portfolio Value, is non-recourse to the Company. 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.

Notes to the Financial Statements continued

For the year ended 31 December 2017

2. Key accounting policies (continued)

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 on pages 33 to 37 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:

I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and

II. 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

III. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

Being investment entities, TRIG UK and TRIG UK I are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

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 IAS 39 'Financial instruments: Recognition and measurement'.

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 loanstock 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. After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the income statement.

The Directors consider the equity and loanstock 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.

2. Key accounting policies (continued)

(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 when the right to receive interest income is determined on an accruals basis 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, profits 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 not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments (effective from 1 January 2018)

IFRS 15 Revenue from Contracts with Customers (and the related clarifications) (effective from 1 January 2018)

IFRS 16 Leases (effective from 1 January 2019)

Notes to the Financial Statements continued

For the year ended 31 December 2017

2. Key accounting policies (continued)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company on future periods, as outlined below:

IFRS 9 Financial Instruments

IFRS 9 replaces the classification and measurement models for financial instruments in IAS 39 (Financial Instruments: recognition and measurement) with three classification categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Due to the Company's limited use of complex financial instruments, IFRS 9 is not expected to have a material impact on its reported results.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a single, principles-based revenue recognition model to be applied to all contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. New disclosure requirements are also introduced. The majority of the Company's revenue is derived from fair valuation movements on investments and interest income which are both not within the scope of IFRS 15. As a result, it is not anticipated that the new standard will have a material impact on the Company's reported results.

IFRS 16 Leases

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 will be 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. As the Company itself does not have any leases it is not anticipated that the new standard will have a material impact on the Company's reported results. The change in accounting treatment for the leases in the subsidiaries is not expected to have a significant cash impact over time and therefore does not impact 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 period 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 2017 valuation was 8.0% (2016: 8.4%). 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.

The other material impacts on the measurement of fair value are the forward looking power price curve and energy yields which are further discussed in Note 4 under sensitivities.

By virtue of the Company's status as an investment fund, and in conjunction 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 loanstock and ordinary equity of project finance 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.

Interest rate risk

The Group invests in subordinated loanstock of project companies, usually with fixed interest rate coupons. The portfolio's cash flows are continually monitored and forecasted, 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 loanstock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future periods. 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.

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 2017 comprised 13% (2016: 15%) of the portfolio by value. 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.

Notes to the Financial Statements continued

For the year ended 31 December 2017

4. Financial instruments (continued)

The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and period end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project at 31 December 2017 was to the Garreg Lwyd project, representing 10% (2016: Crystal Rig II project, representing 11%) of the portfolio by value, and the largest subcontractor counterparty risk exposure was to Siemens who provided turbine maintenance services in respect of 41% (2016: Siemens 45%) of the 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 2017 was Statkraft who provided PPAs to projects in respect of 24% (2016: EDF 25%) of the portfolio by value.

At 31 December 2017, there were no loans and other receivables considered impaired for the Company or 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 2017, the Company itself did not have any outstanding debt. The Group's revolving acquisition facility, which was £106.4m drawn at 31 December 2017, is held by TRIG UK and TRIG UK I, is guaranteed by the Company. The facility is in place until September 2019.

Capital management

TRIG UK, the Company's subsidiary, entered into an £80m revolving acquisition facility on 20 February 2014, which was extended to £120m on 3 February 2015 and further to £150m on 25 June 2015. The facility was renewed on 23 April 2016 and was £106.4m drawn at 31 December 2017 (2016: £nil). The Facility was further extended to £240m on 16 January 2018.

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.

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.

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.

4. Financial instruments (continued)

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 2017 £'000s	31 December 2016 £'000s
Financial assets		
Designated at fair value through profit or loss:		
Investments	973,313	817,761
Other financial assets	–	–
Financial assets at fair value	973,313	817,761
At amortised cost:		
Other receivables	1,006	815
Cash and cash equivalents	10,646	18,537
Financial assets at amortised cost	11,652	19,352
Financial liabilities		
Designated at fair value through profit or loss:		
Other financial liabilities	1,852	2,633
Financial liabilities at fair value	1,852	2,633
At amortised cost:		
Other payables	338	214
Financial liabilities at amortised cost	338	214

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 2017			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Investments at fair value through profit or loss	–	–	973,313	973,313
Other financial assets	–	–	–	–
	–	–	973,313	973,313
Other financial liabilities	–	1,852	–	1,852

Notes to the Financial Statements continued

For the year ended 31 December 2017

4. Financial instruments (continued)

	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
	£'000s	*£'000s*	*£'000s*	*£'000s*
Investments at fair value through profit or loss	–	–	817,761	817,761
Other financial assets	–	–	–	–
	–	–	817,761	817,761
Other financial liabilities	–	2,633	–	2,633

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 2017	31 December 2016
	£'000s	*£'000s*
Portfolio value	1,081,180	818,672
TRIG UK and TRIG UK I		
Cash	170	188
Working capital	(2,593)	(2,343)
Debt[1]	(105,444)	1,244
	(107,867)	(911)
Investments at fair value through profit or loss	973,313	817,761

1 Debt arrangement costs of £956k (2016: £1,244k) have been netted off the £106.4m (2016: £Nil) debt drawn by TRIG UK I.

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 2017 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.

4. Financial instruments (continued)

The following economic assumptions were used in the discounted cash flow valuations at:

	31 December 2017	31 December 2016
UK inflation rates (other than ROC's)	2.75%	2.75%
Inflation applied to UK ROC Income	3.4% 2018 2.9% 2019, 2.75% thereafter	2.75%
Ireland and France inflation rates	2.00%	2.00%
UK, Ireland and France deposit interest rates	1.00% to 31 March 2021, 2.00% thereafter	1.00% to 31 March 2021, 2.00% thereafter
UK corporation tax rate	19.00% to 17% from 1 April 2020	20.00% reducing to 19% from 1 April 2017 and then 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
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
Euro/sterling exchange rate	1.1252	1.1709
Energy yield assumptions	P50 case	P50 case

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on market information and the current bidding experience of the Group and its Managers.

The weighted average portfolio valuation discount rate used for valuing the projects in the portfolio is 8.0% (2016: 8.4%) and a change by plus or minus 0.5% has the following effect:

Discount rate	-0.5% change	Total Portfolio Value	+0.5% change
Directors' valuation – Dec 2017	**+£38.9m**	**£1,081.2m**	**(£37.8m)**
Directors' valuation – Dec 2016	+£32.0m	£818.7m	(£30.1m)

Power Price

The power price forecasts are based on the base case assumptions from the valuation date and throughout the operating life of the portfolio. The base case power pricing is based on the current forecast real price reference curve data provided by a leading power price forecaster, adjusted to reflect the value the market will place on such generation in an arm's length transaction.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect:

Power Price	-10% change	Total Portfolio Value	+10% change
Directors' valuation – Dec 2017	**(£79.1m)**	**£1,081.2m**	**+£81.1m**
Directors' valuation – Dec 2016	(£63.6m)	£818.7m	+£65.3m

Energy Yield

The portfolio's aggregate production outcome for a 10 year period would be expected to fall somewhere between a P90 10 year exceedance (downside case) and a P10 10 year exceedance (upside case), as explained in Section 2.8 of the Strategic Report on page 30.

The effect of a P90 10 year exceedance and of a P10 10 year exceedance, applied to all future years, would have the following effect:

Energy Yield	P90 10 year exceedance	Total Portfolio Value	P10 10 year exceedance
Directors' valuation – Dec 2017	**(£108.3m)**	**£1,081.2m**	**+£104.7m**
Directors' valuation – Dec 2016	(£80.4m)	£818.7m	+£77.8m

Notes to the Financial Statements continued

For the year ended 31 December 2017

4. Financial instruments (continued)

Inflation rates

The portfolio valuation assumes long-term inflation of 2.75% per annum for UK investments, and 2.00% per annum for France and Republic of Ireland investments.

Inflation assumption	-0.5% change	Total Portfolio Value	+0.5% change
Directors' valuation – Dec 2017	**(£43.5m)**	**£1,081.2m**	**+£50.8m**
Directors' valuation – Dec 2016	(£39.8m)	£818.7m	+£45.0m

Operating costs

The table below shows the sensitivity of the portfolio to changes in operating costs by plus or minus 10% at project company level.

Operating costs	-10% change	Total Portfolio Value	+10% change
Directors' valuation – Dec 2017	**+£41.5m**	**£1,081.2m**	**(£42.0m)**
Directors' valuation – Dec 2016	+£27.9m	£818.7m	(£27.9m)

Taxation rates

The table below shows the sensitivity of the portfolio to changes in taxation rates by plus or minus 2% at project company level for companies in the UK, Northern Ireland and Ireland.

Taxation rates	-2% change	Total Portfolio Value	+2% change
Directors' valuation – Dec 2017	**+£18.0m**	**£1,081.2m**	**(£18.0m)**
Directors' valuation – Dec 2016	+£14.0m	£818.7m	(£14.0m)

Interest rates

The table below shows the sensitivity of the portfolio to changes in interest rates by plus 2% or minus 1% at project company level.

Interest rates	-1% change	Total Portfolio Value	+2% change
Directors' valuation – Dec 2017	**(£0.1m)**	**£1,081.2m**	**+£0.4m**
Directors' valuation – Dec 2016	+£1.9m	£818.7m	(£3.8m)

Currency rates

The spot rate used for the 31 December 2017 valuation, from euro to sterling, was 1.1252 (2016: 1.1709).

A change to this currency rate by plus or minus 10% has the following effect:

Currency rates	-10% change	Total Portfolio Value	+10% change
Directors' valuation – Dec 2017	**(£6.2m)**	**£1,081.2m**	**+£6.2m**
Directors' valuation – Dec 2016	(£5.3m)	£818.7m	+£5.3m

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 2017 *£'000s*	**For year ended 31 December 2016** *£'000s*
Interest income	43,919	37,351
Gain/ (loss) on investments	49,178	38,675
	93,097	76,026

6. Total operating income (continued)

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 £105,743k (2016: £88,235k). The reconciliation from the IFRS basis to the expanded basis is shown in Section 2.9 of the Strategic Report on pages 33 to 37.

7. Fund expenses

	For year ended 31 December 2017 *£'000s*	For year ended 31 December 2016 *£'000s*
Fees payable to the Company's auditors for the audit of the Group accounts	81	57
Investment and management fees (Note 18)	200	200
Directors' fees (Note 18)	193	188
Other costs	636	550
	1,110	995

Included within Other costs, £28k (2016: £26k) was paid to Deloitte LLP in respect of the interim review of the Group accounts.

In addition to the above, £246k (2016: £205k) 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.

On the Expanded basis, fund expenses are £10,963k (2016: £8,923k); 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 pages 33 to 37.

The Company had no employees during the current or prior period. 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

	For year ended 31 December 2017 *£'000s*	For year ended 31 December 2016 *£'000s*
Interest income:		
Interest on bank deposits	33	36
Total finance income	33	36
(Loss)/gain on foreign exchange:		
Realised loss on settlement of FX forwards	(2,645)	(4,993)
Fair value gain/(loss) of FX forward contracts	780	(2,289)
Other foreign exchange gain	18	118
Total loss on foreign exchange	(1,847)	(7,164)
Finance and other expense	(1,814)	(7,128)

On the Expanded basis, finance income is £34k (2016: £47k) and finance costs are £1,942k (2016: £3,895k); 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 34.

9. Income tax

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on non-Guernsey income 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.

Notes to the Financial Statements continued

For the year ended 31 December 2017

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 period.

	31 December 2017 '000s	31 December 2016 '000s
Profit attributable to equity holders of the Company	£90,173	£67,903
Weighted average number of Ordinary Shares in issue	915,857	771,406
Earnings per Ordinary Share	9.8p	8.8p

Further details of shares issued in the period are set out in Note 17.

11. Dividends

	31 December 2017 £'000s	31 December 2016 £'000s
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the 6 month period ended 31 December 2015 of 3.11p		22,791
Interim dividend for the 3 month period ended 31 March 2016 of 1.5625p		11,974
Interim dividend for the 3 month period ended 30 June 2016 of 1.5625p		11,975
Interim dividend for the 3 month period ended 30 September 2016 of 1.5625p		12,982
Interim dividend for the 3 month period ended 31 December 2016 of 1.5625p	13,016	
Interim dividend for the 3 month period ended 31 March 2017 of 1.6p	15,057	
Interim dividend for the 3 month period ended 30 June 2017 of 1.6p	15,076	
Interim dividend for the 3 month period ended 30 September 2017 of 1.6p	15,133	
	58,282	59,722
Dividends settled as a scrip dividend alternative	6,343	6,735
Dividends settled in cash	51,939	52,987
	58,282	59,722

On 8 February 2018, the Company declared an interim dividend of 1.6 pence per share for the period 1 October 2017 to 31 December 2017. The total dividend, £15,157,487, payable on 31 March 2018, is based on a record date of 16 February 2018 and the number of shares in issue at that time being 947,342,959.

	31 December 2017	31 December 2016
Interim dividend for the six months ended December 2015		3.11
Interim dividend for the quarter ended March 2016		1.5625
Interim dividend for the quarter ended June 2016		1.5625
Interim dividend for the quarter ended September 2016		1.5625
Interim dividend for the quarter ended December 2016	1.5625	
Interim dividend for the quarter ended March 2017	1.6	
Interim dividend for the quarter ended June 2017	1.6	
Interim dividend for the quarter ended September 2017	1.6	
	6.3625p	7.7975p

12. Net assets per Ordinary Share

	31 December 2017 £'000s	31 December 2016 £'000s
Shareholders' equity at balance sheet date	£982,775	£834,266
Number of shares at balance sheet date, including management shares accrued but not yet issued	948,290	833,786
Net Assets per Ordinary Share at balance sheet date	**103.6p**	**100.1p**

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 2017, 946,862 shares equating to £965,802, based on a Net Asset Value ex dividend of 102.0 pence per share (the Net Asset Value at 31 December 2017 of 103.6 pence per share less the interim dividend of 1.6 pence per share) were due but had not been issued. The Company intends to issue these shares around 31 March 2018.

In view of this, the denominator in the above Net assets per Ordinary Share calculation is as follows:

	31 December 2017 £'000s	31 December 2016 £'000s
Ordinary Shares in issue at balance sheet date	947,343	832,998
Number of shares to be issued in lieu of Management fees	947	788
Total number of shares used in Net Assets per Ordinary Share calculation	**948,290**	**833,786**

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 2017 £'000s	31 December 2016 £'000s
Brought forward	817,761	711,604
Investments in the year	121,600	77,526
Distributions received	(59,145)	(47,395)
Interest income	43,919	37,351
Gain on valuation	49,178	38,675
Carried forward	973,313	817,761

Notes to the Financial Statements continued

For the year ended 31 December 2017

13. Investments at fair value through profit or loss (continued)

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 2017 £'000s	31 December 2016 £'000s
Fair value of investment portfolio		
Brought forward value of investment portfolio	818,672	712,284
Investments in the year	229,942	77,667
Distributions received	(73,012)	(59,467)
Interest income	28,298	24,435
Dividend income	–	1,959
Gain on valuation	77,280	61,794
Carried forward value of investment portfolio	1,081,180	818,672
Fair value of TRIG UK		
Brought forward value of TRIG UK	(911)	(680)
Cash movement	(18)	(159)
Working capital movement	(250)	419
Debt movement[1]	(106,688)	(491)
Carried forward value of TRIG UK	(107,867)	(911)
Total investments at fair value through profit or loss	973,313	817,761

1 Debt arrangement costs of £956k (2016: £1,244k) have been netted off the £106.4m (2016: 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.

Details of investments recognised at fair value through profit or loss were as follows:

		31 December 2017		31 December 2016	
Investments (project name)	**Country**	**Equity**	**Subordinated loanstock**	**Equity**	**Subordinated loanstock**
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%

13. Investments at fair value through profit or loss (continued)

		31 December 2017		31 December 2016	
			Subordinated		Subordinated
Investments (project name)	**Country**	**Equity**	**loanstock**	**Equity**	**loanstock**
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%	81%	49%	84%
Mid Hill	UK	49%	81%	49%	84%
Paul’s Hill	UK	49%	81%	49%	84%
Rothes 1	UK	49%	81%	49%	84%
Crystal Rig 1	UK	49%	81%	49%	84%
Crystal Rig 2	UK	49%	81%	49%	84%
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	39.2%	100%	24.9%	100%
Ste Marguerite	France	48.9%	100%	48.9%	100%
Freasdail	UK	100%	100%	100%	100%
Midi	France	51.0%	100%	51.0%	100%
Neilston	UK	100%	100%	–	–
Garreg Lwyd	UK	100%	100%	–	–
Broxburn	UK	100%	100%	–	–
Sheringham Shoal	UK	14.7%	14.7%	–	–

Notes to the Financial Statements continued

For the year ended 31 December 2017

13. Investments at fair value through profit or loss (continued)

On 27 April 2017, TRIG acquired, from private developers Carbon Free and Neilston Development Trust, a 100% shareholder loan interest and a 100% equity interest in Neilston Community Wind Farm, a UK onshore operational wind farm for consideration of £22.6m.

On 16 May 2017, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Garreg Lwyd Hill Farm, a UK onshore operational wind farm for consideration of £102.8m.

On 11 August 2017, TRIG acquired from RES (the Operations Manager), a 100% equity interest and 100% shareholder loan interest in Broxburn, a battery storage plant in Scotland for consideration of £20.4 million.

On 22 December 2017, TRIG acquired an indirect equity ownership of 14.7% in the Sheringham Shoal Offshore Wind Farm through a joint venture holding company alongside funds managed by Equitix Limited (representing 25.3% of the equity). The total consideration invested by TRIG totalled £79.5 million.

Further detail of acquisitions made in the year can be found in Section 2.8 of the Strategic Report.

14. Other receivables

	31 December 2017 £'000s	31 December 2016 £'000s
Other debtors	1,007	815
	1,007	815

15. Cash and cash equivalents

	31 December 2017 £'000s	31 December 2016 £'000s
Bank balances	10,646	18,537
Cash and cash equivalents	10,646	18,537

On the Expanded basis, which includes balances carried in TRIG UK and TRIG UK I, cash is £10,816k (2016: £18,724k). The reconciliation from the IFRS basis to the Expanded basis is shown in Section 2.9 of the Strategic Report on pages 33 to 37.

As at the year end, cash and cash equivalents consisted of £3,754k held with Sumitomo Mitsui Banking Corporation Europe Limited and £6,892k held with Royal Bank of Scotland International Limited. At 31 December 2017 Royal Bank of Scotland International Limited had a Fitch credit rating of BBB+ and Sumitomo Mitsui Banking Corporation Europe Limited had an S&P rating of A.

16. Other payables

	31 December 2017 £'000s	31 December 2016 £'000s
Management fees[1]	50	50
Fair value of forward FX contracts	1,852	2,633
Other payables	288	164
	2,190	2,847

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 18 months. In addition, the Company has placed further hedges to reach a position where approximately 50% 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.

16. Other payables (continued)

The following table details the forward foreign currency contracts outstanding as at 31 December 2017. The total euro balance hedged at 31 December 2017 was €81.0m (2016: €79.5m).

	31 December 2017			
	Average exchange rate	Foreign currency €'000s	Notional value £'000s	Fair value £'000s
Less than 3 months	–	–	–	–
3 to 6 months	1.1247	32,900	29,251	(1,147)
6 to 12 months	1.1171	39,400	35,270	(680)
Greater than 12 months	1.1098	8,700	7,839	(25)
				(1,852)

As at the year end, the liabilities on foreign exchange derivatives consisted of £816k payable to The Royal Bank of Scotland Plc and £1,036k payable to National Australia Bank Limited. At 31 December 2017 The Royal Bank of Scotland Plc had an S&P credit rating of BBB+ and National Australia Bank Limited had an S&P rating of AA-.

17. Share capital and reserves

	Ordinary Shares 31 December 2017 '000s	Ordinary Shares 31 December 2016 '000s
Opening balance	832,998	732,838
Issued for cash	106,797	92,000
Issued as a scrip dividend alternative	5,905	6,643
Issued in lieu of management fees	1,643	1,517
Issued at 31 December – fully paid	947,343	832,998

On 1 April 2017, the Company issued 106,796,117 shares raising £110,000,000 before costs. The Company used the funds to fund acquisitions in the year.

The holders of the 947,342,959 (2016: 832,998,413) 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 2017 £'000s	31 December 2016 £'000s
Opening balance	827,650	728,227
Ordinary Shares issued	117,966	101,107
Cost of Ordinary Shares issued	(1,538)	(1,684)
Closing balance	944,078	827,650

Other reserves

	31 December 2017 £'000s	31 December 2016 £'000s
Opening balance	776	706
Shares to be issued in lieu of management fees incurred in H1 2016	–	–
Shares to be issued in lieu of management fees incurred in H2 2016 (Note 18)	–	–
Shares to be issued in lieu of management fees incurred in H1 2017 (Note 18)	847	746
Shares to be issued in lieu of management fees incurred in H2 2017 (Note 18)	966	776
Shares issued in the year, transferred to share premium	(1,623)	(1,452)
Closing balance	966	776

Retained reserves

Retained reserves comprise retained earnings, as detailed in the statement of changes in shareholders' equity.

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18. Related party and key advisor transactions

Loans to related parties:

	31 December 2017 '000s	31 December 2016 '000s
Short-term balance outstanding from TRIG UK, in relation to Management fees to be settled in shares[2]	966	776
Long-term loan to TRIG UK and TRIG UK I[1]	615,455	485,569
	616,421	486,345

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 £43,919k (2016: £37,351k) 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 £nil (2016: £nil) 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, and 0.8 per cent in respect of the Adjusted Portfolio Value in excess of £1 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 1% total fee amount charged to the Company and its subsidiary, TRIG UK. The Investment Manager advisory fee charged to the income statement for the year was £130k (2016: £130k), of which £33k (2016: £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 (2016: £70k), of which £18k (2016: £18k) remained payable in cash at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the year was £5,895k (2016: £4,946k), of which £1,266k (2016: £1,023k) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the year was £3,176k (2016: £2,663k), of which £682k (2016: £638k) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £4,914k (2016: £3,515) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £230k (2016: £94k) 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 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 2016, 787,847 shares equating to £776,325, based on a Net Asset Value ex dividend of 98.54 pence per share (the Net Asset Value at 31 December 2016 of 100.1 pence per share less the interim dividend of 1.5625 pence per share) were due, in respect of management fees earned in H2 2016, but had not been issued. The Company issued these shares on 31 March 2017.

On 30 September 2017, the Company issued 855,315 shares, equating to £844,761, based on a Net Asset Value ex dividend of 99.0 pence per share (the Net Asset Value at 30 June 2017 of 100.6 pence per share less the interim dividend of 1.6 pence per share), in respect of management fees earned in H1 2017.

18. Related party and key advisor transactions (continued)

As at 31 December 2017, 946,862 shares equating to £965,802, based on a Net Asset Value ex dividend of 102.0 pence per share (the Net Asset Value at 31 December 2017 of 103.6 pence per share less the interim dividend of 1.6 pence per share) were due, in respect of management fees earned in H2 2017, but had not been issued. The Company intends to issue these shares on 31 March 2018.

On 23 February 2017, TRIG paid to RES (The Operations Manager) £2.4m pursuant to the post acquisition true up relating to the Meikle Carewe and Tallentire wind farms that TRIG purchased form RES in June 2014 as a result of an updated yield assessment.

On 16 May 2017, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Garreg Lwyd Hill Farm, a UK onshore operational wind farm for consideration of £102.8m.

On 11 August 2017, TRIG acquired from RES (the Operations Manager), a 100% equity interest and 100% shareholder loan interest in Broxburn, a battery storage plant in Scotland for consideration of £20.4 million.

The Directors of the Company received fees for their services. Further details are provided in the Directors' Remuneration Report on pages 63 and 64. Total fees for the Directors for the period were £192,700 (2016: £188,000). Directors' expenses of £5,613 (2016: £7,278) were also paid in the period.

All of the above transactions were undertaken on an arm's length basis.

19. Guarantees and other commitments

As at 31 December 2017, the Company and or its subsidiaries, had provided £20.5m (2016: £18.3m) 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.

20. Contingent consideration

The Group has performance-related contingent consideration obligations of up to £4.4m (2016: £10.2m) relating to acquisitions completed prior to 31 December 2017. These payments depend on the performance of certain wind farms and solar parks and other contracted enhancements. The payments, if triggered, would be due before 2020. 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 16 January 2018 the revolving credit facility was extended to enable TRIG UK and TRIG UK I to borrow amounts up to a value of £240 million.

On 8 February 2018, the Company declared an interim dividend of 1.6 pence per share for the period 1 October 2017 to 31 December 2017. The total dividend, £15,157,487 payable on 31 March 2018, is based on a record date of 16 February 2018 and the number of shares in issue at that time being 947,342,959.

On 16 January 2018 TRIG purchased Clahane Wind Farm, an Irish wind farm from private developers for total consideration of €72 million including an element of deferred consideration for the construction of a further six turbines due to become operational in the third quarter of 2018.

There are no other events after the balance sheet date, which are required to be disclosed.

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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%

22. Subsidiaries (continued)

Name	Country	Ownership Interest
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%
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	39.2%
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 Wind	UK	14.7%

Directors and Advisers

DIRECTORS
Helen Mahy (Chairman)
Jonathan (Jon) Bridel
Shelagh Mason
Klaus Hammer

REGISTRAR
Link Asset Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey GY2 4LH

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
Tulchan Communications LLP
85 Fleet Street
London EC4Y 1AE

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
Canaccord Genuity Limited
9th Floor
88 Wood Street
London EC2V 7QR

Liberum Capital Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

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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	£982.8 million as at 31 December 2017
Market capitalisation	£1,028.8 million as at 31 December 2017
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 0.8% per annum for investments above £1.0bn (with no element paid in shares on the excess). 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 on pages 22 to 23 and can also be found on the Company's website.
Website	www.TRIG-Ltd.com

Notes:

1. Adjusted Portfolio Value means fair market value, without deductions for borrowed money or other liabilities or accruals, and including outstanding subscription obligations.

TRIG

The Renewables Infrastructure Group

East Wing
Trafalgar Court
Les Banques
GY1 3PP
Guernsey

www.trig-ltd.com