# The Renewables Infrastructure Group

Interim Results Presentation: Six Months to 30 June 2021


Green Hill, Scotland

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# Speakers

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Investment Director, Infrastructure

# TRIG

Enhancing the long-term sustainability of shareholder returns

## H1 2021 Summary

- Resilient financial performance despite low wind resource and regulatory changes in the period
- Investments made enhance portfolio diversification by geography and revenue type
- Second Sustainability Report published enhancing TRIG's transparency
- Board succession planning: John Whittle appointed

## Sustainability in H1 2021

A portfolio capable of powering 1.5 million homes with clean energy[1]

660,000 tonnes of $CO_2$ avoided in H1[1]

Supporting 37 community funds

£1.1m budgeted for community contributions in 2021

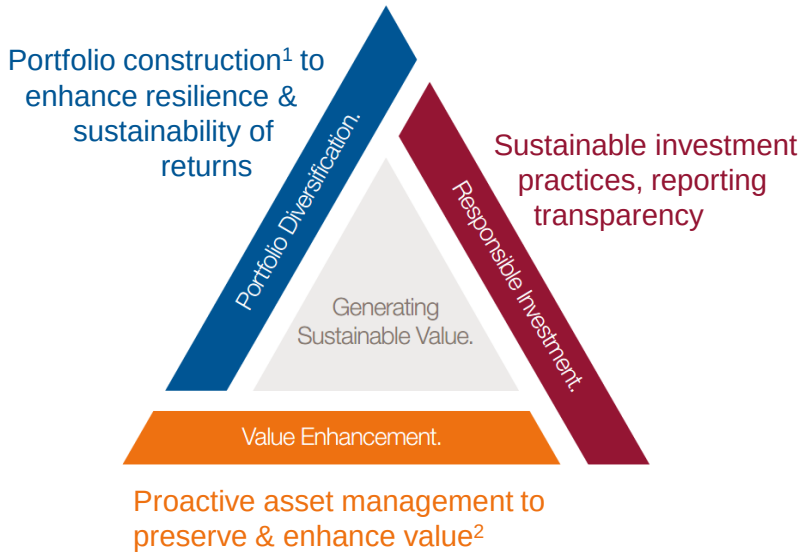
0.27 reportable lost time accidents per 100,000 hours worked[2]

InfraRed has achieved an A+ PRI score for the sixth consecutive year[3]

1. On a committed portfolio basis as at 30 June 2021, Based on the IFI Approach to GHG Accounting. 2. The LTAFR is calculated on the basis of the number of accidents which have occurred in the period divided by the number of hours worked multiplied by 100,000 to give a rate for every 100,000 hours worked. Whilst all accidents are recorded by RES, only accidents that have resulted in a worker being unable to perform their normal duties for more than seven days are included in this calculation in line with reportable accidents as defined by UK HSE RIDDOR regulation. The UK renewables industry is working to create industry specific benchmarks to compare with moving forward. 3. Principles for Responsible Investment ("PRI") ratings are based on following a set of Principles, including incorporating ESG issues into investment analysis, decision-making processes and ownership policies. More information is available at https://www.unpri.org/about-the-pri.

# Generating Sustainable Value.

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




TRIG
The Renewables Infrastructure Group

- Diverse independent Board
- Sets and monitors adherence to the strategy and policies
- Oversight of Managers

InfraRed Capital Partners

- Day-to-day management & investments
- 25-years investment track record
- 400+ transactions
- £10bn equity under management

res power for good

- Operational oversight of the portfolio
- 39 years experience in renewables
- 21GW+ developed and/or constructed
- 7GW operational assets supported

### Diversified Portfolio

**£2.7bn**[3] Portfolio Value

**79 projects** UK & Europe

### Attractive Dividend Yield[4]

**5.3%** Cash Yield

### Cost Efficient, High Levels of Liquidity

**1.0%** OCR[5]

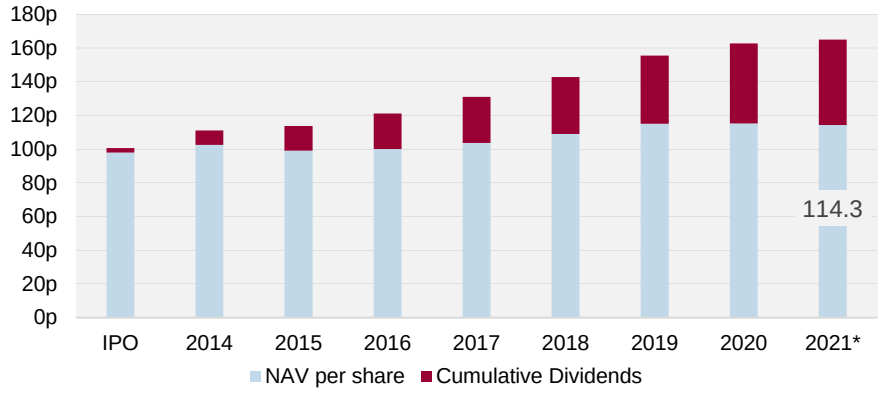
**c. 4m** shares traded daily[6]

Past performance is not a reliable indicator of future results. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital and income at risk.

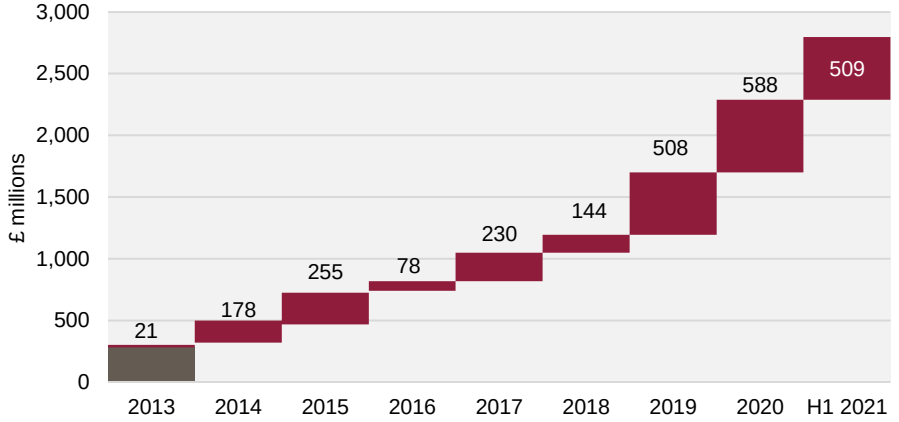
1. Taking into account power markets, regulatory frameworks, weather patterns & technology classes.
2. Through optimising generation, minimising downtime and operating safely.
3. Portfolio value at 30 June 2021 plus investment commitments made to date in 2021.
4. The dividend yield is based on target aggregate dividends for 2021 & share price of 128.0p at 30 June 2021.
5. Ongoing Charges Ratio HY 2021.
6. Based on 90-day average volumes as at 30 June 2021.

# Strong track record built up over eight years

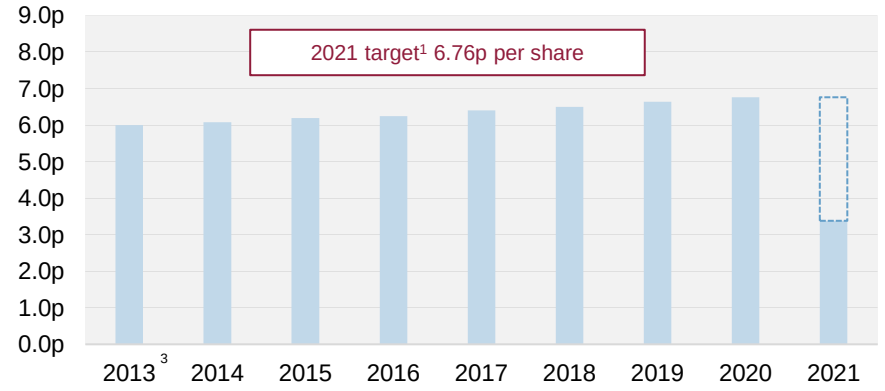
## NAV total return[1,2] since IPO of 7.9% annualised



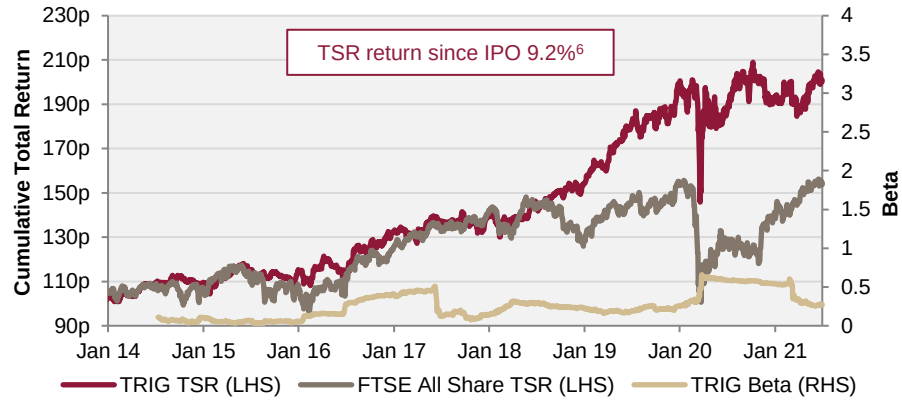

## Disciplined portfolio growth[4]




## Strong dividend track record




## Share price outperformance and low Beta[5]




**1. Past performance is not a reliable indicator of future results. There can be no assurance that targets will be met or that the Company will make any distributions, or that investors will receive any return on their capital. Capital and income at risk.**

2. Based on NAV per share appreciation plus dividends paid from IPO till the period ended 30 June 2021 on an annualised basis 3. 2.50p per share was paid relating to the first five months of operations following IPO and represents 6.00p on an annualised basis. 4. Including the £341m of investments made in H1 2021 5. Thomson Reuters Datastream using 250 day rolling beta. 6. TSR is the total shareholder return based on a share price plus dividends paid from IPO till the 30 June 2021 on an annualised basis. *Half-year 2021

# Financial Highlights & Valuation

Beatrice Offshore Wind Farm, Scotland
*Credit: BOWL*

# Financial Highlights I

Six months to 30 June 2021

**114.3p**
**NAV per share, -1.0p**

(31 Dec 2020: 115.3p)

**1.8p**
**Earnings per share**

(H1 2020: 1.0p)

**£341m[1]**
**Investments made**

(H1 2020: £281m)

**£240m**
**Equity raised**

(H1 2020: £120m)

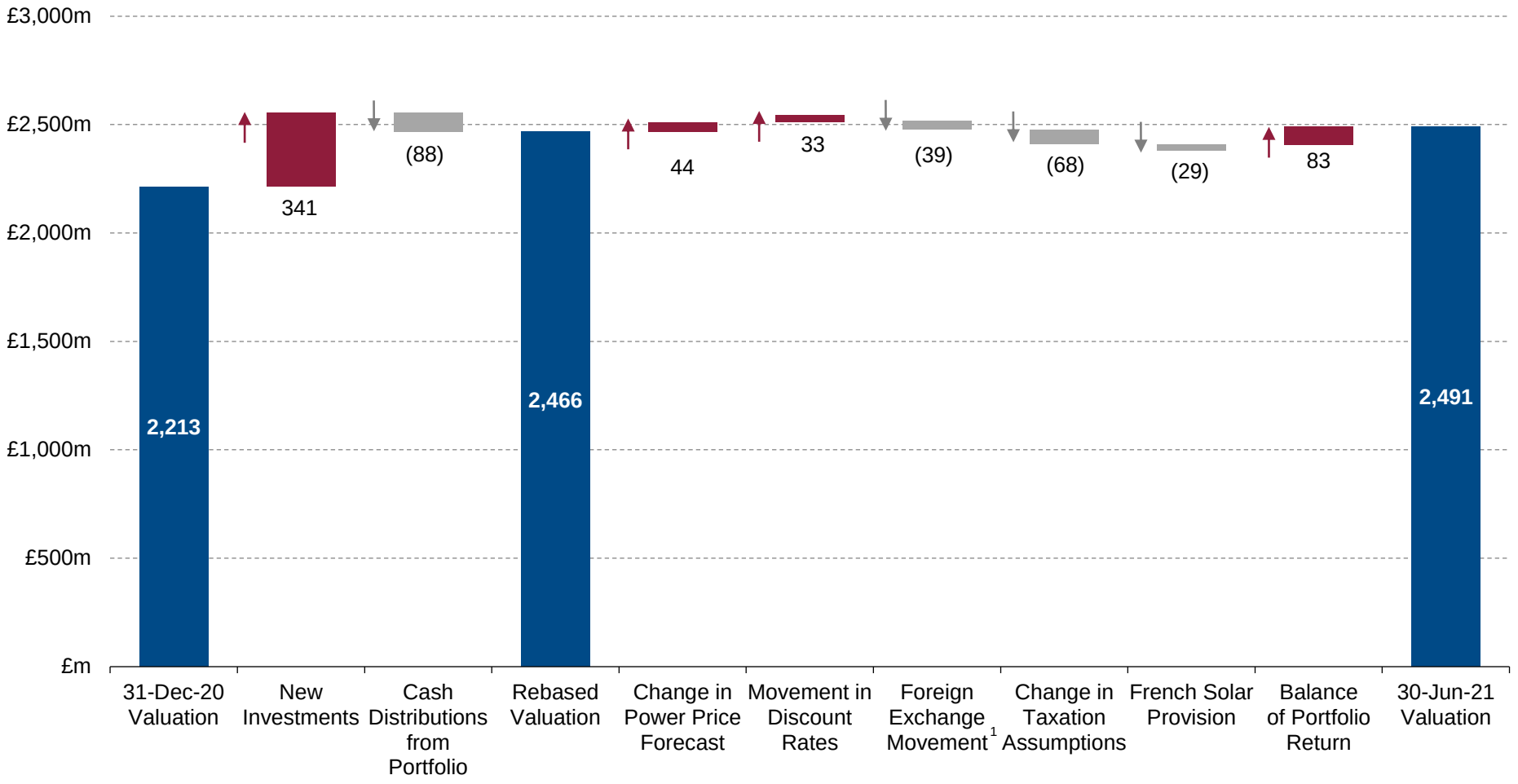
Venelle, France[2]

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

1. This is the amount invested in the period. Total commitments made in H1 2021 were £509m consisting of Beatrice, Grönhult and Twin Peaks (Ranasjö and Salsjö).
2. Image credit: Velocita/Envision

# Portfolio Valuation Bridge

## Valuation movement in the six months to 30 June 2021



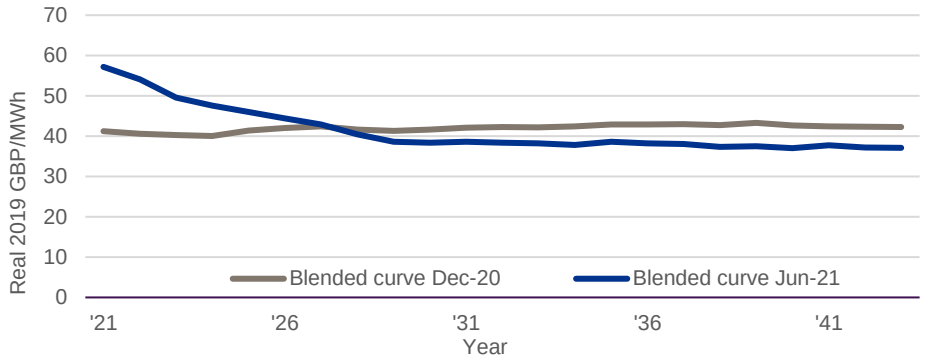

1. Foreign exchange movement before hedges. The net impact of foreign exchange movement is a loss of £12m after the gain on hedging of £28m.

# Valuation I – Power prices

## Power prices (+£44m)

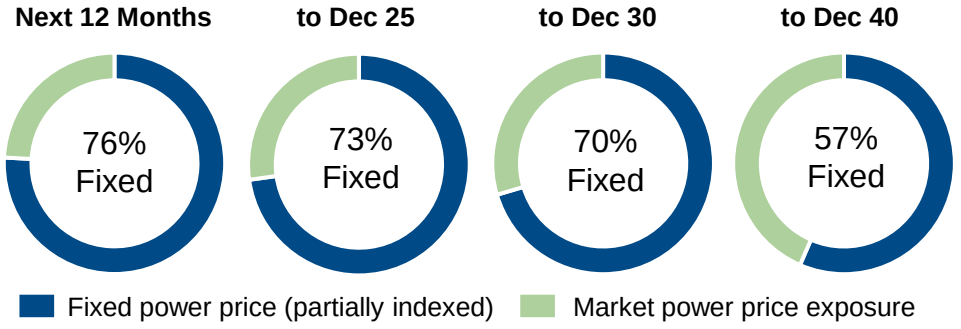
- ▲ During H1 2021, blended curve increased overall due to:
  - Marked increase in curve over the near term, softening over the longer term (discussed on next 2 slides)
  - Average assumed power prices to 2050 is £41/MWh in the GB market, €47/MWh in Euro jurisdictions (real)
  - Subsidies and power price fixes account for 70% of expected revenues out to 2030

**TRIG blended power curve[1]**




| Region | Average 2021-2025 | Average 2026-2050 | Average 2021-2050 |
|---|---|---|---|
| GB (Real 2019 £/MWh) | 58 | 38 | 41 |
| Average of four Euro jurisdictions[2] (Real 2019 EUR/MWh) | 53 | 46 | 47 |

**Forecast proportion of fixed vs. market revenues[2]**




1. Power price forecasts used in the Directors' valuation for each of GB, the Single Electricity Market of Ireland, France, Germany and Sweden are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curves, the power price forecasts are weighted by P50 estimates of production for each of the projects in the Company's 30 June 2021 portfolio. Forecasts are shown net of assumptions for PPA discounts and cannibalisation.
2. France, SEM, Germany and Sweden SE3.

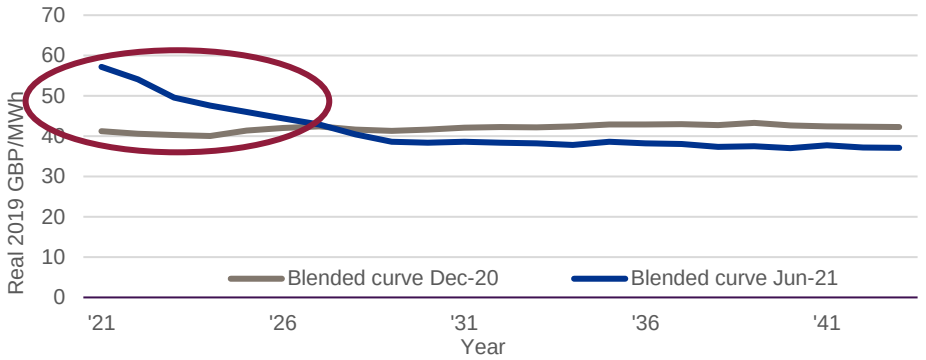
# Valuation II – Power prices

## Near term drivers

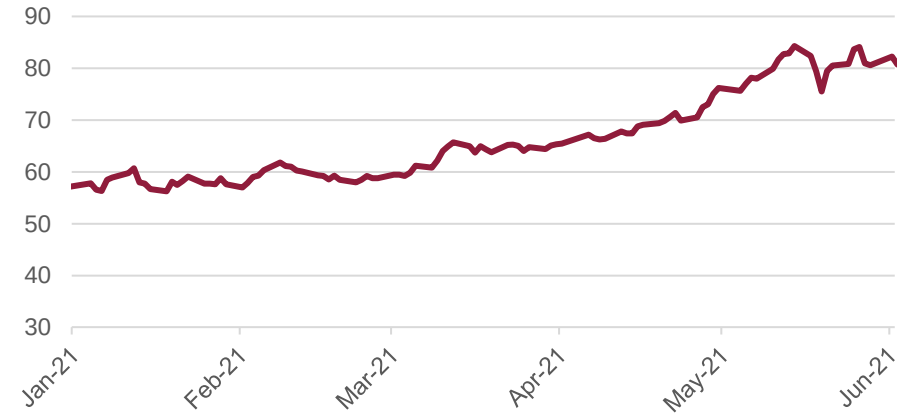
Power curve up markedly in the near-term, driven by:

- Europe wide gas and carbon prices up c.40% in H1:
  - Cold winter (incl. Asia, pushing up LNG demand)
  - Low gas stocks
  - Economic recoveries
  - EU ETS carbon allowances tightening
- Additional local factors: inflation in the UK, dry weather in Nordics reducing hydro storage levels

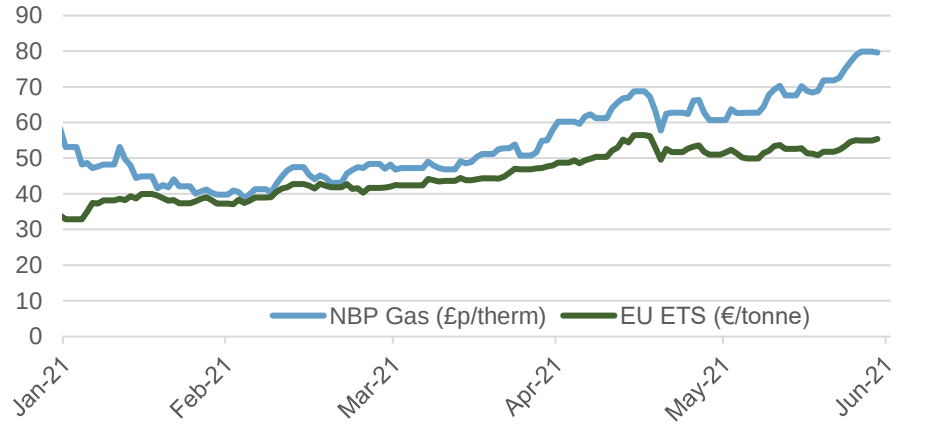
**TRIG blended power curve[1]**




**UK Winter 2021 Forward Prices £/MWh[2]**




**Key commodity prices[2]**

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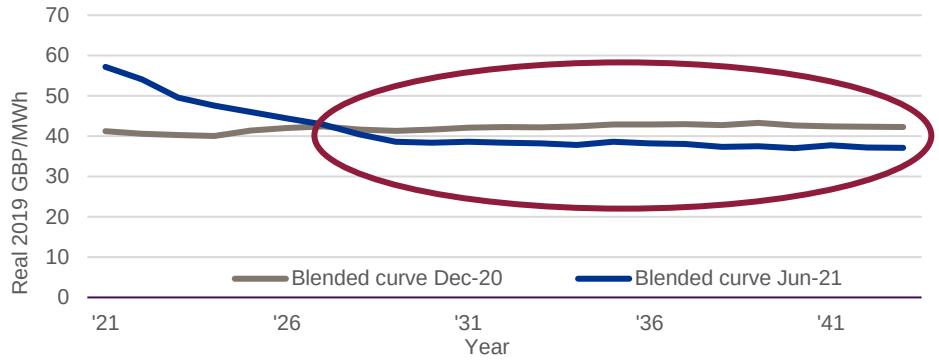
2. Commodities data from Bloomberg and UK power price data from Argus Media (https://www.argusmedia.com/en/power/argus-european-electricity)

# Valuation III – Power prices

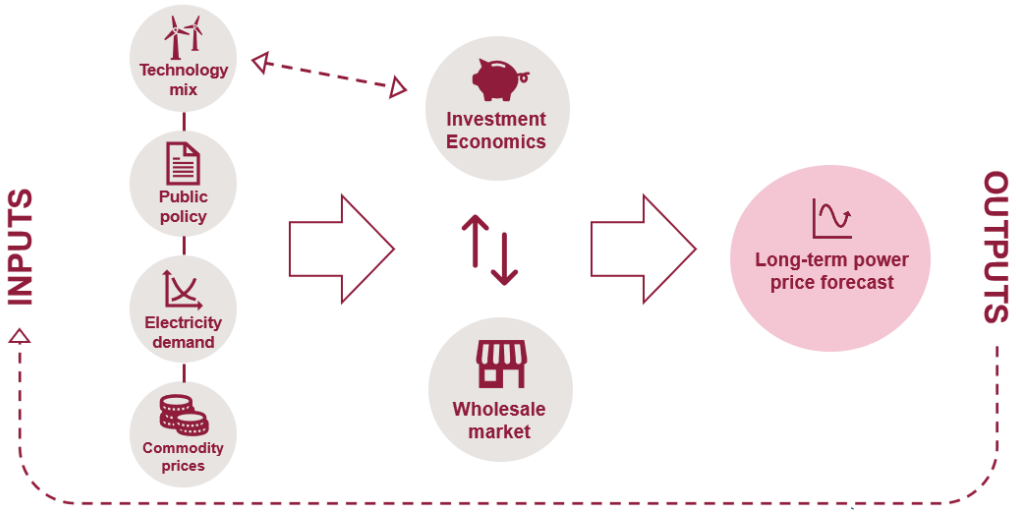
## Longer term drivers

- Long-end of the curve reduced across the forecast period, driven by:
  - Increased renewables buildout assumptions, including UK offshore wind
  - Consequently, increasing renewable electricity supply without a commensurate increase in demand
  - Policy across Europe moving towards greater electrification which should translate into higher and more flexible demand
- Going forward, power price forecasts likely to continue to be influenced by:
  - Renewables build-out rate assumptions
  - Public policy developments
  - Demand, including rates of electrification
  - Gas and carbon price projections

**TRIG blended power curve[1]**




**Power price forecast building blocks**

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# Valuation IV – Other key items

## Valuation discount rates (+£33m)

- ▲ Reduced by 0.2% reflecting sustained market demand for renewables. Substantial buffer to risk free rate remains. Blended rate now 6.5% (31 Dec 2020: 6.7%)

## Foreign exchange (-£39m before hedging)

- ▲ FX loss of £39m, offset by hedging giving a net loss of £12m – reflecting 4% appreciation in Sterling in the period

## UK Corporation Tax (-£68m)

- ▲ Increase to 25% from April 2023 over entire forecast period

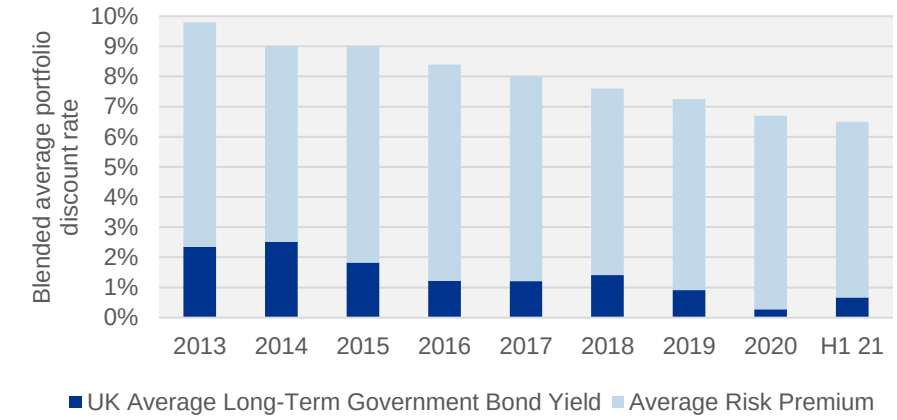
## French regulatory change to solar tariffs (-£29m)

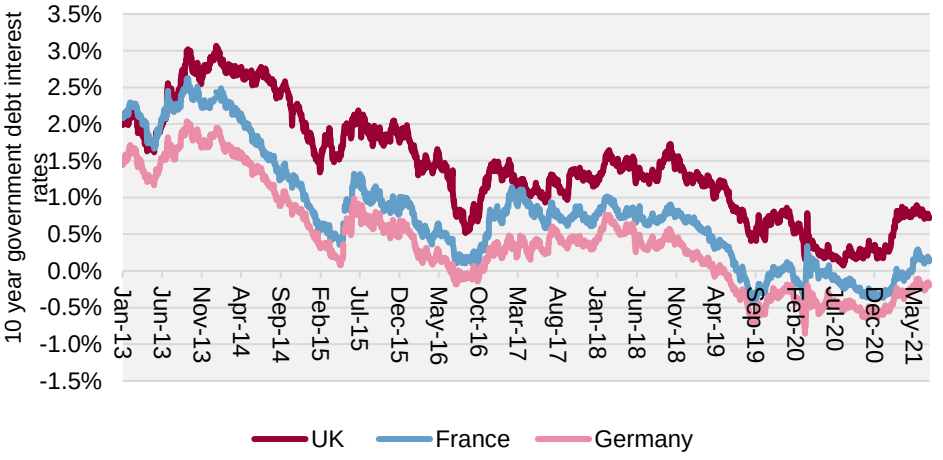
- ▲ Further provision taken against 2006 and 2010 legislated French solar assets due to retroactive regulatory change; provision taken to 50% of value[2]
- ▲ Uncertainty around level of financial impact with potential for appeals and challenges – likely to be protracted

## Balance of portfolio return (+£83m)

- ▲ Expected return – unwind of the discount rate at 6.7%
- ▲ Value enhancement activities including inflation swaps, improved PPA terms and active power price management

## Mainstreaming of the asset class[1]




1. Benchmark interest data sourced from Bloomberg.
2. The provision taken has increased from the year end position to reflect greater number of projects expected to be affected. Provision level maintained at 50%. The exposure remaining is 1.4% of portfolio value as at 30 June 2021.

# Financial Highlights II

Six Months to 30 June 2021

**£2,491m**
**Portfolio Value[1], +13%**

(December 2020: £2,213m)

**6.76p**
**FY 2021 Dividend per share target**

(FY 2020: 6.76p)

**1.01%**
**Ongoing charges percentage**

(H1 2020: 0.96%)

**1.28x**
**Dividend cover (with scrip)**

**1.18x**
**Dividend cover (without scrip)**

(H1 2020: 1.28x w. scrip;
1.25x w/o. scrip)

**£64m**
**Project finance debt repayments**

(H1 2020: £50m)

**2.1x**
**Cash dividend cover before debt capital repayments**

(H1 2020: 2.2x)

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

1. This is the Portfolio Value as at 30 June 2021.

# Investment Commitments

## Funding, investments and commitments

- **Investment commitments entered into in H1** – £509m across three investments (see slide 25)
- **Outstanding commitments at 30 Jun 2021** – £177m relating to Grönhult and Twin Peaks (Ranasjö and Salsjö) acquisitions
- **Equity issuance during H1** – raised £240m at a premium to NAV
- **Revolving credit facility ("RCF")** – currently £129m drawn (£500m capacity)
- **Impact** – TRIG's four in-construction projects[1], once built, will add 266MW to TRIG's net operational generation capacity; equivalent to powering 100,000 homes and offsetting 90,000 tonnes of carbon emissions per annum

| | H2 2021 | 2022 | 2023 | 2024 | Total |
|---|---|---|---|---|---|
| Outstanding Commitments (£m) | 24 | 82 | 50 | 24 | **177** |

*Table does not cast due to rounding.


Jädraås, Sweden[2]

1. Projects in construction are to Grönhult, Twin Peaks (Ranasjö and Salsjö), Blary Hill and Vannier.
2. Image credit: Vestas

# Operational Highlights

Penare Farm, England

# Production

## Adverse wind resource dominates

### H1 2021 generation: 2,113GWh[1]

- Total generation 12% below budget
- Variance driven by resource and grid constraints
- Swedish wind and UK solar performing above budget
- Merkur - long-term solution being developed, currently expected to be implemented summer 2022

### H1 2021 generation by region

| Technology | Region | Electricity production (GWh) | Performance vs Budget |
|---|---|---|---|
| Wind onshore | GB | 576 | -17% |
| | France | 283 | -4% |
| | Scandinavia | 277 | 1% |
| | Ireland | 146 | -20% |
| Wind offshore | GB | 450 | -12% |
| | Germany[3] | 290 | -19% |
| Solar | UK & France | 90 | 1% |
| **Total Portfolio** | | **2,113** | **-12%** |

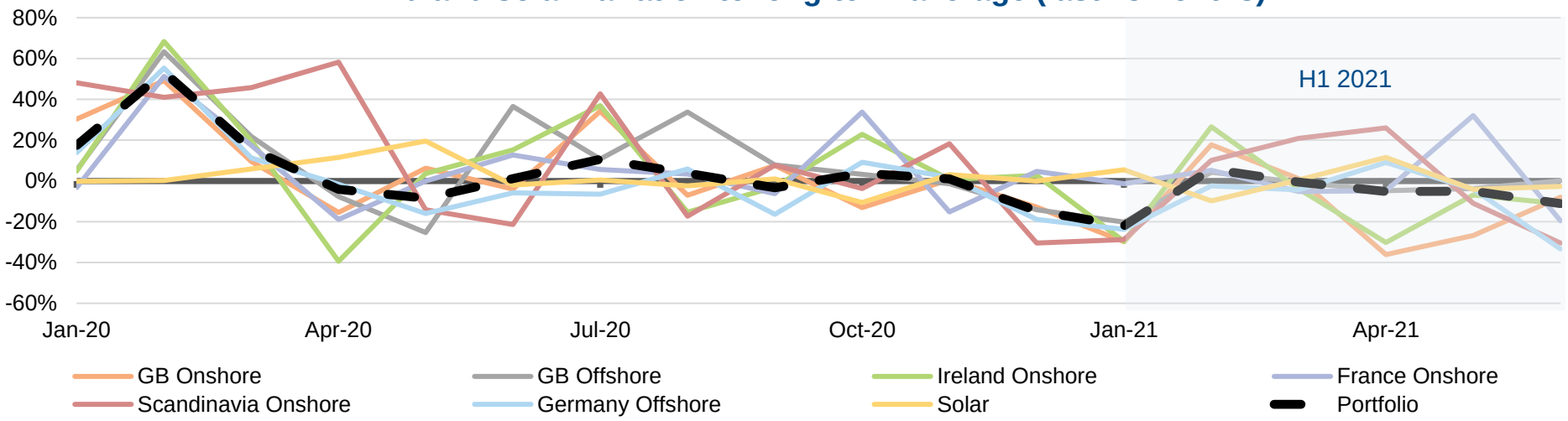
Altahullion gearbox exchange

1. Includes compensated production from grid curtailments and insurance.
2. Performance vs Budget data does not include Merkur downtime resulting from stress fatigue, as this is expected to be compensated.

# Weather resource

Regional monthly and annual volatility smoothed

## Wind and solar variation to long-term average (last 18months)




## Regional variances reduced

- Geographic diversification mitigates large monthly regional variances in weather
- Lower wind speeds in UK and Ireland in April offset by high wind resource in Scandinavia

## Monthly wind speed correlation 2000-2020

| | GB | NI & ROI | Scandinavia | France | Germany (Offshore) |
|---|---|---|---|---|---|
| GB | 100% | | | | |
| NI & ROI | 97% | 100% | | | |
| Scandinavia | 80% | 75% | 100% | | |
| France | 73% | 68% | 63% | 100% | |
| Germany (Offshore) | 86% | 79% | 82% | 70% | 100% |

# Value enhancements

Proactive management continues to preserve and enhance value

## Value preservation

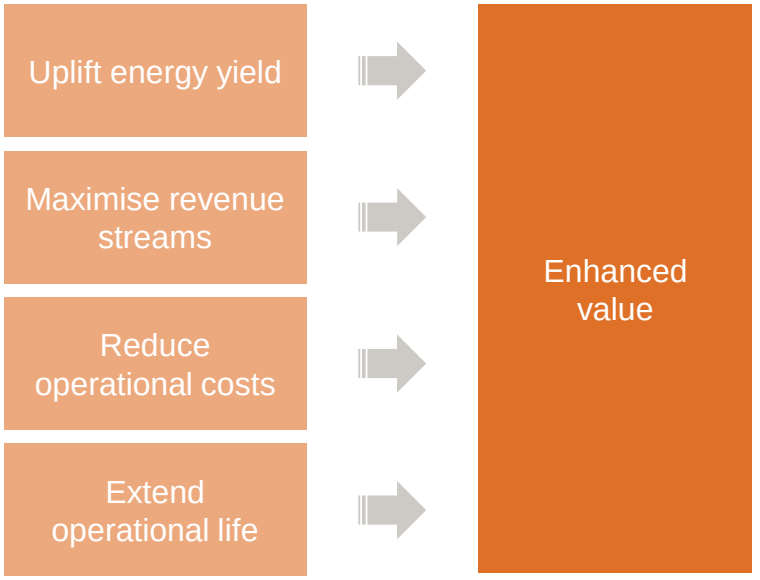
- Proactive portfolio management continues to provide good resilience to Covid-19, with downtime minimised through condition monitoring and strategic spares
- Working practices adapted to reflect Covid-19 risk, enabling works to continue safely

## Commercial enhancements

- Beatrice insurance savings through probabilistic approach to risk allocation
- Mid-term restructuring of suite of O&M contracts
- Additional value secured through French power price fixes

## Technical enhancements

- Vortex generators – blade furniture to increase energy yield – installed at Little Raith
- Wake steering pilot project progressing to increase yield on older turbines
- Innovative strategies being explored to share O&M resources with neighbouring offshore windfarms




**Collaboration of RES specialists maximises value across the full project lifecycle**

Initial stages of the Vortex Generator upgrade at Little Raith

# Responsible Investment

Roos, England

# Sustainability in practice

ESG is integrated at the project level; continued strong performance in H1 2021

## To mitigate climate change

- 660,000 tonnes of CO2 emissions avoided in H1 2021[1]
- Over 1.2 million homes powered by clean energy[1]
- 72% of GB portfolio uses green energy[2]

## To preserve the natural environment

- 14 Active Environmental Management Projects[3]
- Voluntary studies researching impact of offshore wind farms on marine life commenced at Beatrice Offshore Wind Farm

## To positively impact the communities we work in

- £1.1m budgeted for community contributions in 2021[4]
- 37 Community Funds

## To maintain ethics and integrity in governance

- InfraRed maintains an A+ PRI rating
- 0.27 Lost Time Accident Frequency Rate

1. The current operational portfolio is capable of powering over 1.4 million homes and offsetting 1.5 million tonnes of $CO_2$ annually based on the IFI Approach to GHG Accounting.
2. Green Energy, by sourcing electricity under Renewable Electricity Supply Contracts.
3. Number of operational TRIG sites engaged in pro-active habitat management plans that exceed standard environmental maintenance.
4. Including amount distributed so far via additional TRIG Covid-19 funding.
5. Principles for Responsible Investment ("PRI") ratings are based on following a set of Principles, including incorporating ESG issues into investment analysis, decision-making processes and ownership policies. More information is available at https://www.unpri.org/about-the-pri
6. https://www.un.org/sustainabledevelopment

# Sustainability in practice

Project level sustainability continues, as wider sustainability practices evolve at TRIG


## TRIG's 2021 Sustainability Report

- Enhanced sustainability disclosure
- Highlighting our managers' programmes
- Furthering our sustainability integration
- Profiling the TRIG Covid-19 Community Fund

## Sustainability Case Studies[1]

Community Support at Parley Court Solar Farm

Commitment to net-zero frameworks

## Aligning with industry initiatives

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

NET ZERO ASSET MANAGERS INITIATIVE

SUSTAINABLE DEVELOPMENT GOALS

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

PRI Principles for Responsible Investment

1. For further details regarding case studies, please view TRIG's latest Sustainability Report, and the 2021 Interim Report and Financial Statements, both available on the TRIG website under 'Reports and Publications': https://www.trig-ltd.com/investors/reports-and-publications/

# Acquisitions &
# Portfolio Diversification

Blary Hill, Scotland

# Portfolio additions – 2021 to date

## Diversity of revenue structures, technology and geographies

| Date of commitment | Project | Technology | Revenue Type[1] | Location | Equity share | Net Capacity (MW) | % of portfolio value[2] |
|---|---|---|---|---|---|---|---|
| January 2021 | Beatrice | Offshore wind | CfD | Scotland, UK | 17.5% | 103 | 10% |
| February 2021 | Grönhult | Onshore wind (construction) | Wholesale market | Sweden | 100% | 67 | 4% |
| May 2021 | Twin Peaks - Ranasjö | Onshore wind (construction) | Wholesale market | Sweden | 50% | 78 | 3% |
| | Twin Peaks - Salsjö | | | | | 43 | 1% |

**Additions by geography**


**Additions by revenue type**


**Additions by technology**

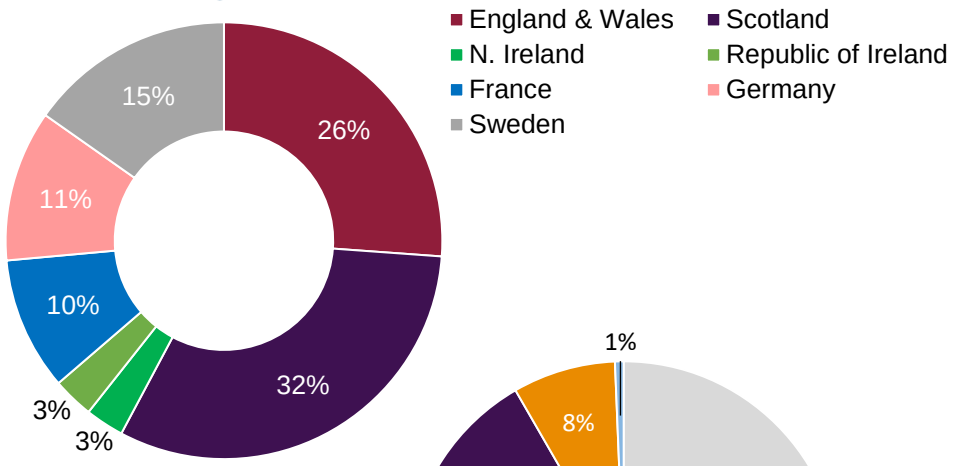


1. Revenue type during subsidy period. CfD (Contract for Difference) and FiT (Feed-in Tariff) are references to types of government subsidy mechanisms which materially or wholly eliminate power pricing risk during the subsidy period.
2. Based on the 30 June 2021 portfolio valuation plus investment commitments.

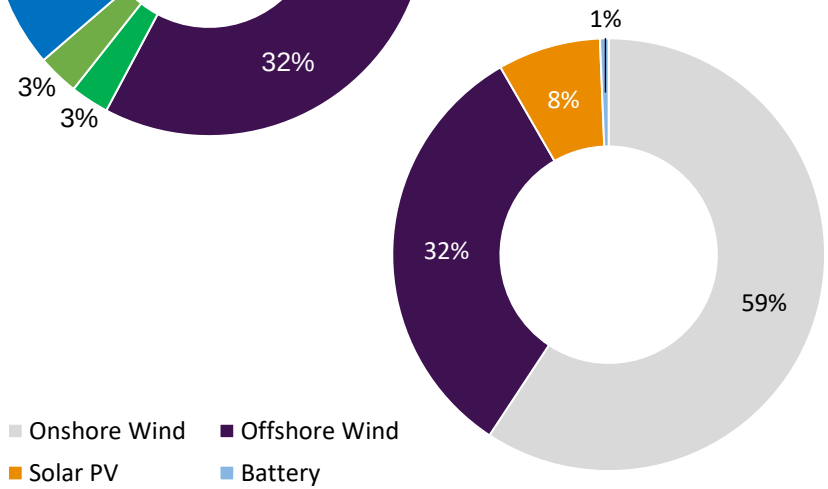
# Portfolio diversification

1.9GW net capacity / 79 projects

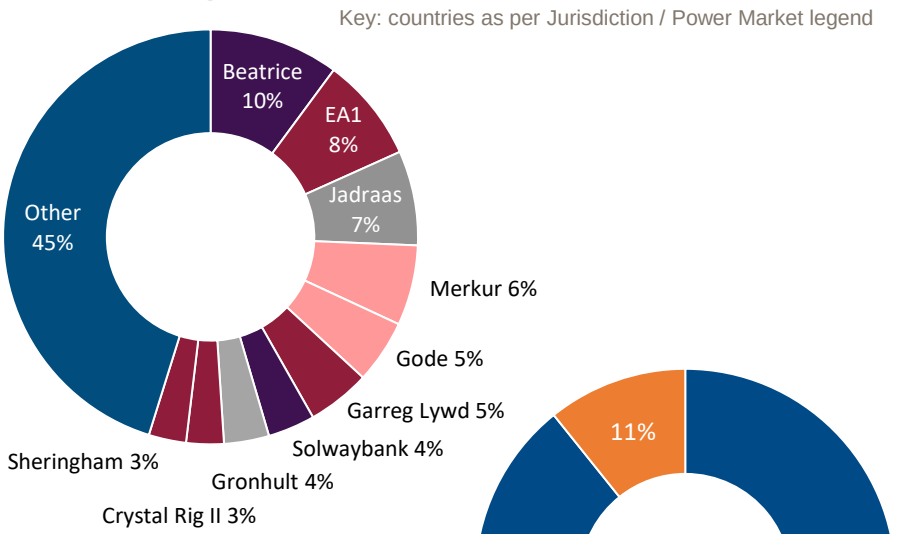
## By Jurisdiction / Power Market[1,2,3]



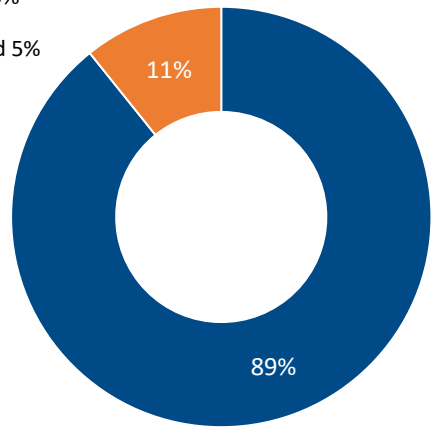

## By Technology[2]




## Top 10 largest assets[2]




## Construction Exposure[2]




1. Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.
2. Segmentation by portfolio value as at 30 June 2021. Assets under construction are included on a fully committed basis including construction costs.
3. Scottish ROC projects represent 15% of the 32% of the portfolio in Scotland.

# Swedish onshore wind

## Grönhult and Twin Peaks (Ranasjö and Salsjö)

### Grönhult onshore wind farm, Sweden

- 67MW ready-to-build onshore wind farm
- Experienced partner: managed by Vattenfall, leading European energy company and major renewables developer
- Established equipment manufacturer: Vestas – 12x 5.6MW turbines, 30 year O&M agreement
- Expected to be operational at the end of 2022
- c. 20,000 homes powered by clean electricity


### Twin Peaks onshore wind farms, Sweden

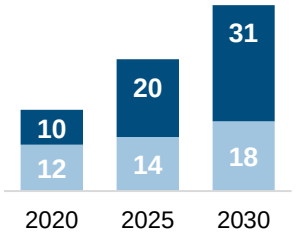
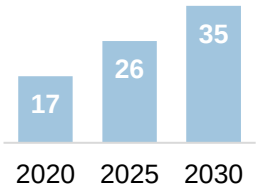
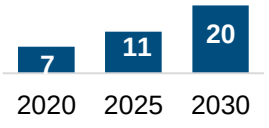
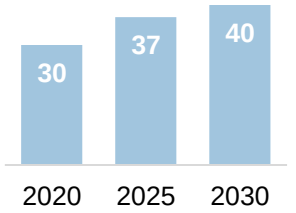
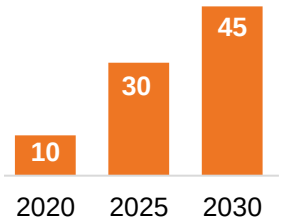
- 155MW and 87MW ready-to-build onshore wind farms
- Experienced local specialist partner, with a project portfolio of over 1.3GW and a management portfolio over 1.1GW in Sweden and Norway
- Established equipment manufacturer: Siemens Gamesa – 39x 6.2MW turbines, 30 year O&M agreement
- Expected to be operational in the first half of 2024
- c. 40,000 homes powered by clean electricity


Jädraås, Sweden[1]

Note: Jädraås was acquired by TRIG in 2019
1. Image credit: Vestas

# Forecast new capacity of >90GW by 2030

New capacity from a broad range of revenue and market types

| Revenue Type | Largely subsidised markets | | | Largely unsubsidised markets | |
|---|---|---|---|---|---|
| Region |  |  |  |  |  |
| Key Technology Focus | Offshore & Onshore Wind[1] | Onshore Wind | Offshore Wind | Onshore Wind | Solar |
| Estimated capacity (GW)[2] |  |  |  |  |  |
| Estimated secondary market transactions[3] | **€15-20bn p.a.** | | | **€5bn p.a.** | |

1. Note that new UK onshore wind currently does not attract a subsidy.
2. Based on estimates from leading market forecasters used in the Portfolio Valuation process. Chart Key: Dark blue = offshore wind; light blue = onshore wind; orange = solar.
3. Based on InfraRed's estimates of enterprise value transaction volume in TRIG's key focus markets and technologies. Offshore wind market comprises larger and less frequent transactions than other technologies, and therefore these estimates represent an averaged view.

# Concluding Remarks

Altahulion, Northern Ireland

# TRIG: Generating Sustainable Value

Concluding remarks

## Solid financial performance

- Elevated near-term power prices and sustained demand for renewables investments reduces impact of regulatory and taxation changes
- Valuation gains from InfraRed's and RES's active portfolio and asset management, including inflation swaps and generation enhancement
- On course to deliver target dividend 6.76p[1] for 2021

## Diversifying portfolio growth

- Diversifying investments made with careful portfolio construction
- Enhanced sustainability considerations integrated into investment process

## Positive outlook

- Continuing momentum behind the energy transition ahead of COP26
- Electrification of the economy a key pillar to meeting net-zero ambitions
- Broad remit and InfraRed's network ensures attractive pipeline of investment opportunities

Roos, England

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

# Appendices

Egmere Airfield, England

# Summary June 2021 Financial Statements

Reduction in NAV – UK tax and French regulatory changes offset by discount rates reduction and strong near term power prices

## Income Statement

| | Six months to 30 June 2021 £m | Six months to 30 June 2020 £m |
|---|---|---|
| **Total operating income** | **25.2** | **61.1** |
| Acquisition costs | (1.1) | (0.2) |
| **Net operating income** | **24.1** | **60.9** |
| Fund expenses | (11.8) | (9.4) |
| Foreign exchange gains/(losses) | 27.6 | (33.6) |
| Finance costs | (3.1) | (1.6) |
| **Profit before tax** | **36.8** | **16.3** |
| **Earnings per share[1]** | **1.8p** | **1.0p** |
| **Ongoing Charges Percentage** | **1.01%** | **0.96%** |

## Balance Sheet

| | 30 June 2021 £m | 31 December 2020 £m |
|---|---|---|
| **Portfolio value** | 2,491.0 | 2,213.0 |
| Working capital | (1.5) | (0.6) |
| Hedging asset/(liability) | 19.9 | (1.4) |
| Debt | (129.4) | (40) |
| Cash | 26.1 | 23.9 |
| **Net assets** | **2,406.1** | **2,194.9** |
| **NAV per share** | **114.3p** | **115.3p** |
| *Shares in issue* | *2,104.3m* | *1,904.3m* |

## Cash Flow Statement

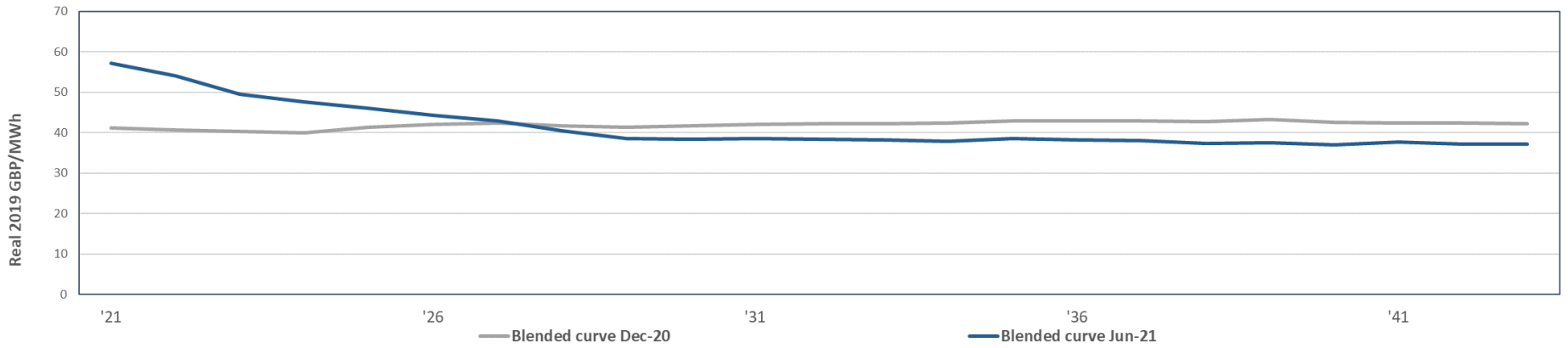
| | Six months to 30 June 2021 £m | Six months to 30 June 2020 £m |
|---|---|---|
| Cash from investments | 92.6 | 78.1 |
| Operating and finance costs | (12.7) | (9.5) |
| **Cash flow from operations** | 79.9 | 68.6 |
| Debt arrangement costs | (0.1) | - |
| FX gains/(losses) | 1.8 | (5.1) |
| Equity issuance (net of costs) | 235.9 | 118.7 |
| Acquisition facility drawn/(repaid) | 90.0 | 49.8 |
| New investments (incl. costs) | (342.9) | (281.8) |
| **Distributions paid** | (62.4) | (53.6) |
| **Cash movement in period** | 2.2 | (103.4) |
| Opening cash balance | 23.9 | 127.8 |
| **Net cash at end of period** | **26.1** | **24.4** |
| **Pre-amortisation cover** | **2.1x[3]** | **2.2x[3]** |
| **Cash dividend cover** | **1.28x[4]** | **1.28x[4]** |

1. Calculated based on the weighted average number of shares during the year being 2,009.3 million shares.
2. Columns may not sum due to rounding differences.
3. In H1 2021, scheduled project level debt of £64m was repaid, therefore the pre-debt amortisation dividend cover ratio was 2.1x (H1 2020: 2.2x).
4. After scrip take-up of 4.1m shares, equating to £5.3m, issued in lieu of the dividends paid in the period. Without scrip take up dividends paid would have been £67.7m and dividend cover 1.18x (H1 2020: 1.25x).

# Valuation – key assumptions

| | | As at 30 June 2021 | As at 31 December 2020 |
|---|---|---|---|
| **Discount Rate** | Portfolio average | 6.50% | 6.70% |
| **Power Prices** | Weighted by market | Based on third party forecasts | Based on third party forecasts |
| **Long-term Inflation** | UK | 2.75% to 2030, 2% thereafter | 2.75% |
| | EU | 2.00% | 2.00% |
| **Foreign Exchange** | EUR / GBP | 1.166 | 1.119 |
| **Asset Life** | Wind portfolio, average | 30 years | 29 years |
| | Solar portfolio, average | 37 years | 37 years |

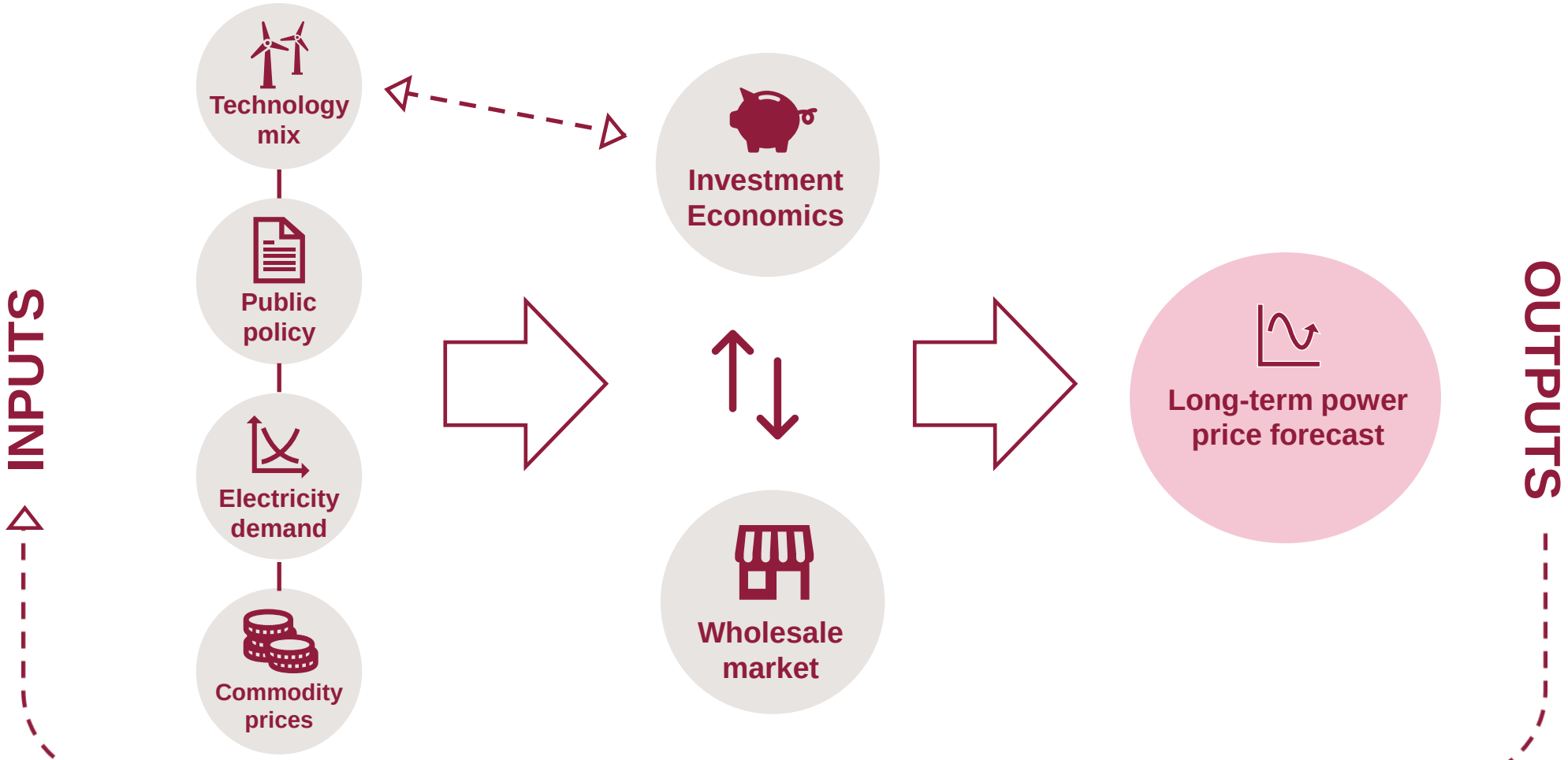
## TRIG blended power curve[1]




1. Power price forecasts used in the Directors' valuation for each of GB, Ireland, France, Germany and Sweden are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by P50 estimates of production for each of the projects in the Company's 30 June 2021 portfolio.

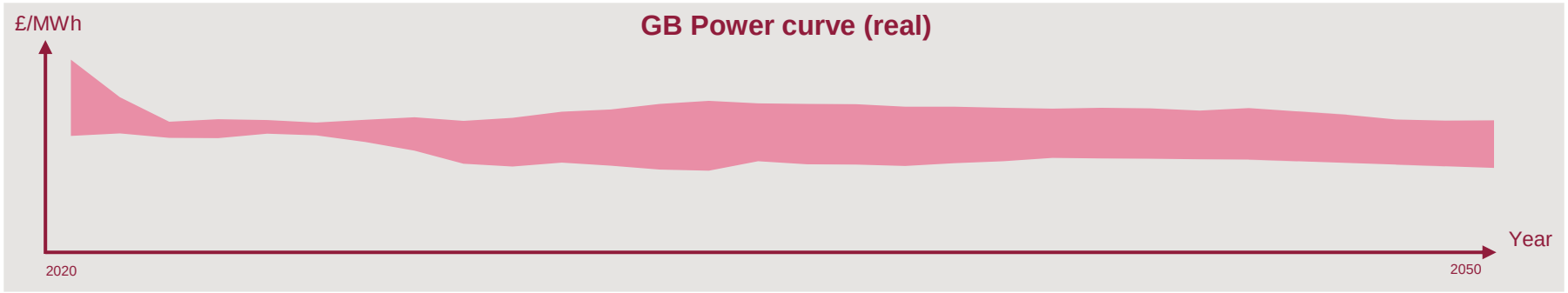
# Power price forecasting basics

Illustrative diagram of the approach taken by mainstream forecasts



# Power price forecasting basics – GB power forecast

Valuation based on the indicated range provided by mainstream forecasters




Key

Range of mainstream forecasters

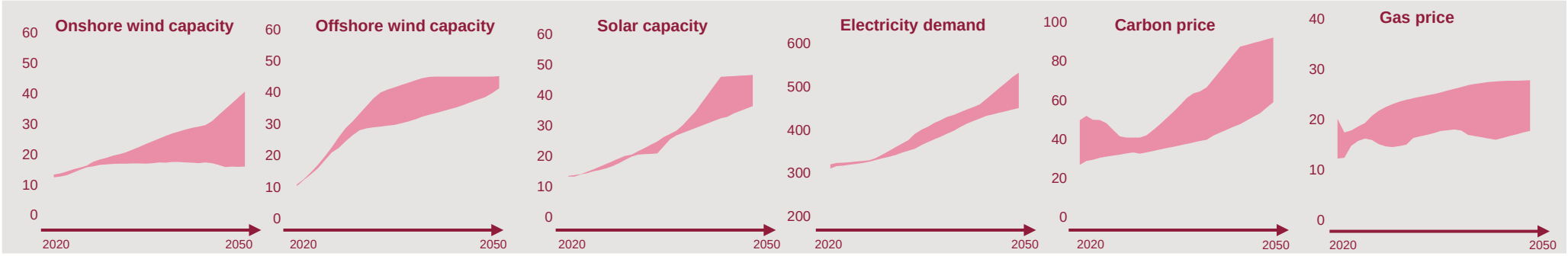
INPUTS

Technology mix

Public policy

Electricity demand

Commodity prices



# Decarbonisation agenda remains central to public policy

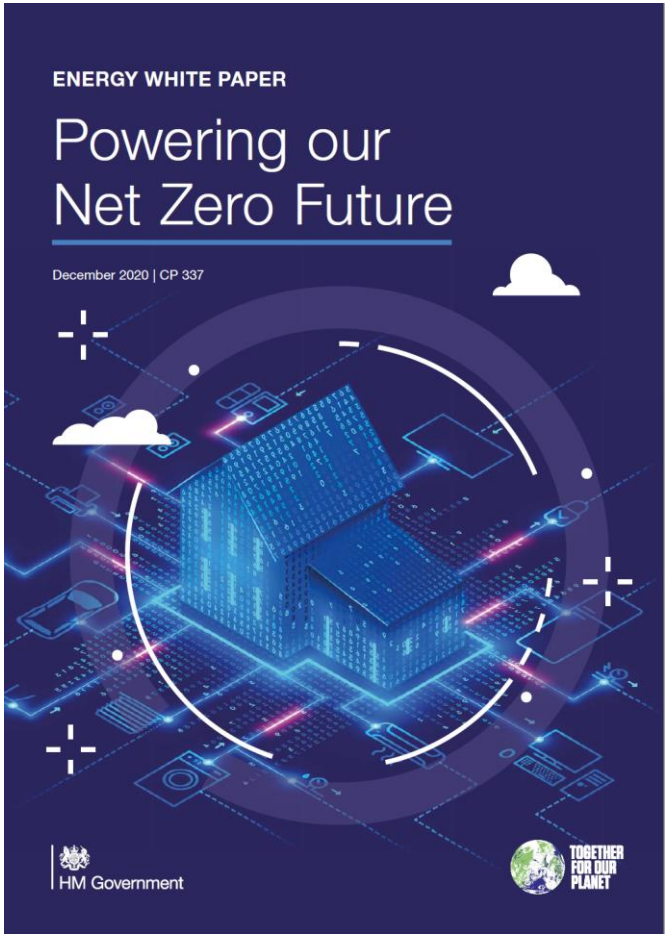
Governments setting out the need for new demand-side technologies and investment

## European Union – Green Deal: 'fit for 55' package

- European Commission has released a package of regulations and proposals referred to as 'fit for 55' to help the meet its target to reduce greenhouse gas emissions by at least 55% by 2030. The package includes:
  - Goal to produce 40% of energy from renewable sources by 2030 (up from 32%)
  - Reduce emissions form the current EU ETS sectors by 61% by 2030 (up from 45%) and expand its scope (gradual removal of free allowances for aviation)
  - Proposals for a Carbon Border Adjustment Mechanism (CBAM)
  - Proposals for all new cars registered as of 2035 to be zero-emission

## United Kingdom – Energy White Paper

- Launches a series of consultations and policy papers targeted at transforming the economy to net zero carbon by 2050
- Offshore wind remains core to the strategy; coupled with peaking capacity, long-term storage, electric vehicles and demand-side response
- The UK will host the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in November 2021



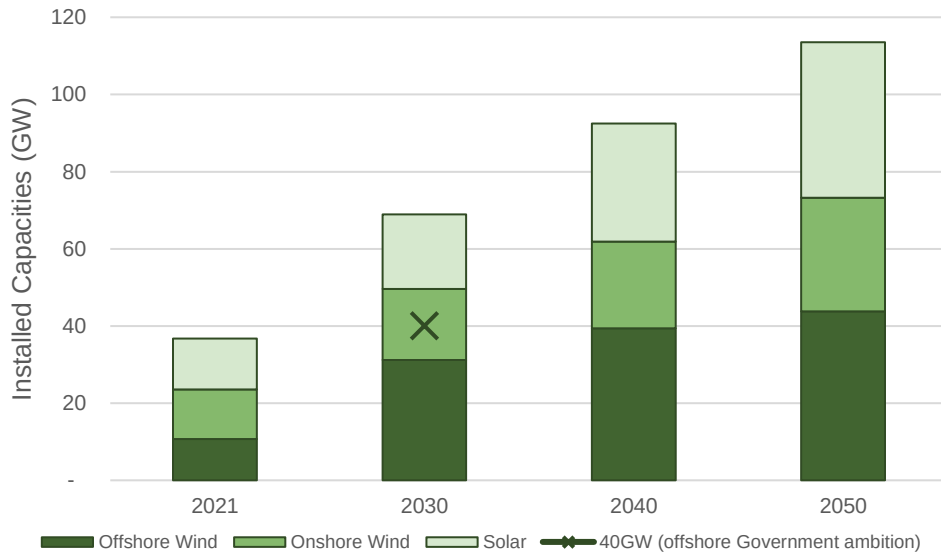

Source: Department of Business, Energy and Industrial Strategy

# Supply-side ambitions

GB Renewables rollout

- The generation mix is a key driver of electricity pricing, particularly the percentage of intermittent generators (wind and solar) where higher deployment tends to reduce prices (other things equal)
- In respect of GB offshore wind capacity (see chart):
  - Current capacity is 10GW
  - Government's ambition is for 40GW capacity by 2030 (Energy White Paper)
  - Over 30GW deployment by 2030 incorporated in the June 2021 GB power price forecasts
  - Difference reflects the challenges of deployment, such as permitting and build capacity
  - As industry scales up, faster assumed deployment would put downward pressure on power price forecasts
- Faster deployment of one renewables technology, would likely reduce the growth in others; reducing the impact of intermittent generators on the energy system (see next slide)

**UK Forecast Capacity by technology[1] and target for offshore wind**




Source: InfraRed analysis drawing from leading power price forecasters; UK Energy White Paper

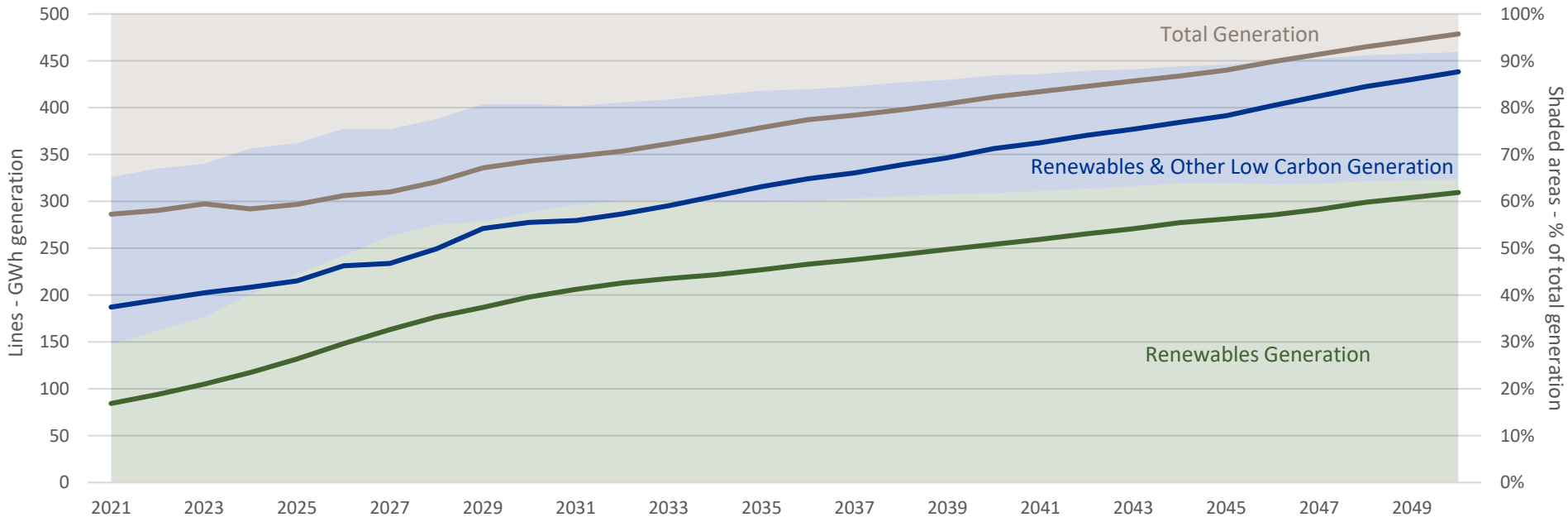
1. This is an approximate average of a range of forecasters used by TRIG for valuation purposes across key markets at June 2021.

# Demand-side ambitions

Electrification and hydrogen; and consequences for power price forecasts

- The UK Government aspires to 5GW of low-carbon hydrogen production capacity by 2030 and electricity demand increase. Government forecasts for electricity demand by 2035 are c.10-20% higher than in current power price forecasts
- Increased demand for electricity would mitigate the impact of faster renewables deployment on power price forecasts; although the mechanisms (incentives) for delivering this side of the equation are less clear
- Changes to expectations of supply-side build-out and rate of increase in demand leads to volatility in power price forecasts

**GB forecast generation by carbon intensity[1]**



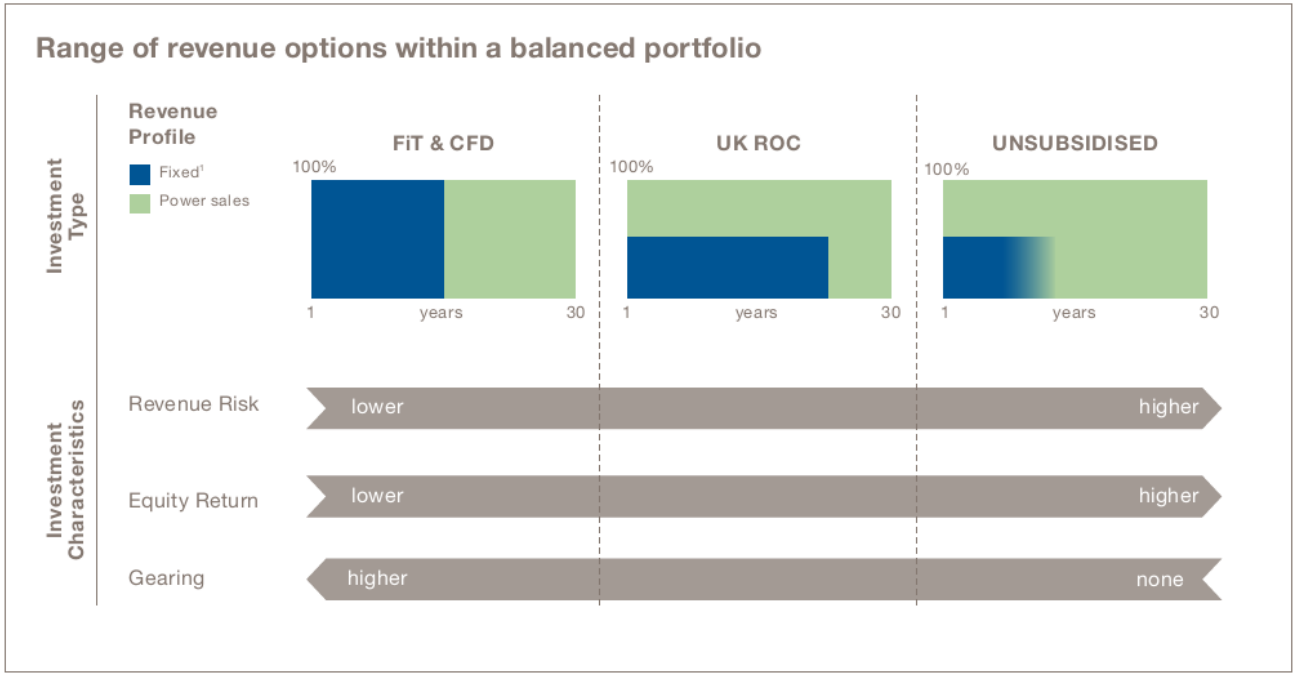

Source: InfraRed analysis drawing from leading power price forecasters.

1. This is an approximate average of a range of forecasters used by TRIG for valuation purposes across key markets at June 2021.

# Portfolio (1) – Constructing a balanced portfolio

## Understanding the range of revenue types available

- **FiT & CFD** contracts (France, Ireland, Germany and UK) typically have subsidy revenues of 15-20 years then market revenues for the balance of a project's life
  - Least revenue risk (early on), scope for highest gearing, lower equity return
- **ROC** projects (UK) have a mix of subsidy and market revenues for the first 20 years of a project's life
  - Medium revenue risk, moderately geared, average returns
- **Unsubsidised** projects without subsidies (may have hedging or PPAs which mitigate power price exposure). Equity returns correlate with revenue risk, with safer capital structure
  - Highest revenue risk (long term), least/no gearing, higher equity returns

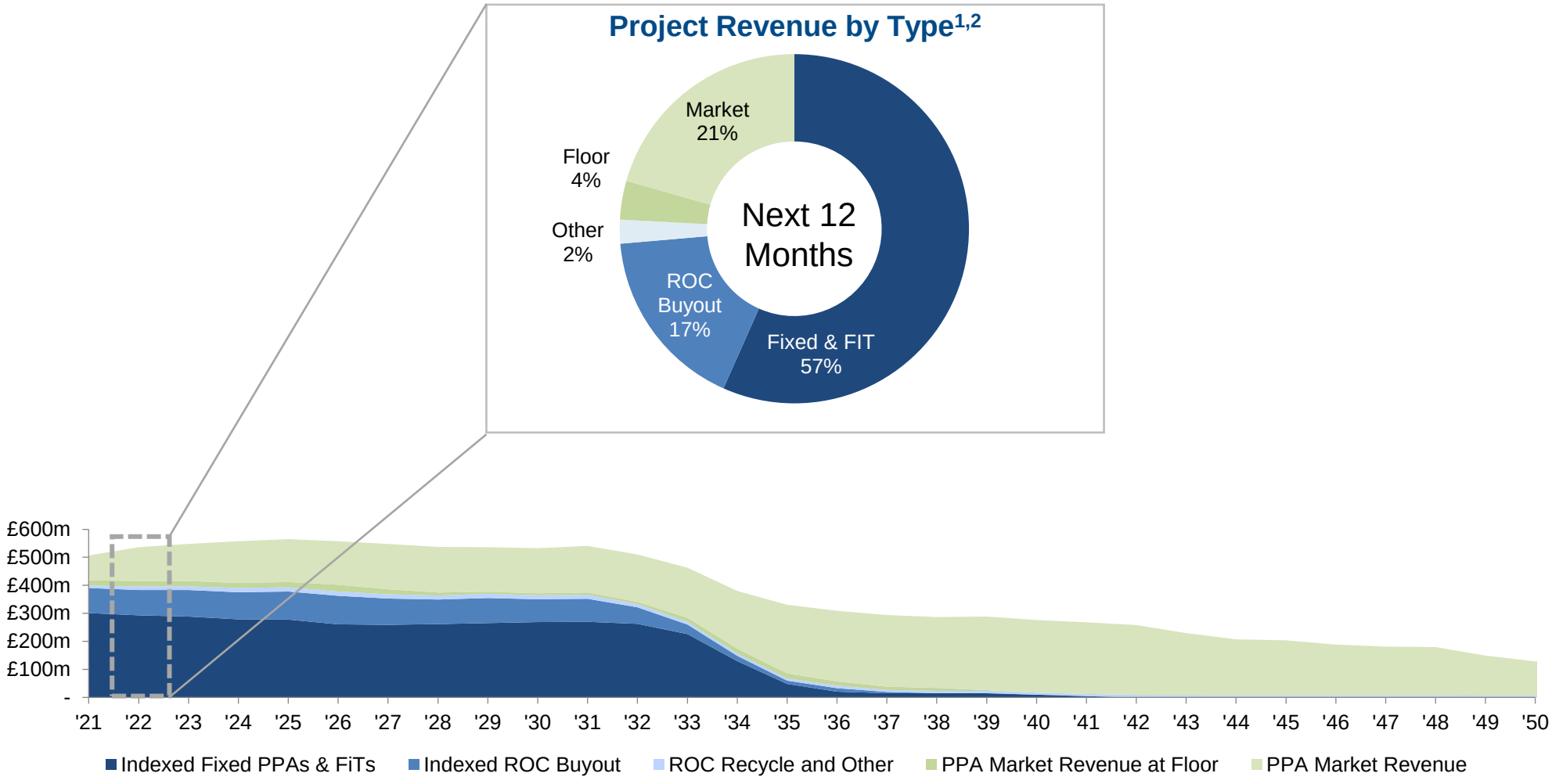



Source: InfraRed analysis; for illustrative purposes only

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

# Portfolio (2) – Revenue profile

## Medium-term project-level revenues mainly fixed and indexed

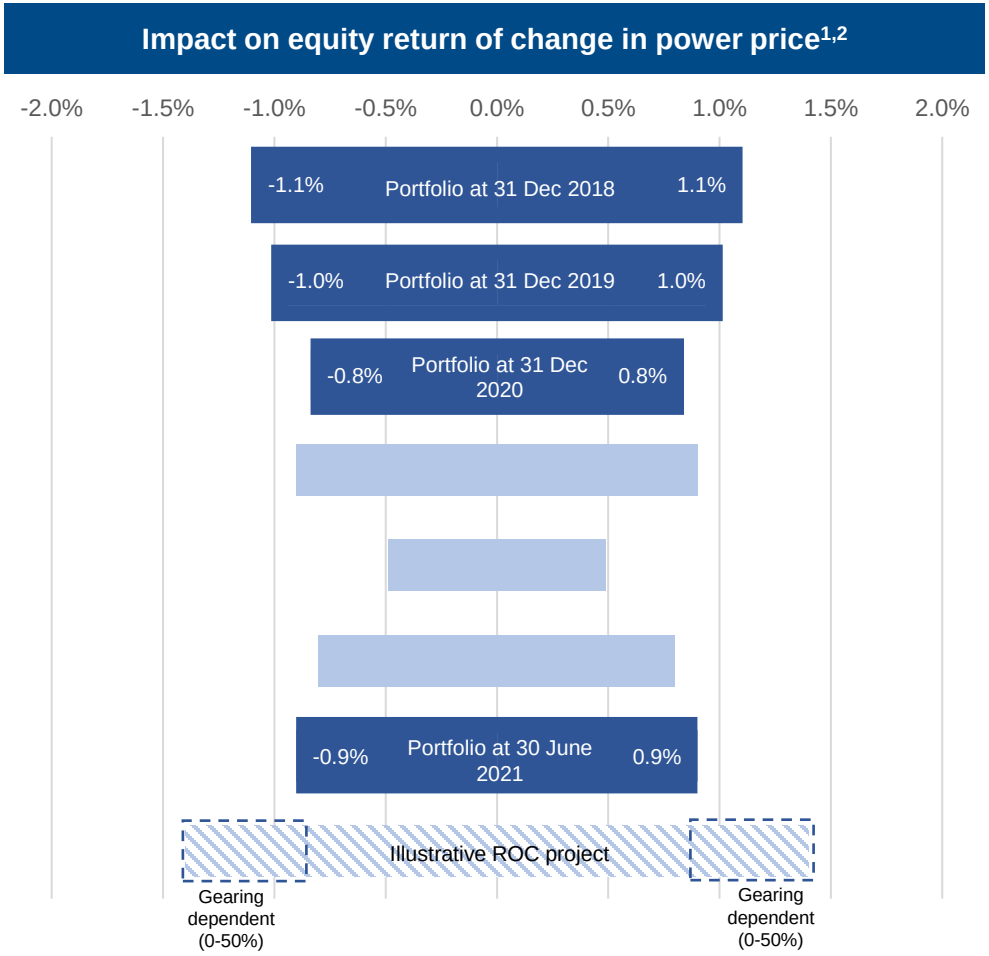



1. Project revenue expected for 12 months from 1 July 2021 to 30 June 2022.
2. Chart does not cast due to rounding

# Portfolio construction: power price sensitivity

## Portfolio power price sensitivity maintained

- Acquisitions comprise a range of FiT, CfD and unsubsidised projects, with different gearing levels, across the UK, Sweden, France & Germany over the last 12 months
- Project additions shown in light blue. Power price sensitivity varies with:
  - revenue type
  - gearing
  - age of project
- Portfolio level sensitivity to power prices (shown in dark blue) reduced with addition of further subsidised assets
- Enables a wider range of investment opportunities to be considered, and optimisation of risk adjusted returns. NB supply of UK ROC projects is slowing (but demand remains high)
- An illustrative UK ROC project is also shown with comparable overall sensitivity, depending on gearing level[3]




1. Measured as the change in IRR at year 1 for a 10% “parallel” shift in the power price forecast.
2. Dark blue bars (portfolio sensitivity at each year end) presented on an investment committed basis. Light blue bars (individual transactions) presented in the year of completion.
3. Assumed level of gearing 0-50%.

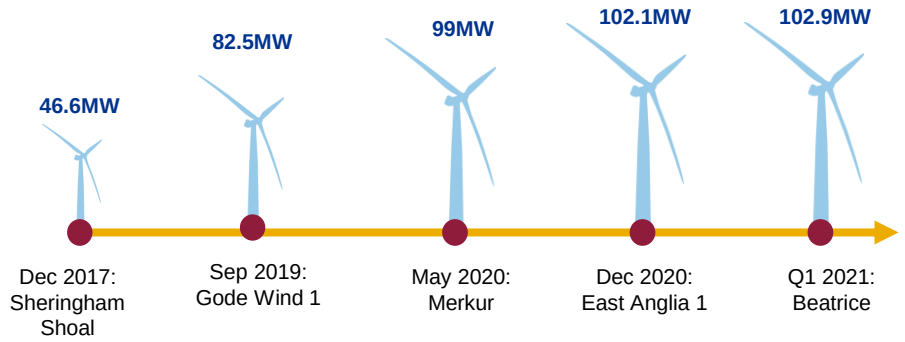
# TRIG's growing offshore wind portfolio

Five offshore wind investments across UK and Germany

## TRIG's offshore wind portfolio

- Across five investments, since 2017, TRIG has invested in projects with gross capacity of 2.3GW
- Offshore wind is 32% of the committed portfolio
- Supported by Managers with a strong track record in offshore wind, TRIG is well placed to invest in a rapidly growing sector

**Time of TRIG's offshore wind investments[1]**




InfraRed Capital Partners

- Invested through development and build phase of Merkur – a 396MW offshore wind farm in the German North Sea consisting of 66x 6MW turbines
- Experience in related offshore wind infrastructure, with investments made in four OFTOs[2]
- Strong relationships with developers and financial partners

res

- Supported 12GW+ offshore wind projects through development, construction and/or O&M
- Specialists covering all project phases, with six OFTO[2] and many Balance of Plant O&M service contracts
- Strong project and operation health and safety culture

1. Labels on bars indicate TRIG's share of capacity based on percentage equity interest. Dates indicated correspond to investment completion.
2. Offshore Electricity Transmission infrastructure.

# Risks relating to implementation of UK/EU trade agreement

Although a trade deal has been agreed residual risks remain

| Risk Factor | Key Mitigants |
|---|---|
| Political / regulatory | ▲ Brexit may affect the relationship between Scotland and the UK as a whole. An independent Scotland's energy policies may impact the renewables market, potentially including future new capacity deployment, the treatment of historical subsidies or the trajectory of power prices. The relationship between the Scottish devolved government and the UK's government at Westminster is monitored<br>▲ Changes to UK fiscal policy may arise following Brexit. The UK government's policy agenda is monitored<br>▲ Additional administration has been introduced for goods, including parts, crossing the UK border. It is expected that this will become integrated into 'business as normal' as familiarity with new processes and procedures increases |
| Electricity pricing | ▲ Power prices in GB's two day-ahead auctions were previously linked to a European-wide algorithm. These are now de-coupled from each other resulting in market inefficiencies. The risk of additional price volatility is reduced as a significant portion of TRIG's near-term portfolio-level revenue benefits from government-backed subsidies. The auctions may be re-coupled as part of new market mechanisms by 2022<br>▲ The UK Emissions Trading Scheme ("ETS"), has been established to replace the participation in the EU scheme. The EU have published significant proposals on carbon taxation and renewable deployment as part of their "Fit for 55" announcements which if implemented could significantly expand the scope of the ETS, see border taxes applied for Carbon and further push renewables deployment. Government policy will continue to be monitored |
| Sub-contractor delivery | ▲ The risk of sub-contractor delivery failure or delay arising from Brexit related border controls is mitigated through a dedicated programme by the Operations Manager of ensuring the assets in TRIG's portfolio and their sub-contractors hold critical spares and that proactive monitoring and maintenance is being undertaken to reduce risk of failure |
| Macroeconomic factors | ▲ Foreign exchange risk continues to be managed through the Investment Manager's application of the Company's hedging policy |

# The Team

Experienced Management and Strong Board

## Independent Board

**Helen Mahy CBE**
(Chair)

**Shelagh Mason**
(SID)[1]

**Jonathan Bridel**
(Audit Chair)

**Klaus Hammer**

**Tove Feld**[2]

**John Whittle**[3]

## Investment Manager

Key roles:

- Overall responsibility for day-to-day management
- Sourcing, transacting and approving new investments
- Advising the Board on strategy and dividend policy
- Advising on capital raising
- Risk management and financial administration
- Investor relations and investor reporting
- Appoints all members of the Investment Committee

## Operations Manager

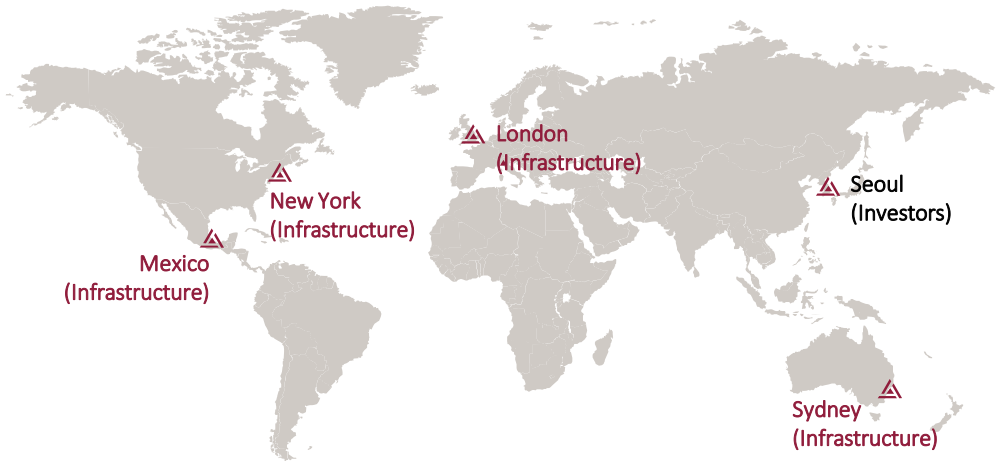
Key roles:

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

1. Senior Independent Director.
2. Tove Feld joined the board on 1 March 2020.
3. John Whittle joined the board on 1 July 2021.

# InfraRed Capital Partners – Investment Manager

## Over 25 years' pedigree in infrastructure




Key statistics across infrastructure

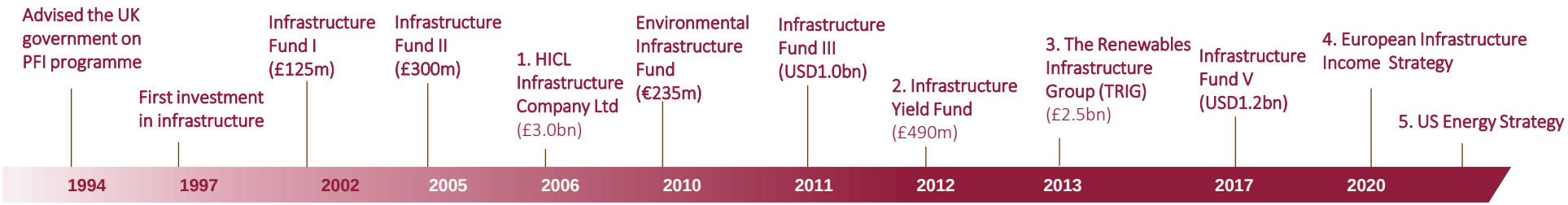
**25 year**
track record

**US$10bn**
equity managed

InfraRed is Sun Life's global infrastructure equity investment business

Sun Life Financial

**C$1.25tn**
AUM




Dates in timeline relate to launch date of each infrastructure fund. Timeline excludes InfraRed's real estate funds. Numbers in brackets indicate size of total commitments to each of the funds in local currencies, except for HICL and TRIG where numbers in brackets indicate the net asset value as at latest reporting date, 31 March 2021 for HICL and 30 June 2021 for TRIG. Fund III size net of cancellation of c.$200m of commitments in March 2016.

Fund size and EUM rounded to the nearest billion. As of 31 December 2020, Sun Life had total assets under management of C$1.25tn.

# RES – Operations Manager

39+ years experience in renewables

power for good

**39 years**
track record

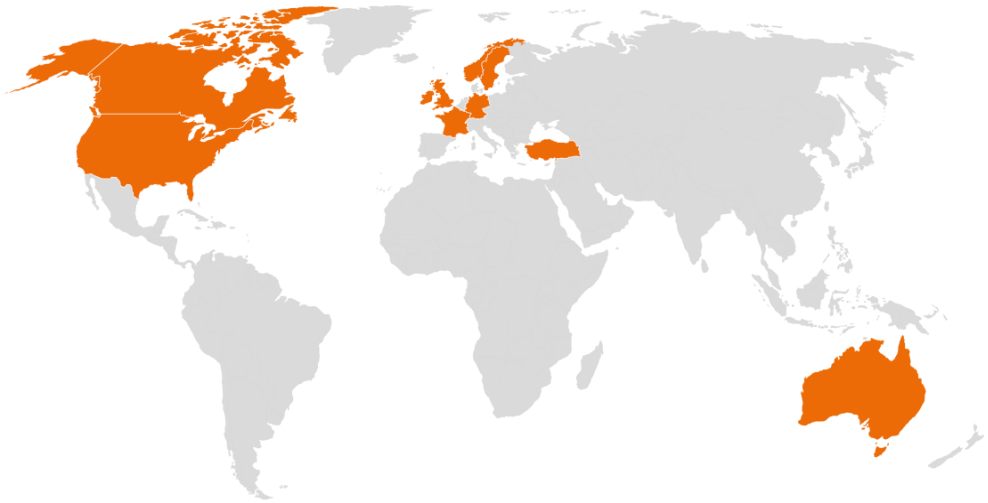
**270+**
projects delivered worldwide

**3,000+**
employees

**21GW**
developed and/or constructed

**7GW**
Operational assets supported

**300MW**
energy storage projects



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

Site services & works

In-house technical expertise

Contracts & commercial

Commitment to health & safety

# Diversified shareholder base

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

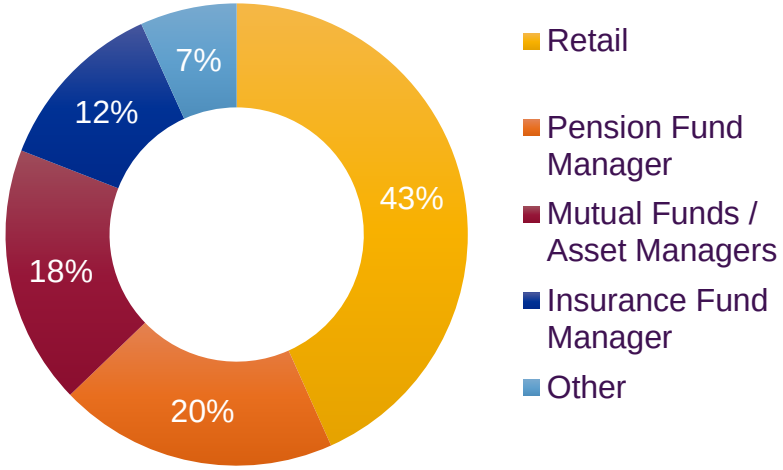
## Selected segments of TRIG's shareholder base[1]

- Top five holders account for 29% of TRIG's issued share capital
- Top 10 holders account for 44% of TRIG's issued share capital
- 43% held by retail shareholders, both via Private Wealth Managers and online Investment Platforms

## Shareholders with more than 5% ownership of TRIG[1]

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

## Shareholders by Type, as % of Register[1]




1. As at 30 June 2021 using data from RD:IR.

# Taxation and regulatory changes

Increase in UK Corporation Tax and revision of French Solar Tariffs

## UK Corporation Tax increase

- Increase from 19% to 25% from April 2023
- Impact on TRIG NAV of 3.2p
- 25% applied indefinitely on cashflow projections from 2023

La Reunion, France[1]

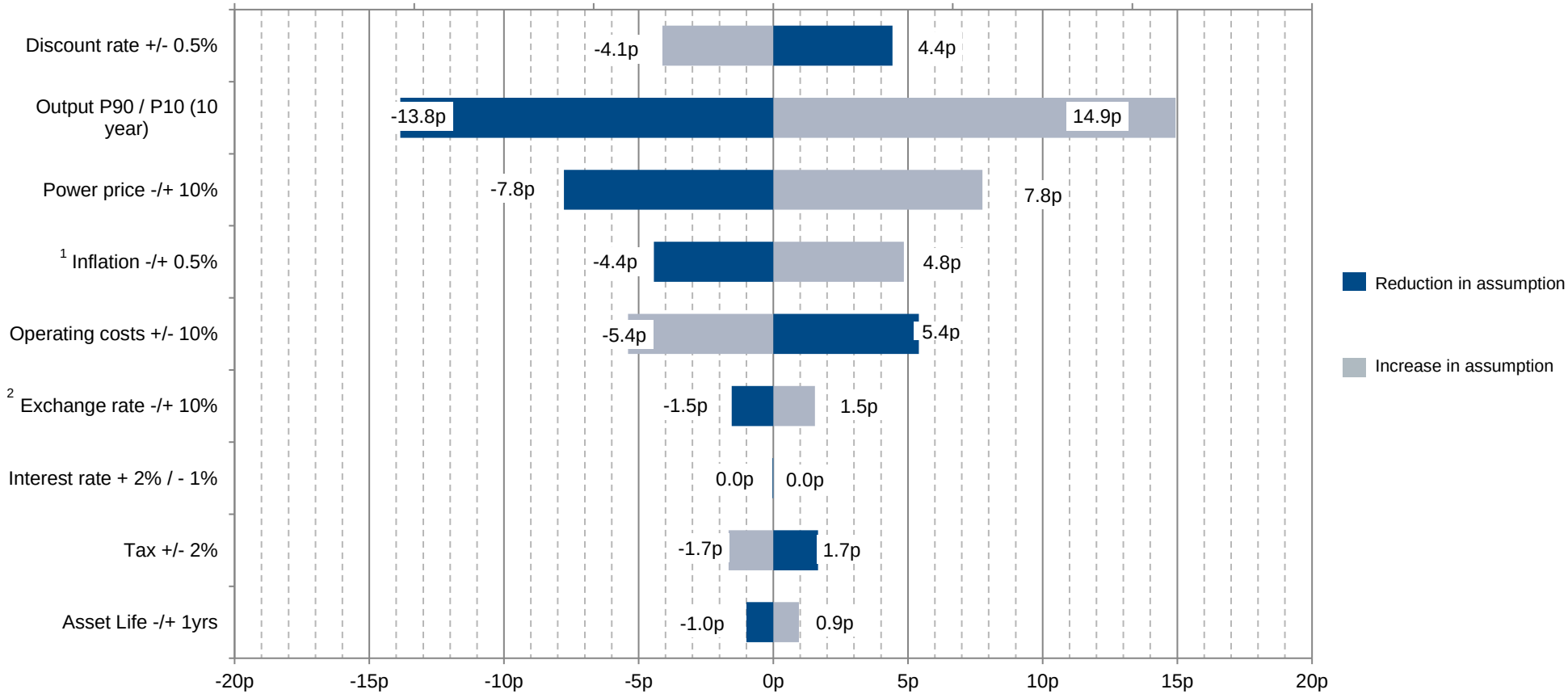
## French Solar Tariffs retroactive change

- **H2 2020:** Discussions began on reducing subsidy levels of older French solar projects with high feed in tariff (FiT) levels
- **H1 2021:** French legislature clarified changes impact all assets awarded tariffs from 2010 or earlier
- **Potential mitigations:** for Overseas, Agricultural or Rooftop assets
- **Provision increased** - £29m against 17 assets (covering 50% of the value at risk)
- **Final outcome unclear:** Uncertainty around level of financial impact with potential for appeals and challenges – likely to be protracted

1. Image credit: Akuo

# NAV sensitivities

Based on portfolio at 30 June 2021



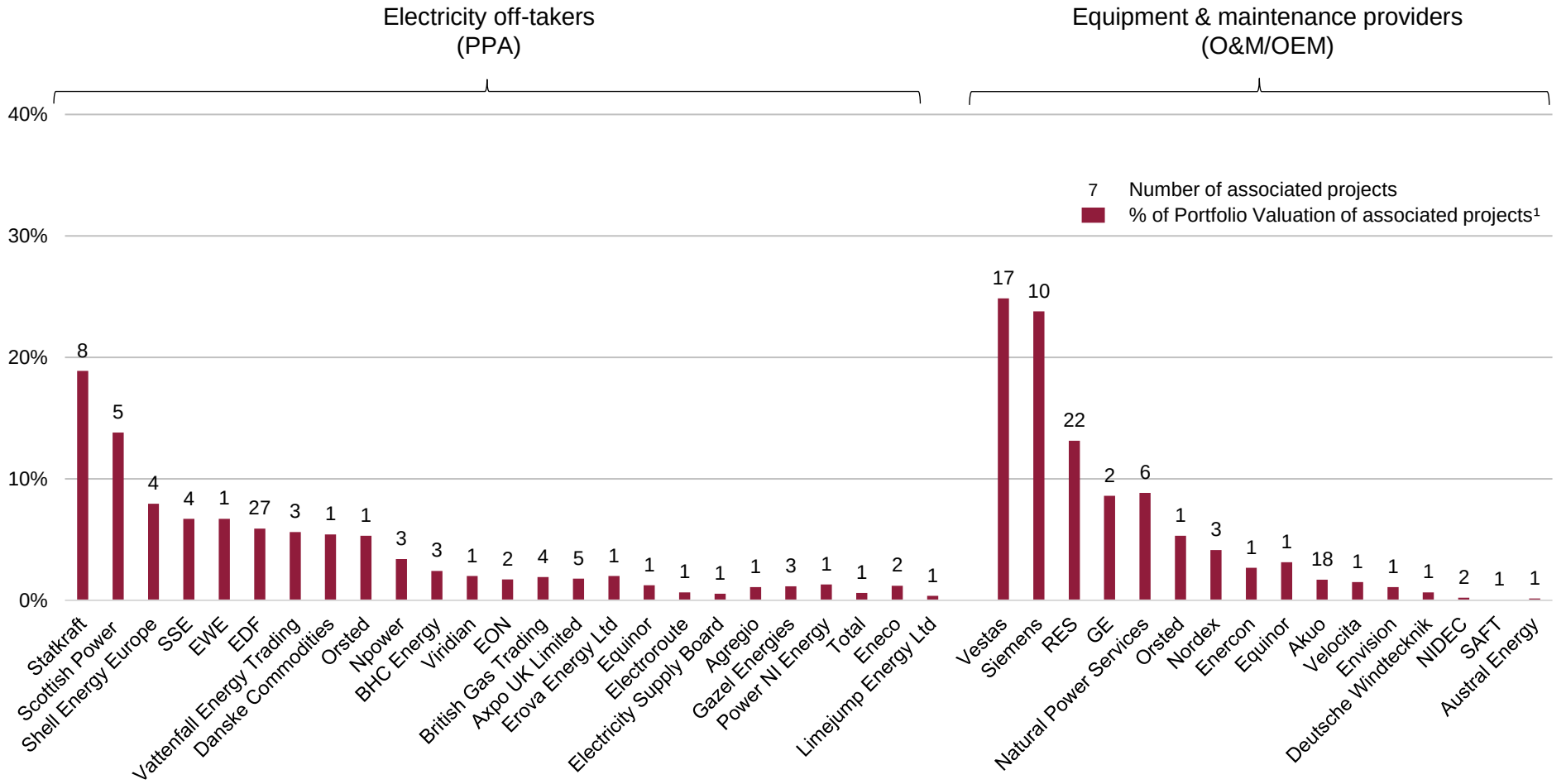

**Sensitivity effect on NAV per share as at 30 June 2021**

(labels represent sensitivity per share in pence of on the fully invested portfolio value of £2,668.3m, including net outstanding commitments)

1. Inflation rate sensitivity assumes that power prices move with inflation as well as subsidies that are indexed.
2. Exchange rate sensitivity relates to the direct sensitivity of exchange rates changing, not the indirect movement relating to exposure gained through power prices.

# Counterparty exposure

## Broad spread of counterparties monitored regularly




1. By value, as at 30 June 2021 using Directors' valuation plus investment commitments. Where projects have more than one contractor, valuation is apportioned.
2. Equipment manufacturers generally also supply maintenance services.
3. Where separate from equipment manufacturers.

# Approach to gearing

## Disciplined approach

### Term Project Debt

- Limited to 50% of portfolio enterprise value
- Fully amortising within the subsidy period
- Limited exposure to interest rate rises
- Average cost of debt c.3.4%

### Short-term Acquisition Debt

- Limited to 30% portfolio value (~ 15% enterprise value if projects 50% geared)
- £500m committed, three-year, ESG-linked revolving credit facility, expires December 2024
- 184 -194bps over SONIA[3], depending on performance against ESG targets

| Project Category (Younger = <10yrs) | Gearing[1] typically available | TRIG's portfolio at 30 June 2021 | | |
|---|---|---|---|---|
| | | Average gearing[1] | % of portfolio | # of projects[2] |
| Younger projects | 60-75% | 56% | 52% | 35 |
| Older projects | | 33% | 15% | 25 |
| Ungeared projects | | 0% | 33% | 19 |
| | | 43% | | 79 |

| | Amount drawn at 30 June 2021 | % of Portfolio Value |
|---|---|---|
| Revolving Acquisition Facility | £129m | 5% |

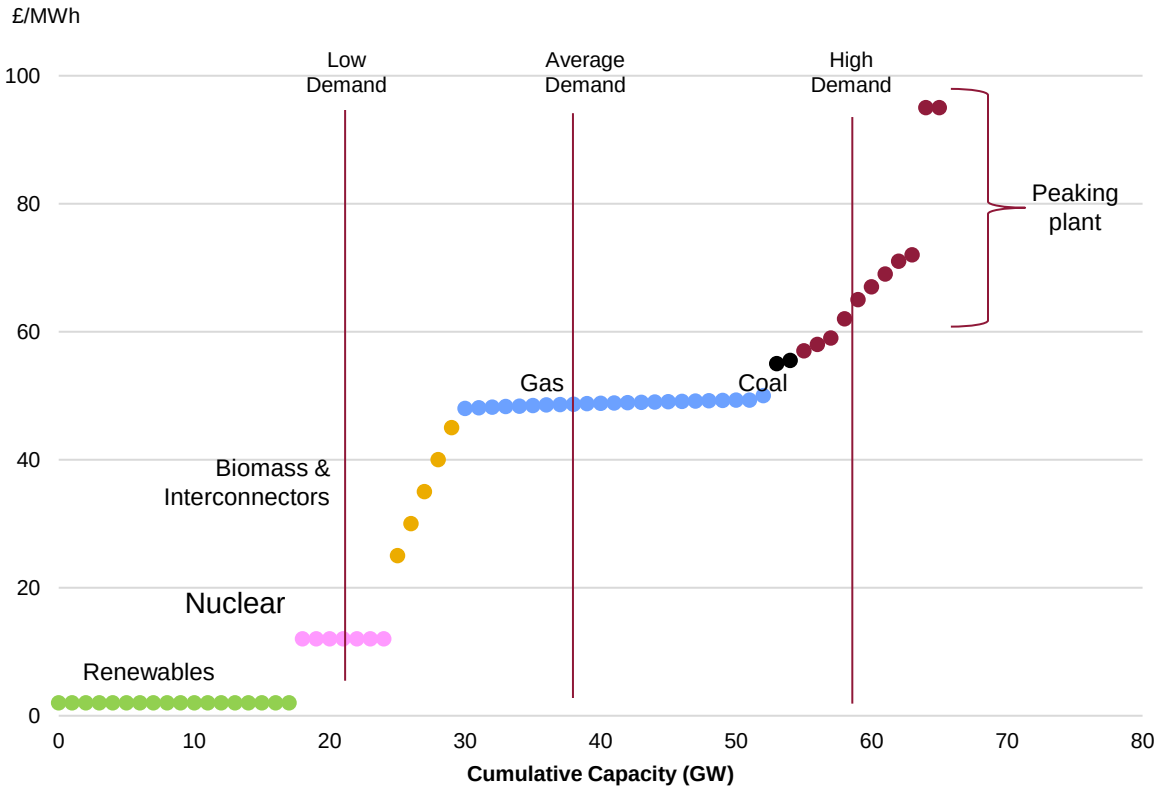
### Revolving acquisition facility performance measures

| Type | Target |
|---|---|
| Environmental | Increase in the number of homes powered by clean energy |
| Social | Increase in the number of community funds supported |
| Governance | Maintaining a low Lost Time Accident Frequency Rate |

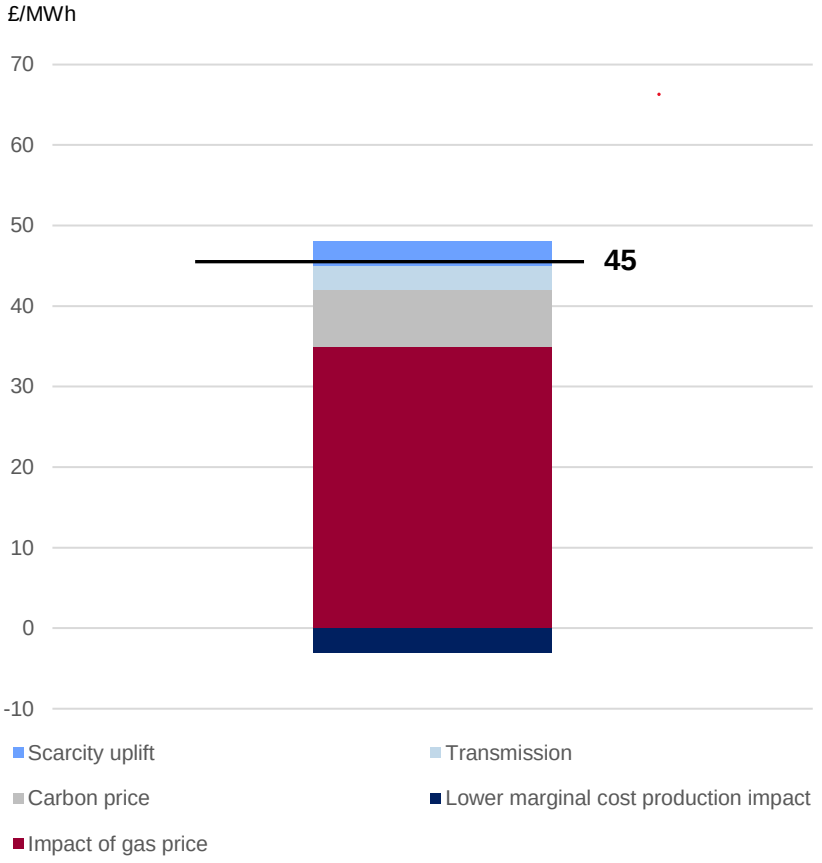
1. Gearing expressed as debt as percentage of enterprise value.
2. Invested projects at 30 June 2021.
3. 180-90bps over EURIBOR where drawings are in Euros.

# Short-run marginal cost supply curve (merit order)

Gas-fired power tends to set the marginal price




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




Note: Schematic only for illustration.

# Key facts

| | |
|---|---|
| **Fund Structure** | ▲ Guernsey-domiciled closed-end investment company |
| **Issue / Listing** | ▲ Premium listing of ordinary shares on the Main Market of the London Stock Exchange (with stock ticker code TRIG)<br>▲ FTSE-250 index member<br>▲ Launched in July 2013 |
| **Return Targets[1]** | ▲ Quarterly dividends with a target aggregate dividend of 6.76p per share for the year to 31 December 2021<br>▲ Attractive long term IRR[2] |
| **Governance / Management** | ▲ **Independent board** of 6 directors (from July 2021)<br>▲ Investment Manager (IM): **InfraRed Capital Partners Limited** (authorised and regulated by the Financial Conduct Authority)<br>▲ Operations Manager (OM): **Renewable Energy Systems Limited**<br>▲ Management fees: 1.0% per annum of the Adjusted Portfolio Value[3] of the investments up to £1.0bn (with 0.2% of this paid in shares), falling to (with no further elements paid in shares) 0.8% per annum for the Adjusted Portfolio Value above £1.0bn, 0.75% per annum for the Adjusted Portfolio Value above £2.0bn and 0.7% per annum the Adjusted Portfolio Value above £3.0bn; fees split 65:35 between IM and OM<br>▲ No performance or acquisition fees<br>▲ Procedures to manage any conflicts that may arise on acquisition of assets from funds managed by InfraRed |

| | |
|---|---|
| **Performance** | ▲ Dividends to date paid as targeted for each period<br>▲ NAV per share of 114.3p (30 June 2021)<br>▲ Market Capitalisation c.£2.7bn (30 June 2021)<br>▲ Annualised shareholder return[1,4] 9.2% since IPO |
| **Key Elements of Investment Policy / Limits** | ▲ Geographic focus on UK, Ireland, France and Scandinavia, plus selectively other European countries where there is a stable renewable energy framework<br>▲ Investment limits (by % of Portfolio Value at time of acquisition)<br>○ 65%: assets outside the UK<br>○ 20%: any single asset<br>○ 20%: technologies outside wind and solar PV<br>○ 15%: assets under development / construction |
| **Gearing / Hedging** | ▲ Non-recourse project finance debt secured on individual assets or groups of assets of up to 50% of Gross Portfolio Value at time of acquisition<br>▲ Gearing at fund level limited to an acquisition facility (to secure assets and be replaced by equity raisings) up to 30% of Portfolio Value and normally repaid within 1 year<br>▲ To adopt an appropriate hedging policy including in relation to currency, interest rates, inflation and power prices |

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

2. The weighted average portfolio discount rate (6.5% at 30 June 2021) adjusted for fund level costs gives an implied level of return to investors from a theoretical investment in the Company made at NAV per share. 3. As defined in the Annual Report. 4 Total shareholder return on a share price plus dividends basis.

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