TRIG
The Renewables Infrastructure Group

Generating Sustainable Value

Annual Report & Financial Statements for the year ended 31 December 2022

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Broxburn, Scotland

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2022 Financial highlights

£3,343m

Net assets

(2021: £2,706m)

21.5p

Earnings per share

(2021: 10.0p)

134.6p

Net asset value (NAV) per share[1]

(2021: 119.3p)

7.18p

Dividend target set for the year ending 2023[2]

(2021: 6.84p)

15.3p

Growth in NAV during the year

(2021: 4.0p)

1.5x

Dividend cover[3]

(2021: 1.06x)

£3,737m

Directors' portfolio valuation[4]

(2021: £2,726m)

£694m

Investments made during the year[4]

(2021: £479m)

This Annual Report and Financial Statements contains Alternative Performance Measures ('APMs'), which are financial measures not defined in International Financial Reporting Standards ('IFRS'). The definition of each of these measures is shown on page 175.

1 The NAV per share as at 31 December 2022 is calculated on the basis of the 2,483,583,248 Ordinary Shares in issue and to be issued as at 31 December 2022 due to the Managers' shares in part payment of the management fee.

2 The 6.84p per share dividend delivered related to performance during the 2022 financial year. The 7.18p is a dividend per share target for financial performance during 2023. This is a target only and not a profit forecast, and there can be no assurance that this target can or will be achieved. It should not be seen as an indication of the Company's expected or actual results or returns.

3 Dividend cover reported on an expanded basis, being net operational cash over dividends during the period. Please refer to Section 3.2 for an explanation of the Expanded Basis. Figure of 1.55x (2021: 1.12x) is on the basis of dividends paid, excluding scrip.

4 On an Expanded Basis. Please refer to Section 3.2 for an explanation of the Expanded Basis.

A highly diversified investment portfolio

Diversification across multiple countries[5,6,7]

▲ England & Wales 31% ▲ Scotland 26% ▲ N. Ireland 2%
▲ Republic of Ireland 2% ▲ France 7% ▲ Spain 8%
▲ Germany 11% ▲ Sweden 13%

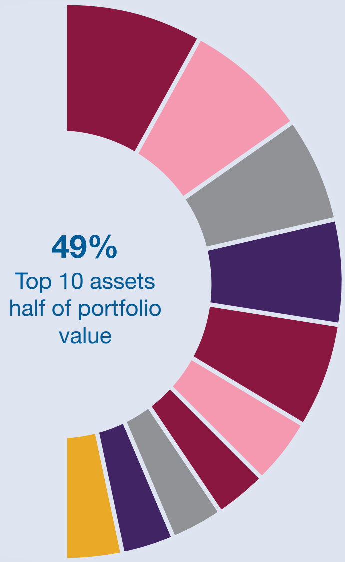
Established technologies[4]

▲ Onshore Wind 50% ▲ Solar PV 13%
▲ Offshore Wind 33% ▲ Flexible Capacity 4%

54% of revenues directly linked to inflation[9]

▲ Subsidised (inflation linked) 54% ▲ Wholesale power price 35%
▲ Subsidised (non-inflation linked) 11%

Low single asset concentration[6,8]



▲ Hornsea One 8%
▲ Merkur 7%
▲ Jädraås 6%
▲ Beatrice 6%
▲ East Anglia One 6%
▲ Gode 4%
▲ Garreg Lwyd 3%
▲ Grönhult 3%
▲ Crystal Rig II 3%
▲ Valdesolar 3%

Additional capacity delivered through construction

5 Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.
6 Segmentation by portfolio value as at 31 December 2022 on a fully committed basis.
7 Scottish ROC projects represent 15% of the 26% of the portfolio in Scotland.
8 Colours indicate jurisdiction / power market.
9 Over the next 12 months to 31 December 2023.

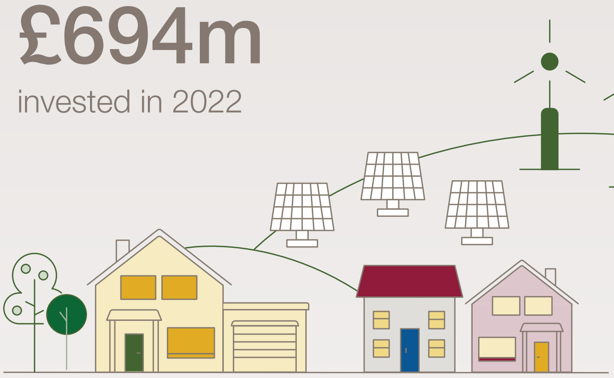
2022 Sustainability Highlights

Investing in the energy transition

Investing into renewables

£694m

invested in 2022



Improving energy security

2GW

installed renewable energy capacity (capable of powering 1.8m homes)

541MW

additional new clean energy capacity in construction

Producing clean electricity

1.9m

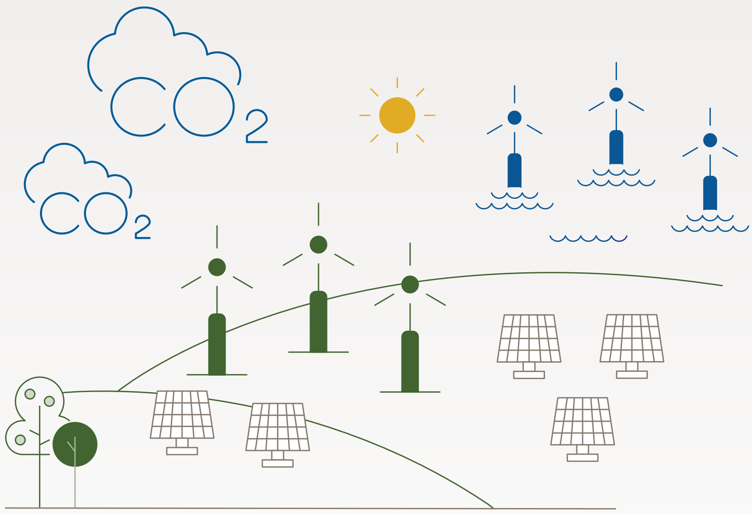
tonnes of CO_2 avoided in 2022[10]

5,376GWh

of renewable electricity generated in 2022[11]

1.9m

number of homes the portfolio is capable of powering with clean energy[10]



Providing sustainable returns

9.1% p.a.

annualised NAV total return since IPO

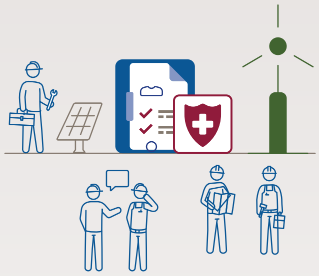
10 Based on the committed portfolio as at 31 December 2022, using the IFI Approach to GHG Accounting.
11 Based on portfolio performance during 2022. Calculated based on each project's generation capacity, pro-rated for TRIG's share of subordinated debt and equity capital.
12 Principles for Responsible Investment ("PRI") ratings are based on following a set of Principles, including incorporating ESG issues into investment analysis, decision-making processes and ownership policies. Score relates to the latest assessment in 2021. This is the seventh consecutive assessment where InfraRed has achieved the highest possible PRI rating for its infrastructure business. More information is available at https://www.unpri.org/about-the-pri
13 InfraRed announced that it had joined the Net Zero Asset Managers (NZAM) initiative in July 2021, committing to align its portfolio to net zero by 2050. InfraRed published a net zero progress report in November 2022, which can be found on the company's website.
14 Based on the portfolio as at 31 December 2022 and once projects in construction are complete. A £10,000 investment is defined as a £10,000 share of TRIG's market cap of £3.2bn as at 31 December 2022. Based on the IFI Approach to GHG Accounting.

Investing responsibly

Supporting local communities

38

number of formal community funds within the TRIG Portfolio



Excellence in Governance

5 ☆

PRI score[3] maintained by InfraRed

Committed to combatting climate change[4]

A £10,000 investment in TRIG[5] contributes to mitigating climate change through generation capacity that can:

Power

5 homes with clean electricity

Avoid

6 tonnes of CO_2 emissions a year

1.3 Chairman's Statement

Richard Morse
Chairman

Since TRIG's IPO in 2013, the Company has consistently provided shareholders with sustainable returns from its diversified portfolio of renewable infrastructure assets. I am delighted to have joined TRIG as Chairman of the Board and am pleased to report that we delivered a NAV total return[15] for 2022 of 18.9%.

TRIG's diversified portfolio remains resilient against a backdrop of higher inflation and interest rates, benefiting from strong inflation correlation and elevated power prices.

InfraRed, as Investment Manager, and RES, as Operations Manager, continue to enhance the Company's portfolio both organically through value enhancement initiatives, including the construction of 378MW of new generation capacity[16], and also through acquisitions, with investments made into operating assets during the year totalling 297MW of generation capacity[17].

The Board remains grateful for the ongoing support of TRIG's shareholders. The case for investment in renewables has never been stronger, particularly in the context of the immediate energy security and affordability challenges, as well as the decarbonisation agenda. TRIG offers investors access to otherwise illiquid renewables infrastructure and the opportunity for participation in the net zero transition. The Company is also very well supported by Managers who share the Board's commitment to providing sustainable income and capital growth through investing in the transition to net zero.

Increases in interest rates during the year and the impact of the UK mini-budget have led to a sustained period of share prices trading at discounts to Net Asset Values across real assets investments companies. Specifically for the energy sub-sector, governments' interventions have also weighed on investor sentiment. In this context, TRIG's diverse portfolio, which has been stress-tested through the pandemic and the more recent energy crisis, ensures that the Company is strategically well positioned in 2023 to continue to enhance value for shareholders and contribute to greater energy security and faster decarbonisation.

Financial performance

The NAV as at 31 December 2022 was 134.6p per share, an increase of 15.3p per share in the year. Earnings for 2022 were 21.5p per share. The material drivers of this strong financial performance in the year were:

- The Managers' ongoing delivery of active asset management to maximise operational performance and additive investments, providing greater geographic and technological diversification.
- Increases in wholesale power prices and inflation, which feed into the Company's revenues and portfolio valuation.

To some extent offset by:

- An increase in valuation discount rates of 50bps on a weighted average basis across the portfolio. The long-term, inflation-correlated and lower risk, sustainable nature of renewables infrastructure underpins the demand for assets.
- Intervention by governments across Europe in the electricity generation sector, in particular the UK Government's Electricity Generator Levy and the European Council mandated cap on inframarginal (non-gas) generator revenues, which were announced in November 2022 and September 2022, respectively.

Over the next ten years, 63% of TRIG's forecast revenues are directly linked to inflation through subsidy support mechanisms, with the majority of remaining revenues indirectly linked to inflation due to the relationship between power prices and inflation indices, providing strong inflation protection. The combination of a high degree of fixed revenues, strong inflation correlation and power price forecasts that fully incorporate government interventions, serve to reduce the risks arising from a volatile macro outlook.

The Company has limited interest rate and refinancing risk. Interest rates on debt across the portfolio investments are substantially fixed. The Company has no structural short-to-medium term debt and interest paid on the Group's revolving credit facility ("RCF")[18] is linked to overnight interest rates. At the time of publication, the RCF is £413m drawn, with substantial headroom compared to its enlarged £750m committed capacity, and matures in December 2025.

Forecast cash flows from the portfolio indicate that the majority of these drawings can be repaid from re-investment cash flows over the RCF term.

Dividends

Strong achieved power prices and close-to-budget asset availability, tempered by below-budget generation, have contributed to strong dividend cover in 2022. After operating and finance costs, net cash flow covered the cash dividend 1.5 times[19], or 2.6 times before repayment of project-level debt.

15 Based on NAV per share appreciation plus dividends paid during the year ended 31 December 2022.
16 From 1 January 2022 to 21 February 2023. Including both Grönhult and the Cadiz solar projects, which have started exporting electricity and are in final commission during Q1 2023.
17 Pro-rated based on TRIG's percentage of ownership.
18 The RCF is held within TRIG UK and TRIG UK I, and guaranteed by TRIG Limited.
19 Dividend cover was 1.55x with the benefit of scrip take-up (which was £5.2m in the period).

Consistent with our policy of increasing the dividend when it is considered prudent to do so, I am pleased to report a dividend target[20] for 2023 of 7.18p per share, an increase of 5.0% on the 2022 total dividend. TRIG has delivered five projects from reinvested excess cash flows including Arenosas, El Yarte and Blary Hill in 2022, and continues to fund construction commitments at the Ranasjö and Salsjö onshore wind farms in Sweden from revenues generated by the portfolio.

Investment activity

The identification of accretive acquisitions is key to portfolio construction for TRIG. The Company's investment strategy remains unchanged, targeting renewables and related infrastructure investments[21] in the UK and mainland Europe[22].

TRIG's largest investment during the period was a 10% stake in the 1.2GW Hornsea One offshore wind farm in the UK. The Group also made an incremental investment in the Merkur offshore wind farm in Germany, a project we are very familiar with having first invested in 2019. Offshore wind farms have an important role to play in the portfolio: each of our six offshore wind projects benefits from protected cash flows for the term of their government support arrangements, which reduces the sensitivity of their equity returns to changes in power price levels. These investments help to facilitate the addition of unsubsidised, higher-returning projects into the portfolio, such as the March 2022 acquisition of a 49% stake in the Valdesolar solar park in Spain, whilst maintaining the portfolio's overall power price sensitivity.

Construction and development assets offer a source of higher risk-adjusted returns too. We are grateful to shareholders for their support at the 2022 AGM to increase TRIG's construction and development investment limit from 15% to 25%. In 2022, TRIG acquired four development-stage battery storage sites, which will provide c. 700MWh / 350MW flexible capacity once built. Flexible capacity, which includes battery storage, is critical to the energy transition and complements TRIG's renewable generation assets as it responds, and financially benefits from, the intermittency of renewables and electricity price volatility. At the period end, construction and development exposure represented 8% of the total portfolio.

Portfolio performance

Overall portfolio electricity generation in the year was 5% below budget due to lower than expected weather resource in some geographies and downtime resulting from both enhancement activities and unscheduled maintenance. Further detail is provided in Section 2.3 – Operations Report.

78MW of generation capacity was constructed during the year at Haut Vannier and Blary Hill onshore wind farms, with Blary Hill in Scotland fully funded from re-investment proceeds. 301MW of capacity is currently being commissioned, with Grönhult onshore wind farm and the Cadiz solar projects well progressed and close to construction completion; both are in the final commissioning stages and exporting electricity. A further 471MW of capacity is in construction or development.

Health and Safety ("H&S") has always been core to operations across TRIG's portfolio. H&S performance is regularly reviewed at both the project company level and by the Board across the whole portfolio, and we continually strive to promote a strong safety culture.

Sustainability

Sustainability, and the consideration of environmental, social and governance ("ESG") factors, is central to TRIG's strategy and InfraRed and RES's investment and asset management ethos, further details of which can be found in TRIG's annual Sustainability Report.

The United Nations Climate Change conference (COP27) in November 2022 and the UN Biodiversity Summit (COP15) in December 2022 highlighted the role of infrastructure in arresting and reducing the impact of adverse climate change and protecting the environment.

TRIG makes a significant contribution to tackling climate change. Our current commercially operational portfolio of 2GW is capable of powering 1.8 million homes and avoiding approximately 2.2 million tonnes of carbon emissions per annum[23]. TRIG committed to the Science Based Targets initiative (SBTi) in 2021, and has published estimated scope 1, 2 and 3 carbon emissions for its entire portfolio. We will be setting SBTi targets in line with this initiative during 2023.

Corporate Governance

In accordance with the Board's succession plan, 2022 saw the retirement of TRIG's initial three Non-executive Directors: Helen Mahy, Shelagh Mason and Jon Bridel. On behalf of my fellow Directors and the Managers, I would like to thank them for their service to TRIG's shareholders and their many contributions to the success of the Company over the nine years since IPO. John Whittle has replaced Jon Bridel as the Chair of the Audit Committee and Tove Feld has assumed the role of Senior Independent Director. Erna-Maria Trixl and I joined TRIG's Board of Directors in 2022, and the Board looks forward to welcoming Selina Sagayam as a Non-executive Director in March 2023. Selina is a successful practising lawyer, with a wealth of relevant M&A advisory experience, and also a distinctive expertise in ESG matters, which will be very welcome as she joins the Board.

Klaus Hammer will step down from the Board during 2023. He too has made a significant contribution since joining the Board

20 The Company's dividend policy is to increase the dividend when the Board considers it prudent to do so, considering forecast cash flows, expected dividend cover, inflation across TRIG's key markets, the outlook for electricity prices and the operational performance of the Company's portfolio.

21 Including onshore wind, offshore wind, solar PV and flexible capacity technologies. Flexible capacity is generation technologies that can store energy and respond to electricity demand levels and pricing signals, such as batteries, pumped hydro storage and green hydrogen. Within flexible capacity technologies, the Investment Manager's current principal focus is on battery storage projects.

22 To date the Company has invested in the UK, France, Germany, Ireland, Spain and Sweden.

23 On a committed basis at the date of this report. Based on average regional household electricity consumption figures and the IFI Approach to GHG Accounting for Renewable Energy.

1.3
Chairman's Statement (continued)

a year after IPO, bringing considerable commercial and industry experience to bear as TRIG has built its portfolio. The Board joins me in thanking Klaus for all he has done during his tenure as a Director.

Given the importance of responsible investment practices in the strategy of the Company and recognising the evolving regulatory landscape, it is the intention of the Board to form a new committee focused on ESG / sustainability effective June 2023.

In line with good governance practice, TRIG's Nomination Committee commissioned an external board evaluation in 2022. The evaluation noted that TRIG's Board is functioning at a high level and that the transition to new Directors has been smooth.

Principal Risks and Uncertainties

The Board and the Managers monitor and, where practicable, mitigate a range of risks to TRIG's strategy. TRIG's principal risks are:

- Regulation and taxation: government or regulatory support for renewables changing adversely, or further intervention by governments in the electricity generation sector to levy generators for power prices achieved above threshold levels;
- Power prices: electricity prices falling or not increasing as expected; and
- Production performance: portfolio electricity production falling short of expectations, including as a result of unfavourable weather or asset unavailability.

These and other risks are considered and expanded on in Section 3.4 – Risks & Risk Management.

Outlook

Recent years have been challenging for many. In addition to the devastating impact on human lives and livelihoods, the conflict in Ukraine has underscored the importance of energy security and affordability.

For the energy sector, this has resulted in an increase in the attraction of, and competition for, renewables infrastructure assets, and an increase in power prices and resulting government intervention. In this context, the Company's business model and investment portfolio has demonstrated its inherent resilience and relevance. As governments across Europe look to fiscal policy as a means to address costs to consumers, we believe that our model has demonstrated the ability to withstand these changes and still deliver significant returns for our shareholders.

At 2.8GW[24], capable of generating the equivalent to 1.6% of the UK's electricity usage, TRIG's diverse portfolio is significant. Within the portfolio, the Managers continue to enhance value. The Company is delivering new capacity, with a further 538MW[24] generation and flexible capacity currently in construction and development. As a long-term owner of assets with a supportive shareholder base, TRIG remains well placed to finance new renewables capacity – both that which is developed and built by TRIG as well as the acquisition of operational projects from developers seeking to recycle capital. Through selective acquisition activity and a focus on value enhancement, we continue to seek to provide shareholders with accretive growth.

We remain confident in our business model and the Managers' ability to deliver sustainable returns to shareholders while contributing towards a net-zero carbon future.

Richard Morse
Chairman, 21 February 2023

24 As at 31 December 2022, including investment commitments.

The TRIG Board as at 31 December 2022, L – R: John Whittle (Audit Committee Chair), Tove Feld (Senior Independent Director), Richard Morse (Chairman), Erna-Maria Trixl and Klaus Hammer.

Altahullion, Northern Ireland

Malabrigo, Spain

02 Strategic Report

2.1
TRIG's Investment Proposition, Business Model and Strategy

TRIG's purpose is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net-zero carbon future.

TRIG's diversified portfolio predominantly consists of operational wind farms, solar parks and battery storage projects in the UK and Europe. The Company aims to provide its investors with long-term, sustainable dividends, enhance the portfolio's capital value and re-invest surplus cash flows after payment of dividends.

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

- **long-term, sustainable income and to enhance value** by focusing on strong cash generation and value creation across a portfolio of renewable energy generating assets;
- **prudent financial management** in the approach to cost control, cash management, financing arrangements and hedging; and
- **a diversified investment portfolio at scale** to spread risk, increase share liquidity and realise efficiencies.

Total return	▲ TRIG has delivered an 8.7% Total Shareholder Return[25] since IPO to investors ▲ Income from TRIG's portfolio has a correlation with inflation, protecting real returns and mitigating against a higher interest rate environment ▲ This return is generated via the active management of renewables infrastructure projects, delivered through the Company's business model
Diversification	▲ TRIG provides shareholders with immediate and liquid access to a portfolio of over 85 renewables infrastructure assets ▲ TRIG's portfolio is carefully constructed so that it is diversified across established, low-risk technologies, electricity markets, weather systems and revenue types ▲ Diversification across predominantly operational assets provides a long-term investment proposition, delivering sustainable income together with NAV resilience
Active portfolio management	▲ TRIG benefits from a dual manager structure, with two expert managers ▲ InfraRed provides investment and financial management of the portfolio, drawing upon over 25 years of experience of investing in infrastructure ▲ RES provides operational management of the portfolio and has over 40 years of experience as a pure-play renewables company
Value preservation and enhancement	▲ Active portfolio management from specialists focused on delivering the investment case ▲ Opportunities to grow the NAV of the Company through value enhancements on existing assets and the delivery of development and construction assets through to operations ▲ TRIG has delivered a 9.1% Total NAV Return[26] since IPO to investors
Sustainability	▲ TRIG's Board and its Managers place responsible investment practices, a strong health and safety culture and sustainability considerations at the heart of TRIG's business, as they are core to a sustainable business model over the long term ▲ Our approach to responsible investment is underpinned by the Company's Sustainability goals, which are to: o mitigate adverse climate change; o preserve our natural environment; o positively impact the communities TRIG works in; and o maintain ethics and integrity in governance

25 Based on share price plus dividends paid
26 Based on NAV per share appreciation plus dividends paid

Introduction

TRIG was the first geographically and technologically diversified investment company investing in renewable energy infrastructure listed on the London Stock Exchange, completing its IPO in 2013. The Company has been a member of the FTSE 250 Index since 2015.

TRIG is managed by its Investment Manager, InfraRed, and its Operations Manager, RES, with oversight provided by an independent board of non-executive Directors.

With the support of shareholders, TRIG's growth since IPO has enabled the Investment Manager, InfraRed, to diversify the investment portfolio across technologies (currently onshore wind, offshore wind, solar PV and flexible capacity in the form of battery storage) and geographies (currently UK, Ireland, France, Germany, Sweden and Spain), with other technologies and geographies considered subject to rigorous analysis of the legal, regulatory and operational environment.

TRIG owns the largest diversified portfolio of renewable energy investments within the Investment Company sector.

www.trig-ltd.com

£3.2bn
market capitalisation[27]

2.8GW
portfolio net capacity

5,376GWh
of renewable electricity generated in 2022

6
European countries (including UK)

Management

The Company has a board of independent non-executive Directors, for whom biographies can be found in Section 4. The Board's role is to manage the governance of the Company in the interests of shareholders and other stakeholders. In particular, the Board monitors adherence to the Investment Policy, determines the risk appetite of the Group (the Company, all of its subsidiaries and investments), sets Group policies and monitors the performance of the Investment Manager, the Operations Manager and other key service providers.

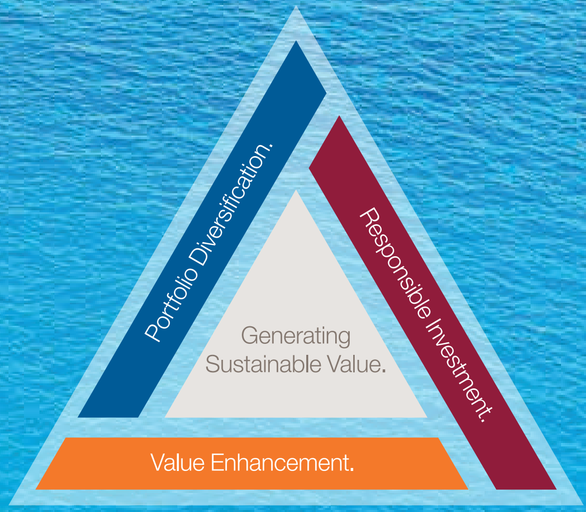
The Board meets a minimum of four times per year for regular Board meetings and there are several ad hoc meetings dependent upon the requirements of the business. In addition, the Board has five committees covering the areas of Audit, Nominations, Remuneration, Management Engagement and Market Disclosure, chaired by respective members of the Board, which receive and consider specialist independent adviser reports and presentations. Health & safety, risk management and sustainability each feature as dedicated agenda items in the Board's regular, quarterly meetings.

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 InfraRed and RES, with investment decisions within agreed parameters delegated to an Investment Committee constituted by senior members of the Investment Manager.

Other key service providers to the TRIG Group include Aztec Financial Services (Guernsey) Limited providing Company Secretarial and Administrative services, Investec Bank PLC and BNP Paribas as joint brokers, Maitland/AMO as financial public relations advisers, Carey Olsen as legal advisers as to Guernsey law, Norton Rose Fulbright LLP as legal advisers as to English law, Link Asset Services (Guernsey) Limited as registrars and Deloitte LLP as auditor. Lenders to the Group's revolving credit facility are National Australia Bank, Royal Bank of Scotland International, ING, Sumitomo Mitsui Banking Corporation, Barclays, Lloyds, BNP Paribas, ABN Amro, Skandinaviska Enskilda Banken (SEB) and Intesa SanPaolo.

> The Board reviews the performance of all key service providers, including the Investment Manager and Operations Manager, and their adherence with TRIG's Sustainability Policy, at least on an annual basis through its Management Engagement Committee.

27 As at 31 December 2022



Strategy

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

01 Portfolio Diversification

- TRIG provides shareholders with access to a 2.8GW diversified portfolio of renewables infrastructure investments. The largest investment is less than 9% of portfolio value
- TRIG's strategy includes managing asset concentration risk across power markets, regulatory frameworks, weather patterns and technology classes
- A well-diversified portfolio helps improve the resilience of ongoing financial performance, contributing to the sustainability of shareholder returns

02 Responsible Investment

- Many of TRIG's investments have asset lives of 30 years or more, requiring a long-term view to be taken and sustainable business practices applied
- TRIG's Sustainability Policy is aligned to the United Nations Sustainable Development Goals, and the Company is a signatory of the Science Based Targets initiative
- The implementation of the Company's Sustainability Policy relies on InfraRed and RES' responsible and sustainable approach to investment and asset management

03 Value Enhancement

- Action by InfraRed and RES targeted at both the preservation and the enhancement of investment value, whilst being mindful of sustainability opportunities and risks
- Proactive asset management to optimise generation and minimise equipment downtime whilst operating safely with a prudent approach to risk and a disciplined approach to construction opportunities
- Active portfolio management and technical enhancement activities help to increase energy yield and reduce operating costs to enhance value for shareholders

Merkur, Germany

Group structure

Through the group structure, the Company owns a portfolio of renewable energy infrastructure investments in the UK, Ireland, France, Germany, Sweden and Spain.

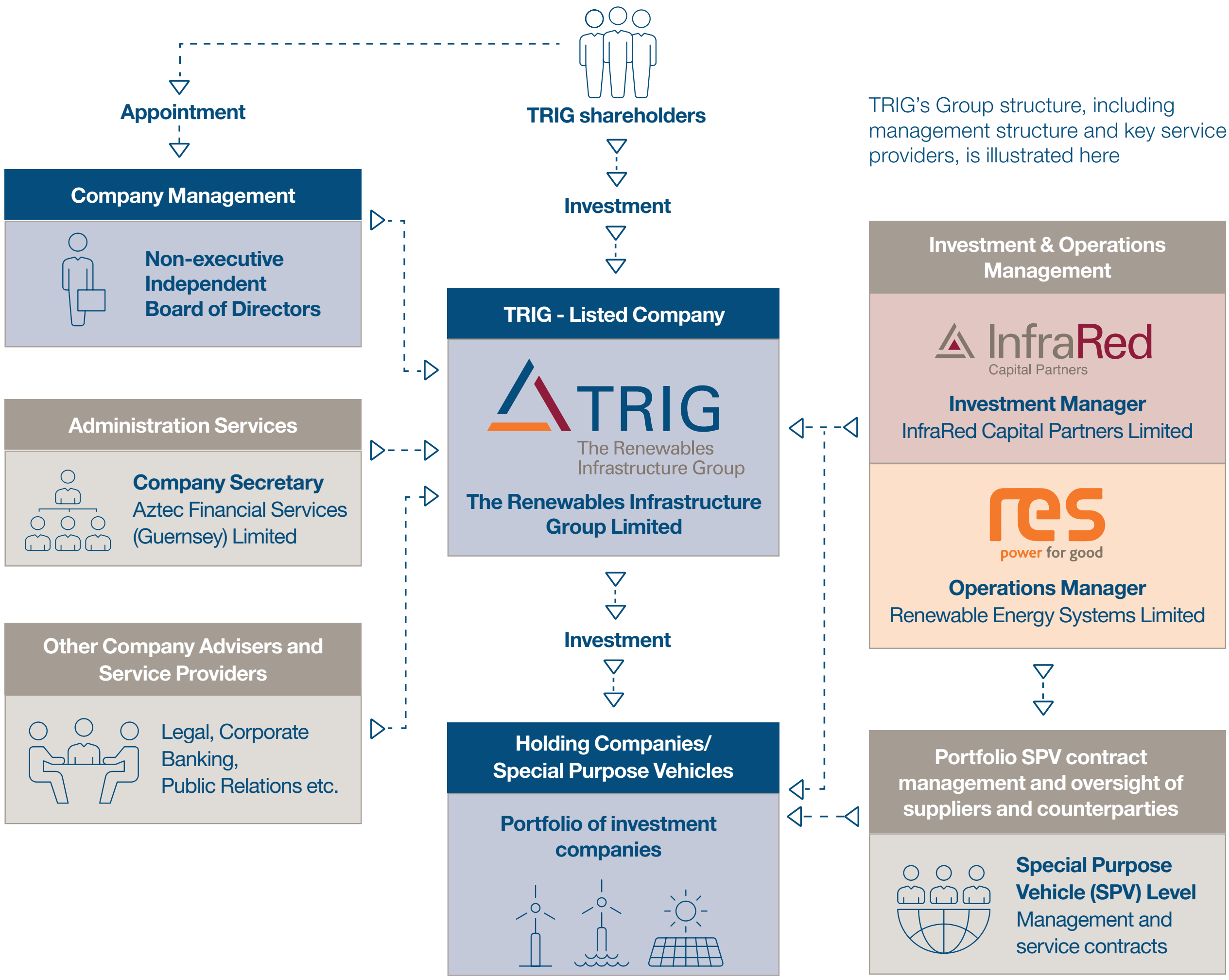
TRIG seeks to protect and enhance the income from, and value of, the existing portfolio through active management and sourcing of new investments that enhance the diversification and scale of the portfolio, utilising the expertise of the market-leading Investment and Operations Managers appointed by 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 and is a self-managed Alternative Investment Fund under the European Union's Alternative Investment Fund Managers Directive.

TRIG is a Guernsey-registered investment company (which is not uncommon for UK-listed investment companies). Tax is paid by the portfolio companies in the markets in which they operate and by the Company's shareholders on the dividends they receive (according to the jurisdiction and taxation status of each shareholder). The structure ensures investors are not in a disadvantageous tax position compared to direct investors in infrastructure projects; in effect this emulates the structure formalised for real estate investors by the creation in the UK of Real Estate Investment Trusts ("REITs").

A similar tax treatment can be achieved by UK Investment Trust Companies located onshore by applying the UK's Investment Trust (Approved Company) (Tax) Regulations (2011) where companies deem a portion of their dividends paid to investors as interest distributions (although we note that for certain UK shareholders the tax treatment of interest income is different to dividend income).

The Board keeps the Company's residency and domicile under regular review.

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



2.1
TRIG's Investment Proposition, Business Model and Strategy (continued)

InfraRed
Capital Partners

Richard Crawford
Head of Energy Income Funds, InfraRed

Phil George
CFO, Energy Income Funds, InfraRed

Minesh Shah
Director, Fund Management, InfraRed

InfraRed Capital Partners Limited ("InfraRed") is TRIG's Investment Manager. InfraRed has day-to-day responsibility for the investment management of TRIG. InfraRed Capital Partners is an international infrastructure investment manager, with more than 180 professionals operating worldwide from offices in London, New York, Sydney and Seoul. Over the past 25 years, InfraRed has established itself as a highly successful developer and custodian of infrastructure assets that play a vital role in supporting communities. InfraRed manages US$14bn+ of equity capital[28] for investors around the globe, in listed and private funds across both income and capital gain strategies.

A long-term sustainability-led mindset is integral to how InfraRed operates as it aims to achieve lasting, positive impacts and deliver on its vision of Creating Better Futures. InfraRed has been a signatory of the Principles of Responsible Investment since 2011 and has achieved the highest possible PRI rating[29] for its infrastructure business for seven consecutive assessments, having secured a five-star rating for the 2021 period. It is also a member of the Net Zero Asset Manager's Initiative, and is a TCFD supporter.

InfraRed is part of SLC Management, the institutional alternatives and traditional asset management business of Sun Life. InfraRed represents the infrastructure equity arm of SLC Management, which also incorporates BentallGreenOak, a global real estate investment management adviser, and Crescent Capital, a global alternative credit investment asset manager.

InfraRed's responsibilities as Investment Manager for TRIG include:

- 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

Valdesolar, Spain

28 Data as at Q3 2022. Equity Capital is calculated using a five-year average FX rate.

29 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

Chris Sweetman
TRIG Operations Director,
RES

Jaz Bains
Group Risk Director,
RES

Renewable Energy Systems Limited ("RES") is TRIG's Operations Manager. This includes the day-to-day monitoring and oversight of operations for the Group's portfolio of investments.

RES is the world's largest independent renewable energy company having developed and/or constructed over 23GW of projects. RES also supports an operational asset portfolio of over 10GW with operations in 11 countries and over 2,500 employees globally. RES is a pure-play renewables company with the expertise to develop, construct and operate projects around the globe across a range of technologies.

A large, dedicated team of RES staff provide portfolio-level operations management to the Company and its subsidiaries, as well as drawing upon a wide range of specialist expertise from across the RES business plus experienced renewables professionals to act as TRIG project company directors.

RES's responsibilities as Operations Manager for TRIG include:

- Managing performance of the development, construction and operational portfolio, including life extension and repowering
- Collaborating with asset managers to target best practice Health & Safety and ESG across the portfolio
- Advising on and implementing the electricity sales strategy
- Securing portfolio scale benefits through O&M and other contracts
- Identifying and driving technical and commercial value enhancements
- Delivering high-quality project-level corporate governance within wholly owned projects and joint ventures
- Supporting technical due diligence for potential acquisitions (where RES is not the seller)
- Appointing senior individuals to the Advisory Committee alongside InfraRed

TRIG also benefits from a right of first offer on RES' pipeline of assets within TRIG's investment mandate.

Haut Languedoc, France

Venelle, France

2.2
Investment Report

Financial highlights

The Company's Net Asset Value as at 31 December 2022 was 134.6p/share (31 December 2021: 119.3p/share) and the Company's Portfolio Valuation was £3,737 million. Earnings for 2022 were 21.5p/share (2021: 10.0p/share). Dividends of 6.84p per share were declared, giving an increase in NAV per share of 15.3p (2021 NAV per share increase: 4.0p).

The earnings of 21.5p/share in the year were a result of:

- Continued delivery of the investment strategy and active portfolio management
- The high revenues generated in the year as a result of particularly high wholesale power prices coupled with higher subsidies as a result of inflation indexation passing through
- Increases in the portfolio valuation as a result of expectations for power prices and inflation to continue to be elevated over the short to medium term compared to expectations last year
- The portfolio valuation increase has been offset to some extent by an increase in the portfolio weighted average discount rate of 0.5%, recognising the increased levels of government bond yields. The discount rate applied to UK cash flows were increased by 0.8%, whilst the equivalent rate applied in Europe was increased by 0.3%, recognising the increased macro-economic volatility in the UK in the second half of the year

Greater detail on these movements can be found in Section 3.1 – Valuation of the Portfolio.

Net cash flow for 2022 was £249m[30] (2021: £150m) resulting in dividend cover for the year of 1.5x before the benefit of scrip take-up (2021: 1.06x). With the benefit of scrip take-up, dividend cover for the year was 1.55x (2021: 1.12x). Net cash flows in 2022 benefited from high achieved power prices during the period.

Dividend cover is stated after the repayment of project-level amortising debt, reflecting the Company's capital structure and prudent debt management which seeks to repay project debt during subsidy periods without reliance on merchant receipts. £174m project-level amortising debt was repaid in 2022 (2021: £145m). Whilst we believe having an amortising debt profile is the most appropriate structure for the Company's risk profile, capital structures do vary between renewables investment companies. Were dividend cover to be calculated based on operating cash flows before the repayment of debt, dividend cover for 2022 would have been 2.55x (2021: 2.1x). The Company has declared a dividend target for 2023 of 7.18p per share, reflecting the high earnings and strong cover, but also recognising the importance of the long-term sustainability of the Company's dividend to shareholders.

The Group also utilises a Revolving Credit Facility ("RCF") which is used to make new investments and is repaid from surplus earnings or fund raises. The RCF, which was refinanced in February 2023, has total funding capacity of £750m and matures in December 2025. At 31 December 2022, the RCF was drawn £399m. Forecast cash flows from the portfolio, net of Company costs after having paid the Company's dividend and project-level debt repayments, indicate that the majority of these drawings can be repaid from re-investment cash flows over the RCF term. In addition, the Company may use equity issuance, alternative debt instruments and the proceeds of any divestments which may be made to enhance portfolio construction, to repay the RCF.

Investment highlights

The benefit of having a large and diversified portfolio has been especially evident this year, as the impact of regulatory and wind resource challenges on the portfolio as a whole have been reduced by geographic, technological and revenue diversification. The Company made investments into seven projects during the year, each of which will contribute to further portfolio resilience:

- The acquisition of a 49% equity stake in the 264MW Valdesolar solar PV project, an unsubsidised project in Spain. The Company is partnered with Repsol, the Spanish-listed global energy company. The project has the ability to capture merchant power prices.
- The acquisition of a 10.2% stake in Hornsea One in the UK, one of the world's largest operational offshore wind farms, and an incremental investment in the Merkur offshore wind farm taking TRIG's stake from a 25% to 36% shareholding. Both continue the strategy of investing in projects that benefit from government-backed revenue support. Merkur also benefits from the current higher power prices due to the functioning of the German Feed-in Tariff which acts as a floor.
- A strategic milestone was achieved with a significant investment in the flexible capacity sector through the acquisition of four in-development battery storage sites. The four projects have grid connection dates ranging from 2024 to 2031 and, once built, will have combined capacity of 350MW / 700MWh. Flexible capacity, including battery storage, is essential to the energy transition by providing grid-supporting services and responding to the intermittency of renewables generation. As such, flexible capacity projects provide a natural hedge within the portfolio for variability in market conditions.

The power price exposure of the portfolio as a whole is broadly unchanged as a result of the acquisitions in the year, as the Managers seek to maintain the power price risk profile of the Company.

At the Company's 2022 Annual General Meeting, shareholders supported an increase in the Company's Investment Policy development and construction limit from 15% to 25% of portfolio value[31]. Successfully managing projects through development and construction is a key value driver for shareholders, as these earlier

30 On an Expanded Basis. Please refer to Section 3.2 for an explanation of the Expanded Basis.
31 Construction and development exposure across the portfolio was 8% as at 31 December 2022.

2.2
Investment Report (continued)

stage investments represent a lower-priced entry point and the resulting prospect of higher returns. To date, TRIG has delivered 10 projects through construction since IPO, with five further projects expected to be delivered in Q1 2023. Development and construction also provides competitive access to projects that are increasingly being traded before construction has begun.

TRIG's construction projects have progressed well during the year, with the Blary Hill and Haut Vannier projects becoming operational in 2022. Both Grönhult onshore wind farm and the Cadiz solar portfolio started initial generation in late 2022 and are now in the final stages of construction. Ranasjö & Salsjö foundation works are being finalised, with turbine delivery scheduled for later in 2023. Sustainability considerations are made throughout the construction of these projects – for example with local employment and environmental plans created to maintain a net positive impact for the community. Construction on the Cadiz projects has employed the equivalent of 108 personnel for a year and further hired services in the municipality of San Jose del Valle, with total local investment reaching €750,000.

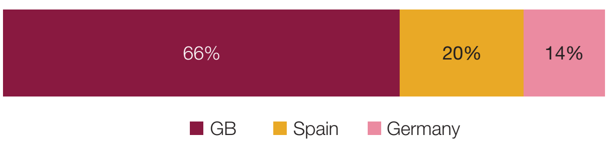
The Company will begin to recognise the additional value derived from taking projects successfully through construction as key milestones are met, typically in the first 6–12 months from the commencement of operations.

The Managers continue to see construction and development projects as attractive opportunities to leverage the depth of their expertise and combined 60-year track record for the benefit of TRIG, and as some operating history is established we can look for valuation uplift. As the Company's portfolio matures, extending the lives or repowering of older sites is expected also to enhance value. The first sites to be repowered are likely to be four projects in the south of France, where two of the projects have secured new feed-in tariffs.

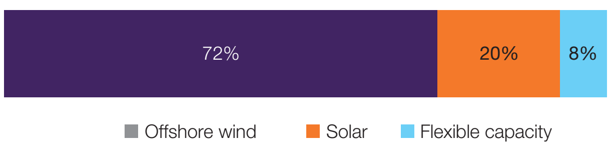
In addition to the markets in which the Company is already invested, markets with similar characteristics may offer additional investment opportunities. In particular, these include the wider Iberian and Nordic regions, particularly Portugal and Finland, and also the Benelux region.

Date of completion	Project	Year commissioned	Equity share	Net capacity (MW)[32]	Revenue type[33]	Location	% of Portfolio on a committed basis[34]
March 2022	Valdesolar solar farm	2021	49%	129	Wholesale market	Spain	3%
July 2022 / October 2022	Hornsea One offshore wind farm	2020	10.2%	122	Contract for difference	UK	8%
September 2022 / December 2022	Ryton battery storage	Expected 2024	100%	74	Wholesale market & ancillary services	UK	4%
	Drakelow battery storage	Expected 2025	100%	90			
	Drax battery storage	Expected 2029	100%	89			
	Spennymoor battery storage	Expected 2031	100%	100			
December 2022	Merkur offshore wind farm (Incremental investment)	2019	11%[35]	143	Feed-in Tariff	Germany	2%

Additions by geography



Additions by technology



In addition to attractive investment opportunities, the Managers continue to be alert to opportunities for strategic disposals should the Managers observe marked dislocations in value across the jurisdictions in which it invests or other portfolio construction benefits.

32 This is TRIG's equity share of the nominal capacity of the wind farm.
33 The main revenue type during the subsidy period. Thereafter all revenues are wholesale power market.
34 The segmentation above is on a fully committed basis and includes assets under construction at the time the investment was committed.
35 TRIG increased its share in the Merkur offshore windfarm from 25% (net capacity of 99MW) to 36% (net capacity of 143MW)

Current outstanding commitments

The Company has outstanding investment commitments of £205m relating to the Swedish onshore wind farm (Ranasjö and Salsjö) construction projects, and the UK battery storage projects (Ryton and Drakelow), broken down in the table below, by expected due date. Further information on Investment Obligations is detailed on page 63. The Company's £750m committed revolving credit facility was drawn £399m as at 31 December 2022.

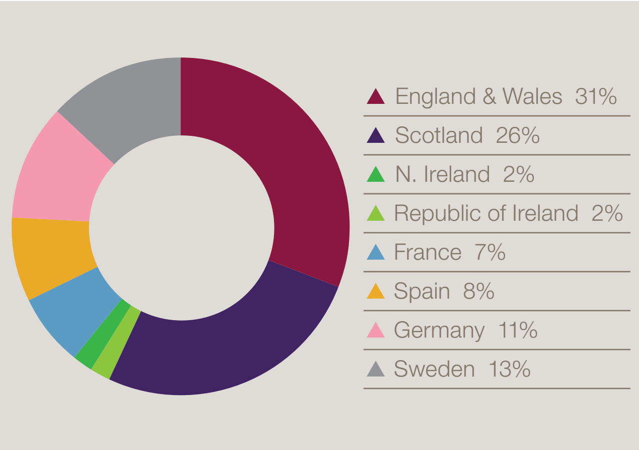
	RCF drawings	2023	2024	2025	Total
Outstanding Commitments (£m)	399	97	78	30	**205**

Portfolio diversification

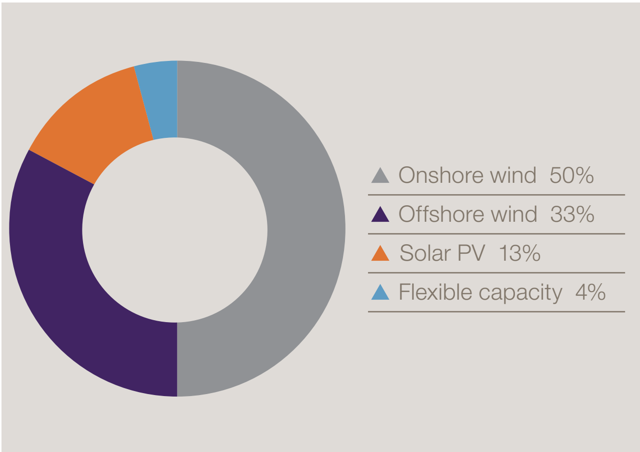
The TRIG portfolio benefits from being diversified across jurisdictions, power markets and generating technologies providing multiple revenue sources, as well as a variety of geographic areas with differing meteorological conditions affecting wind speeds and solar irradiation, reducing year-on-year volatility. The portfolio has been constructed to have low single-asset concentration, with the largest asset constituting less than 10% of the portfolio value on a committed basis and the top 10 assets cumulatively accounting for approximately half.

This diversification is illustrated in the segmentation analysis below, which is presented by committed project value as at 31 December 2022.

By Country/Power Market[36, 37]



By Technology[37]



Revenue profile

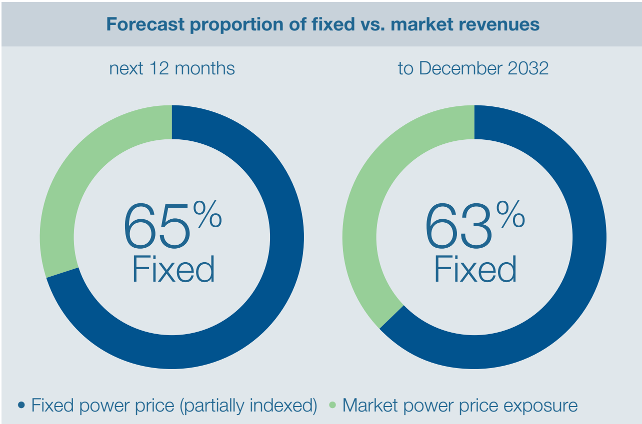
TRIG has the benefit of being diversified across several separate power markets: Great Britain, the Single Electricity Market (of the Republic of Ireland and Northern Ireland), France and Germany (which sit within the main continental European power market), Sweden (which sits in the Nordic electricity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

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

Over the next 12 months, 65% (2021: 70%) of revenues are fixed per unit of generation, with 63% (2021: 66%) fixed over the next ten years. The decline in these percentages is largely driven by the elevated power prices in the near term compared to last year's assumptions.

36 Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.
37 Segmentation is based on the portfolio value on a committed basis.

2.2
Investment Report (continued)



The large majority of the expected fixed revenues are derived from government subsidies. Of the 65% fixed over the next 12 months, 83% are drawn from subsidised projects in the UK, Ireland and France, which benefit from inflation linkage, helping to preserve Portfolio Value. Inflation is being driven to a large extent by commodity price increases, which ultimately benefit power prices. However, if non-energy related inflation were to persist more structurally, inflation linked revenues could play a key role in value preservation.

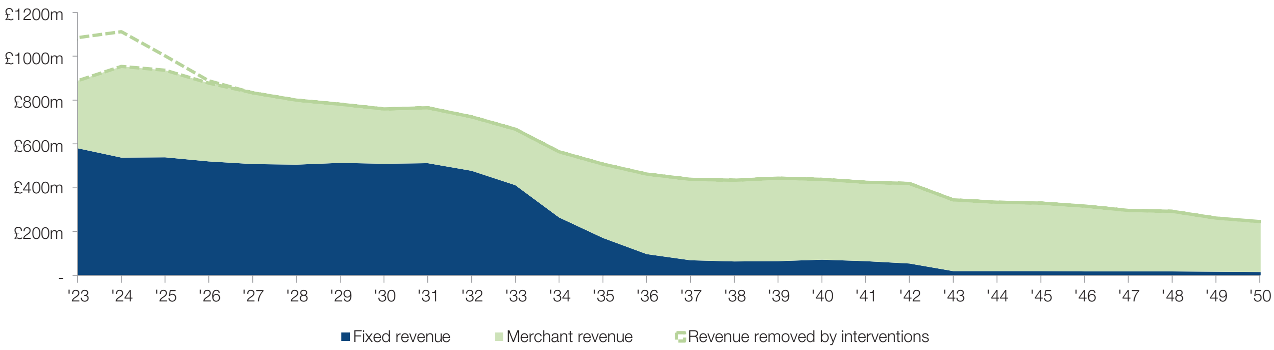
In the longer term, based on its current portfolio, TRIG is expected to have greater exposure to future wholesale electricity prices as subsidies and contracts with pre-determined pricing run off. As existing fixed-price contracts expire, the replacement contracts may also have fixed-price elements,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

The Company's prudent capital structure ensures all project-level debt is repaid within the associated subsidy period, and projects with merchant revenues do not have any debt in place. This has the result of releasing a greater portfolio of revenue in the future for re-investment and dividends.

As described in Section 2.5 – Market developments, governments in all the markets TRIG has investments in have announced or enacted interventions to reduce the wholesale power prices received by renewable energy projects. The interventions do not have an impact on subsidies revenues, but work to reduce or limit the wholesale power price achieved by renewable energy projects.

The chart below reflects the portfolio's forecast revenues on a committed basis (including the impact of government interventions), and therefore includes revenues expected from construction projects.

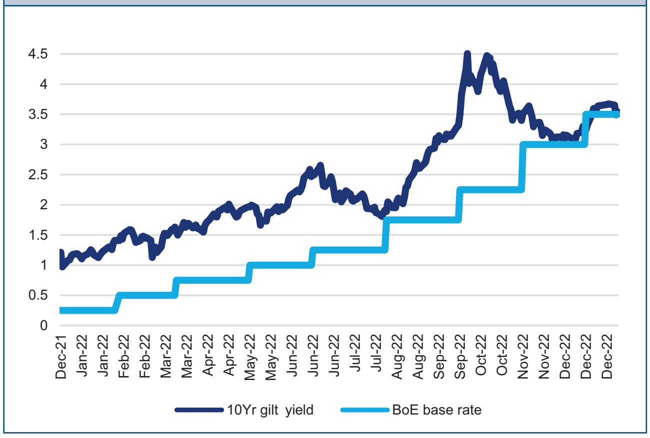
Split of project revenues by contract type for the portfolio



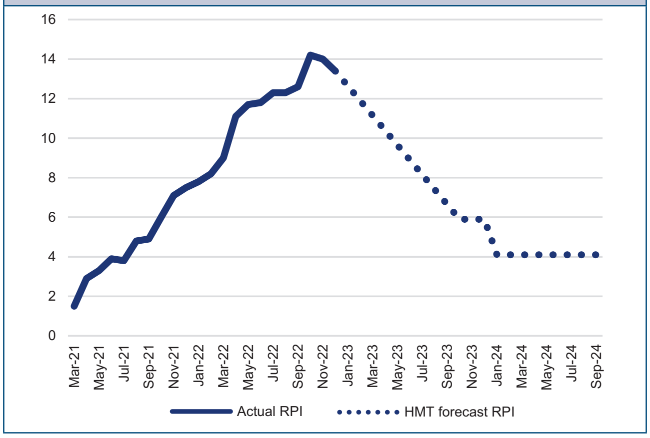
Macro-economic environment

Due to the ongoing commodity price shock (more details can be found on this in Section 2.5 – Market Developments), together with other effects of Covid-19 stimulus packages, inflation has risen to multi-decade highs across the jurisdictions TRIG is invested in. This has led to central bank intervention, with base rates increased to levels not seen since the introduction of quantitative easing.

UK 10Y Gilt Yield (%)



UK RPI inflation (%)



Portfolio cash flow forecasts are relatively insensitive to rising interest costs due to project level debt interest rates being fixed, providing certainty over long-term interest and repayments on debt. This is an essential and deliberate element in the construction of the Company's portfolio, which provides resilience in the portfolio's cash flows against moves in interest rates.

In the second half of 2022, the Portfolio Valuation reflects the rise in both government bond reference rates and inflation with an increase in weighted average discount rates by 50bps, as described above on page 21, and near-term inflation forecasts. The Company benefits from subsidised revenues that are directly linked to inflation indices in the UK and France, which constitute more than half of the expected revenues across the Company's portfolio over the next 10 years.

The direct link to inflation, received from indexed subsidies, and the indirect link to inflation, observed in power prices over time, functions to offset potential associated increases in required investment returns (i.e. the valuation discount rates) when inflation increases.

This can be demonstrated through the following portfolio scenario analysis:

- ▲ If annual inflation rates were to be 0.5% higher than assumed in all forecast periods, portfolio returns would increase by 0.66%, based on the Company's latest published sensitivities in Section 3.1.
- ▲ If inflation rates were to be 3% higher in 2023 than assumed, portfolio returns would increase by 0.41%.

Reductions in outturn inflation would have broadly similar negative impacts.

	Increase to assumption NAV impact (pence per share)	Decrease to assumption NAV impact (pence per share)
+ / - 0.5% change in annual inflation rates	6.1	-5.1
+ / - 0.66% change in portfolio discount rate	-6.1	5.7
+ / - 0.41% change in portfolio discount rate	-3.7	3.5
+ / - 3% change in inflation rates for FY 2023	3.5	-3.5

The portfolio return is positively correlated to inflation, which combined with the ongoing demand for critical renewables infrastructure make the Company's assets attractive to own in a shifting environment.

2.2
Investment Report (continued)

Outlook

The Company has performed well in the year through strong earnings and NAV growth, benefiting from higher power prices through generating secure and clean electricity whilst also contributing to the alleviation of the cost of living crisis through additional taxation throughout the Company's key markets. The portfolio is well positioned to benefit from inflation protection whilst the Company's prudent capital structure ensures debt is repaid and has fixed costs, providing strong downside resilience to higher interest rates.

The critical themes of energy security, affordability and decarbonisation, together "the energy trilemma", underpin the positive outlook for renewables. Once built, renewable energy assets provide secure and locally-generated electricity without carbon emissions. The impetus behind the sector coupled with sustainability considerations should encourage the development of local supply chains and reduce the carbon content in construction.

In the wider context, energy security and affordability has been brought into sharp focus in 2022. Europe's dependence on external sources of key commodities has been highlighted emphatically by the reduction in Russian gas supply into Europe. Nonetheless, due to unseasonably warm weather spells across the UK and the European continent and government-guided reduction in energy demand in the EU, Europe is better placed at the end of 2022 than many had feared might be the case. Renewables infrastructure will also play an increasingly critical role in delivering further European energy independence.

In addition, decarbonisation and the transition to net zero remain central to government energy strategies, while elevated energy costs to consumers highlight the essential requirement for increased domestic generating capacity to make energy more affordable for all.

Critical investment in the flexibility of grids is needed to balance the intermittency of renewables and improve reliability. As such, TRIG has increased its investment plans in this area over the last twelve months.

As we enter the next year of the energy transition, the Managers remain well placed to enhance the value of the Company's portfolio, source growth opportunities and be selective in their approach to new investments for TRIG.

2.3
Operations Report

Operations summary

The overall performance of the portfolio was significantly ahead of budget in the year driven by high electricity prices, REGO and auxiliary service revenues. This strong performance was somewhat moderated by the underlying generation from the portfolio falling 5% below-budget in the year.

The geographic diversification of the portfolio meant that the lower than long-term average weather resource in three regions (France, GB Offshore and Germany Offshore) was partly offset by four regions experiencing above budget weather resource (GB Onshore, Scandinavia, Ireland and Solar).

Some operational performance was affected by grid downtime that exceeded allowances made in budgets and long-term forecasts, and other site-specific factors including repair or enhancement works to generation equipment and electrical infrastructure, which improves the operational resilience of the portfolio going forward.

The new acquisitions of Valdesolar Spanish solar farm and Hornsea 1 GB offshore wind farm are now fully incorporated into the portfolio and performing well, along with the recently constructed Vannier French onshore wind farm. The Cadiz Spanish solar farms and Grönhult Swedish onshore wind farm have also commenced early generation, as detailed in the Construction section.

Production

Technology	Region	Electricity production (GWh)	Performance vs budget
Onshore wind	GB	1,397	-3%
	France	542	-8%
	Scandinavia	554	0%
	Ireland	298	-13%
Offshore wind	GB	1,450	-7%
	Germany	730	-5%
Solar	GB, France, Spain	405	-3%
Total Portfolio		5,376	-5.2%

GB – onshore wind

Performance was good across the portfolio of twenty projects, with three projects significantly ahead of budget and three assets that delivered uncompensated budget shortfalls:

- Solwaybank benefited from higher-than-budgeted availability under radar curtailment agreements in place at acquisition, due to good relationships with the neighbouring stakeholders. This resulted in a significant increase in production compared to budget.
- Earlseat and Rothes 2 both performed well, delivering notably above budgeted production.
- Hill of Towie had pro-active foundation works performed to protect the long-term integrity of the assets, which are now complete and not anticipated to recur.
- Crystal Rig 1 has experienced long-term availability challenges with turbines which are unique to this site within the portfolio. The asset manager and O&M provider were challenged to provide retrofits to deliver long-term solutions for specific problematic aspects, which are in final stages of implementation.
- Crystal Rig 2 underwent planned four yearly high voltage electrical system maintenance in the second half of 2022.

Performance shortfalls at Blary Hill and Little Raith are protected by contractual provisions:

- Blary Hill was curtailed for noise management purposes following commissioning which has now been resolved, with commercial protection from the turbine supplier in place for some of the losses incurred.
- In addition to the commercial protections associated with additional maintenance works, Little Raith's performance has improved in recent months through a constructive approach to resourcing and additional training for the on-site technicians, reinforcing the longer-term stability of the project.

There are also a range of technical innovations being trialled or deployed at various GB onshore windfarms, as referenced within the Enhancements section.

2.3
Operations Report (continued)

France – onshore wind

Across the fifteen assets that make up this region, the south of France suffered some poor wind resource in the middle of the year whilst the northern sites were in line with budget. Construction snagging at the Venelle site, which was commissioned at the end of 2020, is being addressed. Venelle's sister site, Vannier, has now completed construction and the contractual approach is benefitting from the experience gained at Venelle.

Repowering activities continue to progress well on the older southern sites, with Claves' and Cuxac's Feed-in Tariff applications now approved and contractual arrangements progressing to enable dismantling activities to commence in the second half of 2023. Repowering will commence at Claves and Cuxac; with Haut Languedoc and Haut Cabardes following thereafter. Repowering under Feed-in-Tariff mechanisms allows projects to benefit from a new 20-year subsidy period.

Scandinavia – onshore wind

Jädraås continues to perform well operationally with strong availability. However, power price hedging arrangements have been challenging in the volatile market, requiring settlement of hedges at high market prices during periods of low production, which has impacting financial performance during the second half of the year, which may continue into 2023 depending on power price levels. The financial impact on the portfolio as a whole has not been, and is not expected to be, material. In constructing a balanced portfolio, Grönhult does not have such hedging arrangements in place and will receive market electricity pricing under a route-to-market power price agreement.

Grönhult construction is now substantially complete, with the project energised and exporting electricity to the grid.

Construction of Ranasjö and Salsjö (collectively known as Twin Peaks) is progressing well and, as is typical for TRIG's projects in construction, RES has been contracted to act as Owner's Engineer. Turbine foundations are laid for both sites, with site tracks and turbine crane hardstands more than 50% complete and substation works commenced. The sites are on track to commence operations in 2024.

Northern Ireland & Republic of Ireland – onshore wind

Consisting of seven projects spread across Northern Ireland and the Republic of Ireland, this region is the smallest of TRIG's regions by value. Downtime at the Altahullion and Taurbeg sites exceeded budgets due to a combination of component failures and proactive works to enhance the long-term performance of the sites.

GB – offshore wind

Hornsea 1, our largest acquisition of 2022, has bedded in well within this region of four projects spread from North Scotland to East Anglia. Works to inter-array cabling within the wind farms, connections to the grid and component exchanges at Sheringham Shoal, each of which adversely affected production in the year, are now largely complete and expected to improve performance going forward.

Through extensive negotiations working alongside our investment partners, one of the offshore projects secured substantially improved commercial rates mid-term on a core operations contract during the year, upon the investment case.

East Anglia 1 successfully completed the sale of its associated offshore substation and grid connection to shore, in accordance with market requirements.

Beatrice agreed contractual terms for a range of different yield enhancements, to improve both individual turbine and site-wide performance, for implementation during 2023.

End of warranty inspections are a core theme for the region given the young age of the assets, with a campaign of pro-active investigative works performed or on-going to identify and resolve any potential defects under warranty, or secure protection against their subsequent cost of resolution. There are also a range of ongoing contractual performance protections post warranty.

Germany – offshore wind

Merkur has received an extensive inspection, repair and retrofit regime in connection with the rear frame defect, which has now been completed, availability brought back in line with budget and liquidated damage payments for the associated downtime in the contract year ended March 2022 received. This good progress in resolving the rear frame defect was core to the investment case for an incremental 11% stake in the project, which was acquired from a co-shareholder in December 2022. Power curve enhancements are planned to be rolled out in 2023, which are expected to improve energy yield by c. 2.5%.

At Gode, yaw and pitch optimisations have been implemented to enhance production, with further specific opportunities being actively investigated.

A small amount of non-compensated grid downtime was experienced at both sites at various points during the year.

Solar

The Solar segment of the portfolio currently consists of 29 assets across southern England, France and Spain. Valdesolar in Spain contributes to over 50% of the segment's generation capacity, and the four Cadiz projects are also now generating and set to become fully operational in Q1 2023. As the Cadiz projects become fully operational they will add further geographical diversification within TRIG's solar sub-portfolio.

Given the relative greater predictability of solar generation compared to wind power, projects throughout TRIG's solar portfolio were able to secure electricity price fixes on pay-as-produced basis at attractive levels, in the context of the high but volatile electricity prices experienced in the year, for the next four years.

This area of the portfolio has already seen diversification benefits, whereby lower irradiance in France and Spain in 2022 was offset by high irradiation in GB. The new Spanish site Valdesolar maintained very high availability across the year but was impacted by grid curtailment in the summer. New arrangements have been put in place to reduce future grid curtailment.

Weather Analysis

The graph below shows annual variances of wind and solar resource as a percentage variation to the long-term average for TRIG's operating portfolio, by region / technology.

The analysis shows the variability of weather, with as much as 15%–20% variation in any one region over the course of a year. When considered across the portfolio this variation is reduced to within approximately 10% of the long-term average, illustrating one of the benefits of the geographic and technological diversification of the TRIG portfolio.

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

2.3
Operations Report (continued)

Enhancements

As Operations Manager, RES is dedicated to enhancing the operational performance and shareholder and stakeholder value of the portfolio through both commercial and technical initiatives. RES applies a structured framework to identify, appraise and implement enhancements at both individual and portfolio levels. Examples of some of the commercial and technical value enhancements secured in 2022 include:

- Blade improvements: Aerodynamic improvements to wind turbine blades have been developed with specialist, independent experts to increase the efficiency of the blades in extracting energy from the wind. This enhancement has been rolled out at a Scottish onshore wind site following a successful trial, in which a 3% increase in energy yield was secured. Trials allow the site-specific conditions to be evaluated, including the turbine model and condition, local topography and wind characteristics such as shear and turbulence. A second Scottish site trial is currently underway, with other sites being assessed for further rollout, with greater emphasis on those onshore sites which use larger blades.
- Software upgrades: More recent vintages of wind turbines use sophisticated control systems to determine how the wind turbine responds to the environmental conditions, such as the yawing of the nacelle and pitching of the blades. Some of these software upgrades are more applicable to large turbine arrays with flatter topography such as offshore wind farms. Alternative software enhancements can also be used to secure improved performance on older turbines within the portfolio.
- TRIG is actively engaging with its offshore wind joint venture partners to identify and implement a wide range energy yield enhancements, for implementation during 2023. These enhancements include wake steering – whereby the overall site production is increased by reducing the wind obstructed by each turbine on those downwind from them and high wind ride through – allowing turbines to respond to and withstand gusting without shutting down whilst also avoiding excessive loading on the structures. RES has a deep experience of both identification, implementation and technical appraisal of the performance of such enhancements, helping to ensure that appropriate contractual structures are adopted.
- A wake steering and collective control trial, which seeks to enable turbines to optimise the overall yield from the whole site rather than on a per turbine basis, is progressing at Altahullion in Northern Ireland, with the next phase of validation to be completed in H1 2023. Collective control is expected to be beneficial on any site consisting of a large number of turbines within an array formation.
- Pallas onshore wind farm in the Republic of Ireland has undergone testing to evaluate the provision of certain specific grid services, supporting grid resilience, for which the site is remunerated by the grid operator.
- Active revenue stream management: Due to reduced market liquidity in 2022, TRIG ensured a disciplined approach to price fixing, whilst also engaged with offtakers to maximise value of REGOs across the portfolio (which have seen a tenfold increase in value on previous years).
- Repowering activities are progressing at the four older sites in the south of France, commencing at Claves and Cuxac, then following on at Haut Languedoc and Haut Cabardes thereafter. New 20-year government-supported tariffs have been secured for Claves and Cuxac. Decommissioning and repowering contracts are targeted for signing during the second half of 2023.
- Work has continued on extending the life of existing operational sites across the wholly owned UK and Ireland portfolio with planning extensions submitted for several solar and wind sites during the year. In addition, a review of the UK and Ireland onshore wind portfolio has been undertaken to identify likely repowering opportunities. Several opportunities have been identified and these will be progressed over the coming years.

Health and Safety

A strong focus on Health & Safety has always been core to TRIG's operations and the ethos of its Board and Managers. Each quarterly meeting of the TRIG Board starts with a discussion of Health & Safety across the portfolio. Health & Safety performance is reviewed at every project company board meeting throughout the year, using reporting obtained for every site in the portfolio, providing information on both leading and lagging indicators.

Leading indicators are those activities pro-actively performed or data collated to help reduce the risk of an accident ever occurring, such as performing internal or external safety audits, safety-focussed site walk-overs supported by discussions with site personnel, as well as collating and sharing information on:

- Good Catches – potential hazards that are identified and controlled;
- Hazard Identifications – hazards that have the potential to cause harm but are currently uncontrolled.

Lagging indicators are more focussed on collecting data on events that occurred, ensuring that each is appropriately investigated and key contributing factors identified to enable actions to be taken to reduce future recurrence and severity, including through sharing information across different businesses. Lagging indicators include:

- Near-misses – unplanned or uncontrolled events that have the potential to cause harm or damage.
- Non-lost time accidents – where an injury is sustained, however slight, and the injured party is able to return to work on the same day as the accident. The difference between a near-miss and a non-lost time accident can often be down to an element of timing, separation or good fortune that broke the chain of events.
- Lost-time accidents: where an injury is sustained and the injured party is unable to return to work on the day following the accident. A seven day lost-time accident classification is also used to reflect a higher degree of severity, such that the injured party is unable to return to their normal duties within seven days of suffering the injury.

The following provides an update of Health & Safety items of note during 2022:

- There were no severe accidents across the portfolio during the year. However, the Lost Time Accident Frequency Rate increased compared to 2021, in part reflecting improved reporting, as well as a larger construction portfolio and higher offshore activity, with actions taken to avoid recurrence in the case of each incident.
- The increased number of incidents is in part reflected by the increased construction activity in the portfolio with manual handling incidents (associated with the installation of the solar panels) seen at the Cadiz solar construction sites, where there were up to 400 people across the four sites at certain times. There were also several incidents reported at the Merkur offshore site, where there was a high level of activity associated with the rectification of the rear frame issue.
- The quality of Health & Safety reporting remains high across most of the portfolio, with good transparency and follow up of incidents. There has been an increased focus on positive leading indicators such as the number of independent and internal safety audits or reviews, hazard identifications and safety walks.
- Approval was given to install improved welfare facilities across the GB Solar sites in 2023.
- In addition, further safety equipment within the turbine towers of some of the older GB onshore wind farms will be installed in 2023.
- RES is a Tier 1 member of SafetyOn and sits on the SafetyOn Management Board. RES's TRIG Operations Management team attended a collaboration event in November which served as a great opportunity for owners and subcontractors to share their thoughts on key safety issues. In the same vein, RES continues to regularly hold its own Health & Safety coordination group to foster relationships between the various asset managers across the TRIG portfolio, share information and discuss matters that have occurred in the portfolio. This year it allowed those working on UK and German offshore sites to share their experiences, something that they wouldn't normally get the opportunity to do.

2.3 Operations Report (continued)

Evacuation exercise at Merkur, Germany

Projects in construction and development

By acquiring assets at an earlier stage in their development, TRIG seeks to access improved returns and a wider investment opportunity set.

The delivery and de-risking of projects through construction and development enhances value for shareholders who benefit from the shift to a lower discount rate used to value operational projects; and enable TRIG's Managers to deploy TRIG's balance sheet to create new low-carbon generation and flexible capacity to contribute to the decarbonisation of the electricity system and improve energy security.

Importantly, TRIG benefits from its Managers' expertise in investing in and delivering infrastructure projects through construction and development: InfraRed as a greenfield investor for the past 25 years and RES as a developer and/or constructor of over 23GW and operator of over 10GW of renewable assets globally.

In sourcing construction and development stage investments, InfraRed carefully screens opportunities to ensure they are aligned with TRIG's portfolio construction strategy and are additive to the portfolio as a whole. InfraRed, with input from RES, then perform due diligence and structure each opportunity to ensure that risks are allocated to parties best positioned to manage them and that the returns reflect the risks being borne by TRIG's portfolio company. Once an investment is brought into the portfolio, RES, with input from InfraRed, actively oversees construction and development activities to manage costs, timetable, quality, contractor interface, transition into operations, stakeholder engagement and, importantly, health & safety.

At the balance sheet date, 8% of the portfolio by value was in construction and development. This represents the Ranasjö, Salsjö and Grönhult wind farms in Sweden as well as the development premium for the four battery storage projects in development: Ryton, Drakelow, Drax and Spennymoor. Taking the expected construction spend for the Ryton and Drakelow batteries, which are expected to be contracted in 2023, would increase the construction and development exposure to 11% of the portfolio by value.

Recently completed construction projects

VANNIER, FRANCE completed Q3 2022

Located in the Haute-Marne department in France, Vannier is a 43MW onshore wind farm consisting of 17 Envision E-131 2.5MW turbines. Construction commenced in February 2020. Construction was delivered under an EPC wrap by an Envision-Velocita consortium.

Following permit issues at the site, for which full commercial protection had been previously obtained, construction was resumed in September 2021, with full commercial takeover achieved in September 2022.

BLARY HILL, SCOTLAND completed Q1 2022

Located on the Kintyre Peninsula in Scotland, Blary Hill is a 35MW onshore wind farm consisting of 14 Nordex 2.5MW turbines. Construction started in 2020 and the project was completed early in 2022. Construction was delivered by RES under an EPC wrap, a management model in which a principal contractor secures each of the supply contracts and has contractual commitments to deliver the project on time and on budget. A third-party technical adviser provided independent oversight of key milestones.

Both the local community and the local environment have been considered throughout the construction process. Several local companies were engaged for construction work, with local employment centres being utilised for the recruitment of labour operatives. Additionally, habitat management plans will be implemented along with compensatory planting, to improve the condition of the natural environment.

GRÖNHULT, SWEDEN
due to complete Q1 2023

Located in southwest Sweden, the 12 x Vestas V162 5.6MW (67.2MW) project was acquired from Vattenfall in January 2021.

Vattenfall managed the construction to a high standard under a multi-contract approach with excellent health & safety performance. Construction commenced in Q1 2021 with all turbines erected prior to the end of 2022 and early generation achieved in October 2022. Snagging and commissioning activities are now being completed.

Construction at Grönhult, Sweden

Construction projects

ARENOSAS, MALABRIGO, EL YARTE AND GUITA (CADIZ SOLAR), SPAIN Completed Q1 2023

Located in the province of Cadiz, Spain, the four projects have a total capacity of 234MW. Construction on the projects began in September 2021 and was delivered by Statkraft under an EPC wrap.

First export was achieved in December 2022 with commissioning activities progressing well and due to complete in Q1 2023. Across all projects, consideration of the local community has been actively embedded throughout the process, with the construction contractor engaging with its subcontractors to encourage local employment for less specialised work and the use of local businesses.

In total, local labour accounted for the equivalent of 108 people hired for a year, with €0.8m of local investment.

RANASJÖ & SALSJÖ

Located in Sollefteå, Västernorrland County, Central Sweden, the two adjacent Ranasjö and Salsjö projects will consist of a total of 39 Siemens 6.2MW turbines (242 MW), with TRIG having 50% ownership share alongside InfraRed's European Infrastructure Income Fund 4.

The projects continue in line with programme. Civil works, electricals and foundations are all complete at the Salsjö project and the final roads and two foundations are left to be completed at Ranasjö. 'Dry runs' of turbine deliveries to site have been completed successfully ahead of deliveries scheduled to commence during the summer of 2023.

The projects are being managed by the developer Arise and are scheduled for take-over in spring 2024.

2.3
Operations Report (continued)

Development

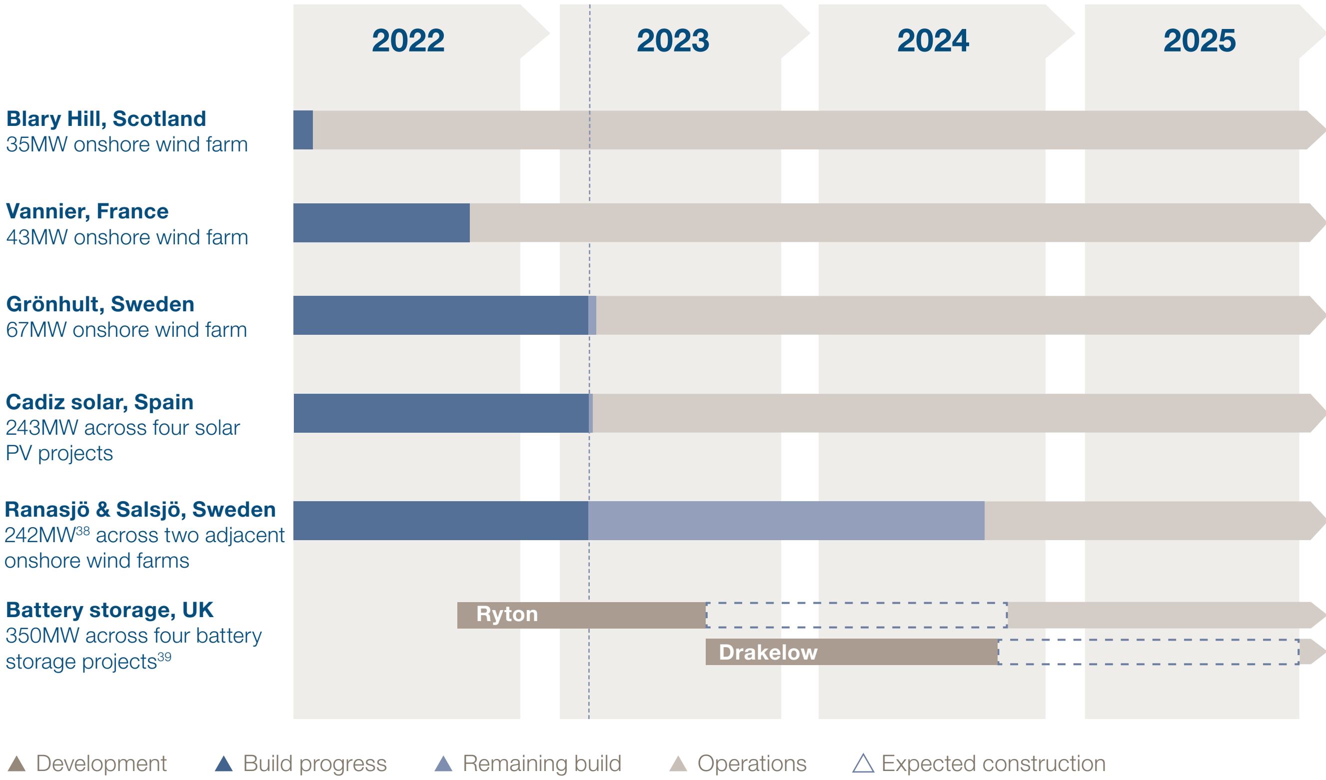
STORAGE

TRIG acquired four consented battery storage projects in the second half of 2022, which will provide c. 700MWh / 350MW flexible capacity once built. Located in the North of England, these sites require detailed design works to be performed prior to procurement and construction.

The timescale for construction will be dictated by grid connection dates, which currently vary from 2023 to 2031. Ryton will be the first to progress, with construction anticipated to commence in 2023.

Completion programme for projects in construction

Vannier and Blary Hill both completed in the past 12 months.



38 TRIG has a 50% stake in the Ranasjö & Salsjö projects.
39 These four battery storage projects are Ryton, Drakelow, Drax and Spennymoor. Not shown on this timeline are Spennymoor and Drax, which are scheduled for grid connection in 2029 and 2031 and are expected to have total capacity of c. 190MW.

2.4
Sustainability

Our Approach

TRIG's core business of generating renewable electricity is central to a positive sustainability contribution. Due to the nature of renewable energy assets, a long-term view must be taken with sustainable business practices applied throughout each project lifecycle.

The Board and TRIG's Managers recognise that the Company's responsibility goes beyond climate-related environmental considerations alone and seek to incorporate sustainable practices which can meet the needs of the present generations without compromising the needs of future generations.

TRIG's Core Sustainable Development Goal Contributions[40]

SDG contributions are made through our investments and our impact on the local communities around our assets
Primarily, the Company's portfolio contributes towards:

Affordable and Clean Energy

By owning and operating renewable energy assets, TRIG is helping to provide clean energy across the UK and Europe. Providing investment funding for new greenfield infrastructure and acquiring operational assets allows developers to recycle capital into the build-out of more renewables assets. This recycling of capital contributes to a reduction in the cost of deploying renewables. TRIG's current operational portfolio is capable of powering the equivalent of 1.8 million homes with clean energy[39].

Climate Action

Climate change measures are integrated into TRIG's policies and planning. This includes the assessment and reporting of climate-related risks and opportunities associated with our portfolio, as well as taking steps to reduce our carbon footprint. TRIG's operational portfolio contributes towards a net zero carbon future and is currently capable of offsetting more than 2.2 million tonnes of CO2 emissions annually, generating 5,376GWh of renewable electricity during 2022[41].

Sustainability regulation

The Sustainable Finance Disclosure Regulation (SFDR)

The SFDR is an EU law which aims to standardise disclosure requirements on how financial market participants integrate environmental, social and governance factors in their investment decision-making and risk processes. TRIG promotes environmental and social characteristics in accordance with Article 8 of the SFDR. Further information is provided within the "Sustainability-related Disclosures" document available on the Company's website. In addition, further information regarding TRIG's environmental or social characteristics can be found in the periodic disclosures in Annex I of this Annual Report.

EU Taxonomy

The EU Taxonomy introduces specific criteria and definitions regarding environmentally sustainable economic activities and investments. The Managers are currently in the process of reviewing and assessing TRIG's investments against the EU Taxonomy technical screening criteria. This assessment is being conducted as part of the annual ESG Survey, the results of which will be published in TRIG's annual Sustainability Report. As such, TRIG is not currently in a position to disclose how and to what extent the investments underlying the Company are in economic activities that qualify as environmentally sustainable economic activities.

40 https://www.un.org/sustainabledevelopment
Once the projects in construction are operational, the portfolio will be capable of powering the equivalent of 1.9m homes with clean energy
41 Once the projects in construction are operational, the portfolio will be capable of offsetting 2.4m tonnes of CO_2 emissions annually. Calculated in accordance with the IFI Approach to GHG Accounting for Renewable Energy

El Yarte, Spain

TRIG's Four Sustainability Goals

- Mitigate adverse climate change
- Preserve our natural environment
- Positively impact the communities we work in
- Maintain ethics and integrity in governance

2022 Sustainability performance

Objective	Metric	2021	2022
Mitigate adverse climate change	▲ Renewable electricity generated in the period	**4,125GWh**	**5,376GWh**
	▲ Tonnes of carbon emissions avoided[42]	**1.4m tonnes**	**1.9m tonnes**
	▲ Homes (equivalent) powered with renewable electricity	**1.1m homes**	**1.6m homes**
	▲ Percentage of UK portfolio sourcing on-site electricity under Renewable Electricity Supply Contracts	**72%**	**75%**
Preserve the natural environment	▲ Number of active Environmental Management Projects[43] within the portfolio	**14**	**20**
Positively impact the communities we work in	▲ Number of community funds within the TRIG Portfolio, where there is a formal agreement to provide funding to a specific community	**38**	**38**
	▲ Community contributions per annum in £	**£1.25m**	**£1.23m**
Maintain ethics and integrity in governance	▲ Lost Time Accident Frequency Rate (LTAFR)[44]	**0.21**	**0.62**
	▲ Percentage of female board members at period end	**50%**	**40%**
	▲ Percentage of female directors that the Managers provide to the 93[45] project companies	**31%**	**33%**

42 Actual values calculated in accordance with the IFI Approach to GHG Accounting for Renewable Energy. Portfolio as at 31 December 2022 is capable of mitigating 2m tonnes of carbon emissions p.a.
43 Operational TRIG sites engaged in pro-active habitat management plans that exceed standard environmental maintenance.
44 A safety at work metric which measures the number of personnel injured and unable to perform their normal duties for seven days or more, for each hundred thousand hours worked.
45 TRIG project companies are the number of project-level companies registered within a given region. There may be some assets which have multiple company registrations, due to the size and locations of the individual sites (such as smaller solar and wind farms).

2.4 Sustainability (continued)

Environmental

Mitigate adverse climate change

Our primary sustainability goal is to mitigate adverse climate change, and all investments in the portfolio contribute towards this.

TRIG's Investment Policy only permits investment in renewables and other forms of infrastructure that is complementary to, or supports the roll-out of, renewable energy generation. Reducing greenhouse gas (including carbon) emissions is central to the purpose of TRIG and its Managers.

InfraRed is a member of the Net Zero Asset Managers initiative. RES is also a signatory to the SBTi and offsets their operational emissions, including those associated with electricity usage and business travel. The TRIG Board adopts practices which help to maintain a low carbon footprint, including combining face-to-face meetings with virtual calls where appropriate and not printing Board papers. Emissions associated with the Board's business travel are offset.

SDG alignment[46]

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Science-Based Targets initiative (SBTi)

TRIG's portfolio contributes significantly to climate change mitigation through the avoidance of carbon emissions during the operational life of our renewables infrastructure assets. In 2021, the Company became an SBTi signatory to further efforts towards a net-zero carbon future by committing to setting science based targets. In order to develop a robust understanding of the Company's carbon footprint, current emissions and appropriate mitigation pathways, an established third-party sustainability consultant was engaged to assist in the collection and analysis of emissions data from each of our portfolio companies.

During 2022, the Company collected and published Scope 1, 2 and 3 emissions data for the entire portfolio. This establishes a baseline to develop relevant targets in line with the commitments of TRIG and its Managers.

We are currently engaging with the SBTi around the target-setting process to develop targets which appropriately reflect the Company's business of being a renewable energy generator and expect to submit and validate these during 2023. We are also improving our data collection processes through the TRIG ESG Survey, and through collaboration with the Company's value chain and key stakeholders. Continued stakeholder engagement is needed to understand and drive forward changes for a successful net zero roadmap. Further details on our carbon emissions data collection process can be found in our annual Sustainability Report.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

46 https://www.un.org/sustainabledevelopment

Preserving our natural environment

TRIG acknowledges the importance of biodiversity within its portfolio activities and RES, as Operations Manager, works with individual project asset managers to preserve the natural environment.

This includes execution of environmental management plans agreed with the authorities during the project consenting process, undertaking vegetation surveys, preventing biodiversity loss, reducing waste and recycling where possible and careful usage of materials.

Our approach has three key strategic aims, which are explained further in our Sustainability Report:

- **Preserve**
- **Improve**
- **Monitor and Report**

Moving forward, TRIG aims to enhance reporting and dialogue with key stakeholders to further improve understanding of biodiversity risks and opportunities.

SDG alignment[47]

Case study: Biodiversity progress at solar farms

In line with TRIG's approach to biodiversity, RES conducted a trial of sustainability-focused workshops to identify further enhancement and mitigation strategies for the solar and wind assets in the UK and Ireland. These workshops have resulted in the production of specialised biodiversity enhancement plans.

During 2022, the first round of installation activities were successfully completed across several solar sites. At Parsonage solar farm in Somerset, this included the sowing of a specialist wildflower seed mix and the installation of ten bird and bat boxes. At Marvel Farms in the Isle of Wight, two beehives have been established with a local beekeeper, with the first successful honey harvest in early September.

Opportunities in other regions TRIG has invested in are also being explored, so that meaningful enhancement works for the sites that are not already covered by detailed environmental assessments can be performed.


Wildflower meadows are planted at Parsonage solar farm in Somerset, offering a boost to British wildlife

47 https://www.un.org/sustainabledevelopment

2.4
Sustainability (continued)

Social

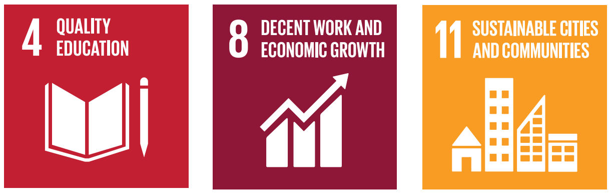
Positively impact the communities in which TRIG works

With renewable energy assets often located in rural areas where communities may experience limited employment options and limited social or health facilities, TRIG is sensitive to the impact that a project can have on its local community.

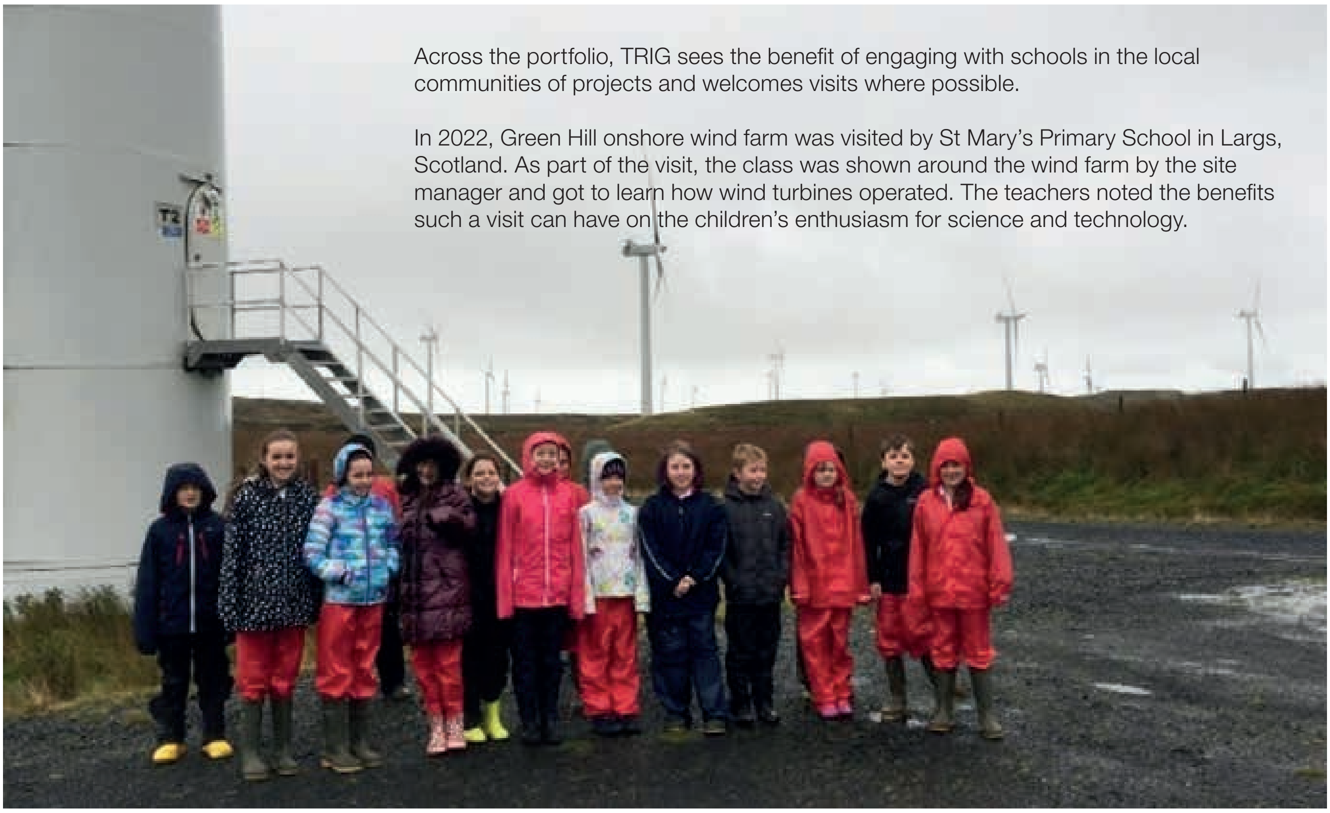
Through local initiatives and direct engagement with communities, tangible benefits can be created.

TRIG has no direct employees, but actively engages with its Managers in respect of their employee engagement programmes. Alongside this, both InfraRed and RES look to give back to wider society through their own company initiatives.

SDG alignment[1]



Case study: School wind farm visits



Across the portfolio, TRIG sees the benefit of engaging with schools in the local communities of projects and welcomes visits where possible.

In 2022, Green Hill onshore wind farm was visited by St Mary's Primary School in Largs, Scotland. As part of the visit, the class was shown around the wind farm by the site manager and got to learn how wind turbines operated. The teachers noted the benefits such a visit can have on the children's enthusiasm for science and technology.

TRIG's Managers' Initiatives

InfraRed
Capital Partners

Social initiatives at InfraRed are overseen and managed by Sarah Gledhill (Managing Director, Portfolio Impact) with support from initiative owners across the business:

- **InfraRed £1m Charitable Foundation** issued further grants to:
  - **Magic Breakfast,** which provides breakfast to children before school. The grant helped provide approx. 2,040 children with 178,571 nutritious breakfasts, equivalent to 714,285 hours of learning given the increased educational attainment by avoiding child hunger.
  - **Working chance** and **Switchback** – charities focused on improving employment opportunities for ex-offenders and reducing re-offending rates.
- **The InfraRed Charitable Foundation** has refined its mission, with a new focus on providing grants for a network of Community Engagement Officers working within schools to address community needs.
- **The Recirculate project:** In 2022 Recirculate donated 160 bikes to NHS staff at six hospitals within InfraRed's portfolio, 600 desks were sourced and reallocated and 20 laptops were donated to schools.
- **Creating Better Futures:** InfraRed launched the second edition of the flagship Creating Better Futures awards programme in December, receiving 38 submissions which will be judged against criteria of Innovation, Community Need, Collaboration and Efficiency.
- **InfraRed's Ukraine Taskforce received a pledge of £100k**, of which £64k is for short- and medium-term support. InfraRed staff exceeded the target for the holiday campaign, donating over 100 head torches for trauma kits. Monetary grants throughout the year were to LifeBoat UK, GC Rieber, Donate IT and Festival Medical Services. The remaining £36k will be deployed during 2023.
- **InfraRed's fifth annual dodgeball event saw £50k raised** for the charities SOFEA and 4Louis.
- **ESG Survey:** Best practice initiatives continue to grow at projects across InfraRed's portfolio, with over 600 initiatives identified as active in the past year through the annual ESG Survey. A standout example is the subscription subsidised food boxes for NHS staff at North Middlesex Hospital filled with plant-based ingredients that are too good to waste.

res
power for good

RES has put sustainability at the heart of its activities since commencing operations in 1981, engaging with local communities throughout the wind and solar farm development process, supported by a full-time community engagement team.

- **Diversity and Inclusion strategy:** RES' five Affinity Networks were launched in 2021, as an evolution of RES' D&I strategy. An Affinity Network is a group formed around a shared experience or concern for a given issue – RES' five groups are: race, gender, LGBTQ+, age and disability. The purpose of each group is to provide a platform across the company to raise awareness and support positive change in areas such as culture, policies and unconscious bias, in order to enable all employees to achieve their full potential. Affinity Networks each have their own distinct committee and executive sponsor.
- **Supporting charities:** RES supports charities through a range of initiatives, including matching donations of up to £500 a year per person for staff fundraising events and personal donations. Staff are also offered up to 4 days of paid leave a year for voluntary work, to participate in charity work and non-profit initiatives.
- **Renewable World:** RES has been a long-time supporter of Renewable World, a charity that aims to tackle poverty through the installation of renewable energy projects. In 2021, the charity expanded energy access for two communities in the Lake Victoria region of Kenya. For more information about their work see www.renewable-world.org
- **Mentoring:** RES operates a global mentoring programme and supports virtual learning and development.
- **Sir Robert McAlpine Foundation:** The owners of RES have operated a Foundation for over 50 years which gives grants to support small charities situated throughout the UK that fall within specific categories – namely children, youth, the elderly, social and medical research.

Blary Hill, Scotland
(Credit: Keith Arkins)

Governance

Maintain ethics and integrity in governance

Responsible business practices are key to long-term success. This includes health & safety, managing conflicts of interest and maintaining policies.

The Board has overall responsibility for TRIG's Sustainability Policy[48] and its application, whilst the day-to-day management of the portfolio is delegated to both Managers.
InfraRed integrates sustainability into every stage of TRIG's investment process and publishes its own sustainability report, exclusions list and sustainability policy, including its approach to the integration of sustainability considerations into the investment cycle, on its website.[49]

RES leads management of project-level ESG policies and activities, whilst keeping active sight of ESG KPIs, community outreach activities and health and safety standards. RES also publishes its own Sustainability Report on its website.

Both Managers work together to ensure that sustainability considerations are also prioritised in the ongoing management and reporting of the assets throughout the ownership period.

SDG alignment[50]

Thought leadership and engagement

A core component of good governance is promoting thought leadership and best practice in the wider industry. InfraRed and RES are actively engaged in public policy debates, engaging directly with policy makers and through trade bodies such as the Global Infrastructure Investor Association (GIIA), The Infrastructure Forum, the Association of Investment Companies, Renewables UK, Energy UK, IREG and the Swedish Wind Energy Association.

- InfraRed made submissions to and engaged in dialogue with the UK government:
  - Promoting the use of the existing Contract-for-Difference mechanism for existing renewables generation assets to provide lower cost electricity generation for consumers and greater certainty for consumers and generators;
  - Highlighting the challenges and potential consequences of different interventions in the electricity market; and
  - Responding the Review of Electricity Market Arrangements and Hydrogen Business Model consultations.
- RES continues to meet with stakeholders including the Department for Business, Energy and Industry Strategy (BEIS) and provide responses to the varying planning and policy consultations in the regions where TRIG is active.
  - In April 2022, RES met with Boris Johnson to discuss the value of onshore wind and renewables;
  - In winter 2022 RES met with Jeremy Hunt to discuss the Electricity Generators Levy (EGL); and
  - RES have also been invited to attend high-level civil service meetings on the implementation of the EGL in Treasury Roundtables.
- InfraRed input to the AIC's response to the FCA consultation on board diversity.
- InfraRed input to the GIIA's Powering the Clean Energy Transition in the EU paper and submitted a response to the European Commission's Electricity Market Design consultation.

48 Found on the reports and publications section of TRIG's website: https://www.trig-ltd.com/investors/reports-and-publications/
49 https://www.ircp.com/sustainability
50 https://www.res-group.com/en/about-us/sustainability/
51 https://www.un.org/sustainabledevelopment

International Sustainability Standards Board (ISSB)

The ISSB was established by the International Financial Reporting Standards ("IFRS") in order to develop a comprehensive global baseline of sustainability-related disclosure standards.

The Managers welcome the creation of an integrated reporting framework which recognises that a company's ability to deliver value for its investors is intrinsically linked to how it manages its sustainability risks and the contributions it makes to society and preserving the natural environment. The intention is that ISSB will build upon existing frameworks such as the Task Force on Climate-related Financial Disclosures ("TCFD") and the Task Force on Nature-related Financial Disclosures ("TNFD"). The Managers will continue to monitor progress of the ISSB and will aim to align with the reporting standards once the framework has been finalised.

Valdesolar, Spain

Agrinergie 1, France (Réunion)

2.5
Market Developments

Power prices

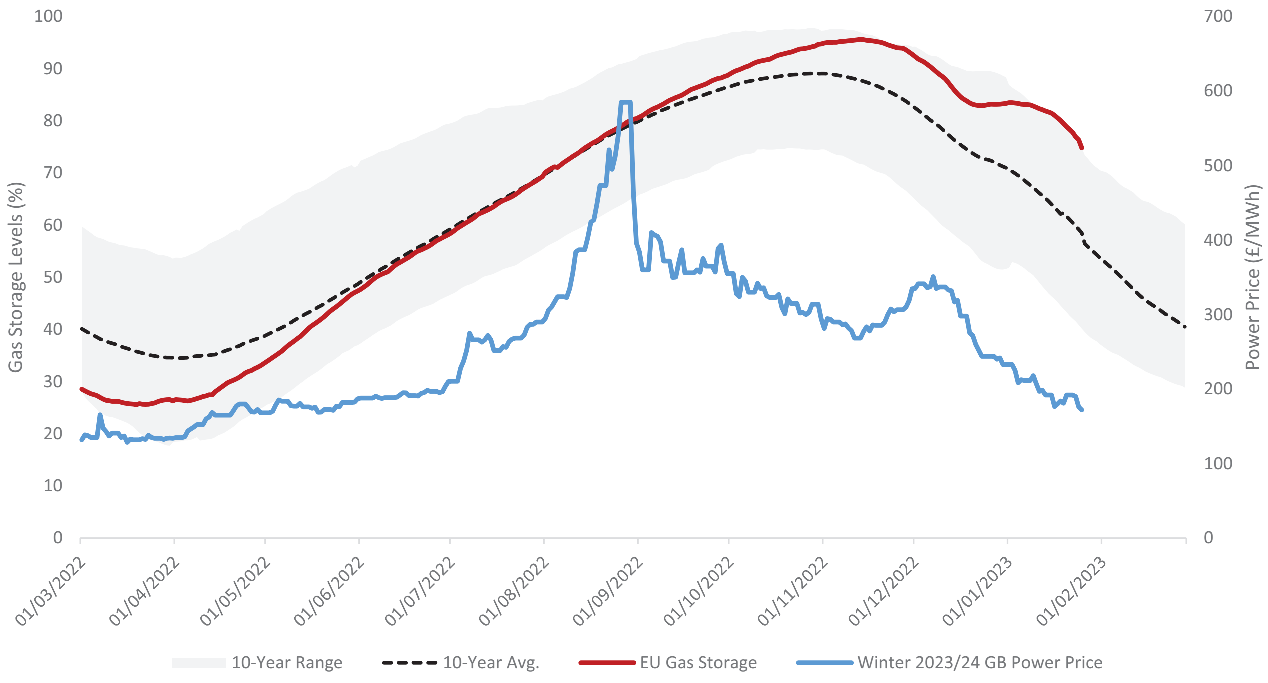
Current and near-term power prices

Throughout the last 12 months, spot and near-term forward power prices have remained elevated and volatile compared to historical levels due to the impacts of electricity demand returning to pre-pandemic levels and severe disruption to the supply of natural gas to Europe. Over the period Russia reduced exports of gas to the region, including the indefinite shutdown of the Nord Stream gas pipeline in response to sanctions related to the ongoing conflict in Ukraine. This led to an increase in power prices due to the link between gas prices and power prices in much of Europe. Compounding this was a strong recovery in demand for electricity from Covid-19-related lows of the two previous years.

In order to reduce dependence on Russian gas imports, European governments and institutions proactively intervened to increase energy storage levels and reduce energy consumption, which combined with relatively mild weather during Q4 2022 has alleviated some pressure on current and near-term forward power prices.

However, power prices remain sensitive to demand and supply pressures (including weather and power plant outages) and are expected to remain above historical levels for some years.

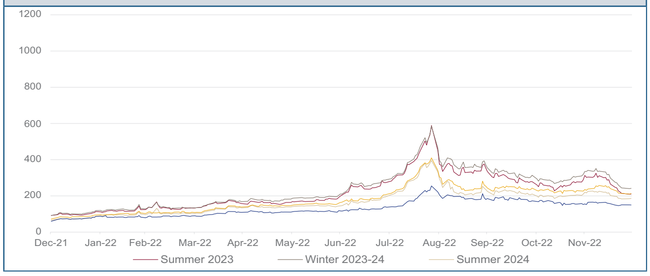
Gas storage levels compared to forward power prices in the EU



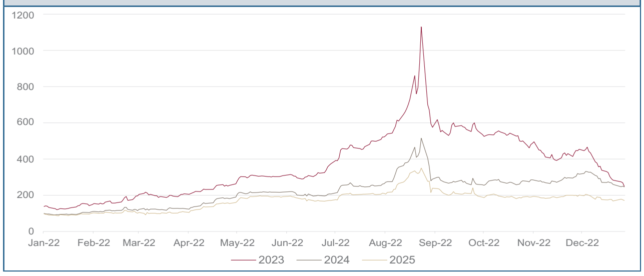
Source: InfraRed analysis of Argus Media and GIE AISBL data

The below charts show the forward power prices in each of the markets in which TRIG has investments. Of these markets, the vast majority of TRIG's merchant exposure arises in the UK, with the Spanish and Swedish power markets growing in importance as projects in those markets are delivered through construction.

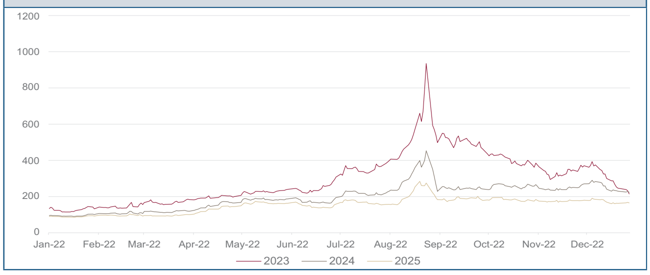
GB Forward Prices £/MWh



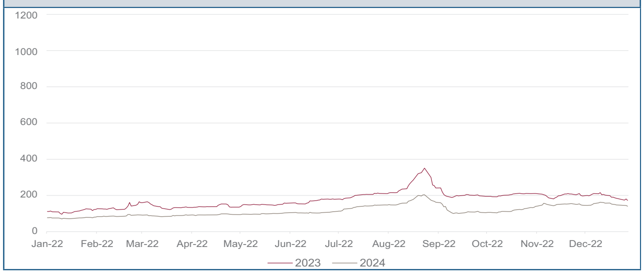
France Forward Prices €/MWh



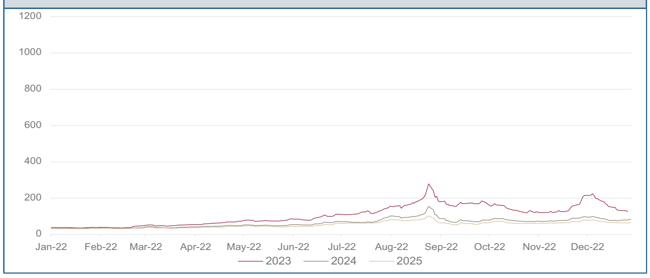
Germany Forward Prices €/MWh



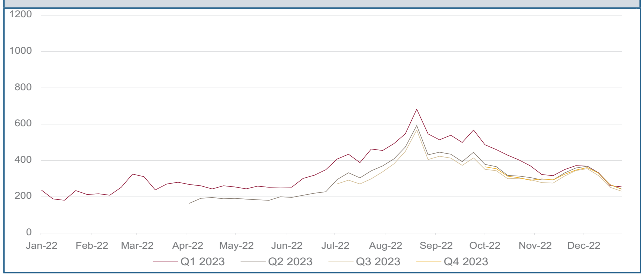
Spain Forward Prices €/MWh



Nordic Forward Prices €/MWh



Ireland (SEM) Forward Prices €/MWh



Source: Argus Media and Nasdaq

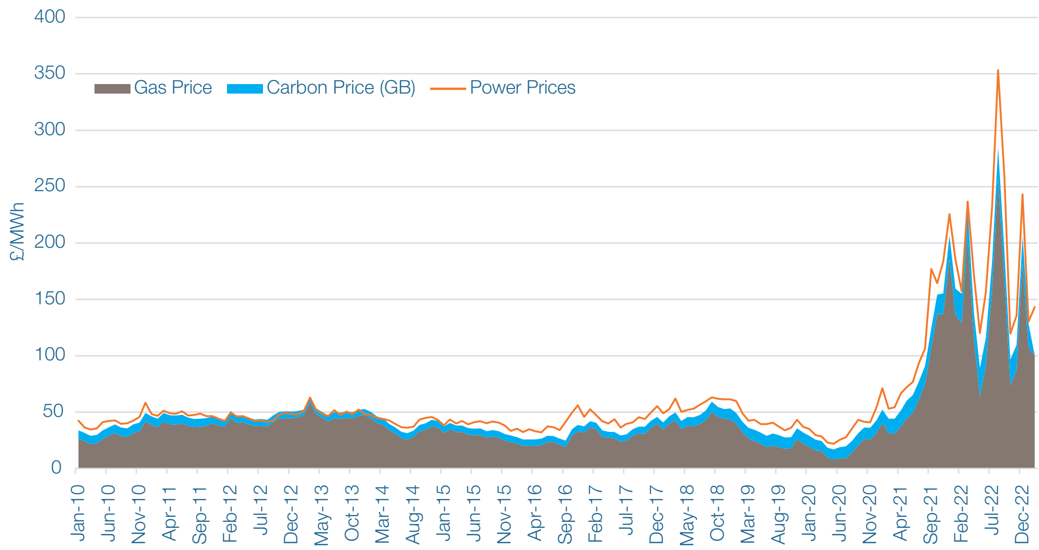
Natural gas has been the principal driver of elevated power prices in GB and Europe (as gas plants often set the power price as the marginal electricity generator).

The link between elevated gas prices and power prices is demonstrated overleaf for the GB market, which is a system where gas prices currently set the power price for the majority of the time.

Fluctuations in gas demand and pricing are likely to result in power markets that are more sensitive to other factors, such as weather conditions, than has been typically observed in the past. Diversification across the markets TRIG invests in helps reduce the exposure to local fluctuations. In addition to power market diversification, the Company also uses active power price management to reduce risk. The Company actively seeks to secure favourable near-term forward power prices by selectively entering into fixes to reduce power price sensitivity, supplementing its longer-term fixed revenues per megawatt hour from government subsidies. This is consistent with the Company's low-risk investment proposition.

2.5
Market Developments (continued)

Monthly Average Prices – Jan 2010 – Feb 2023



Public policy intervention

In response to prolonged high power prices across the period and an elevated near-to-medium term outlook, national governments have sought to intervene in markets in several ways:

- Directly intervening to alter the price set by the market (with the highly integrated markets for gas and electricity across Europe, these interventions require multilateral coordination across the region to be effective)
- Indirectly intervening (without directly altering the price set by the market), including by:
  - supporting consumers through various means (for example through cash transfers or price caps)
  - supporting fossil fuel generators exposed to higher input costs (for example through price caps or reliefs)
  - mandating required or prohibited behaviours (for example through imposed storage requirements for gas)

Such interventions create costs that must either be borne by the market participants (consumers or producers) or by the relevant government, which must then fund these costs through taxation or borrowing. In general, governments have sought to bear the costs and at least partially fund the costs through imposing "windfall" taxes on generators where the conditions have resulted in higher-than-forecast merchant power price revenues.

This period of extreme volatility has highlighted how extreme events can distort the way power markets function in the UK and Europe, as was also observed during the height of the Covid pandemic when the marginal pricing resulted in power prices significantly below the real, long-term average. The current challenges in the market are arising due to the linking of power prices to the marginal cost generator, in this case exposing users to unsustainable cost.

Any market redesign, however, needs careful thought and design to avoid unintended consequences (such as creating market distortions through removal of market signals, disincentivising investment or exceptionally taxing normal profits). The Company and its Managers have engaged with the UK government on some of the risks of incomplete or overly short-term interventions on investment appetite in the UK, and are prepared to help guide policy for the benefit of continued renewables development.

The table below notes the relevant, material interventions and windfall taxes in place in the markets TRIG invests in at the valuation date.

Measure	Scope	Description	Impact on power price
Cap on gas generator costs	Spain and Portugal	Cap on gas generator supply costs funded by consumers	Caps power prices where gas generators set the power price
Support for consumers	Across markets	Cash transfers and or price caps	Generally higher than otherwise would be as demand becomes less responsive to price
Demand reduction targets	EU markets	Mandatory EU-wide targets to reduce energy consumption	Generally lower than otherwise would be as demand is reduced
Minimum level of gas storage	EU markets	EU-mandated minimum level of gas storage[52]	Generally higher than otherwise would be as storage operators are forced to fill storage regardless of cost
Electricity Generator Levy	UK	Tax of generator revenues above a cap level	No direct impact on market power prices but tax is due where the achieved power price exceeds the level of the caps
Inframarginal Revenue Cap	EU markets[53]		
Gas Clawback	Spain and Portugal		

The table below breaks down the tax measures described above in further detail. As currently announced, the UK's intervention is legislated for the longest period. It is, however, likely that the European interventions will be extended should this period of highly elevated gas and power prices persist beyond the current date that the legalisation is due to expire (30 June 2023).

Tax measure	Market	Applies above	Effective rate applicable	Reliefs	Legislated period
Electricity Generator Levy	UK	£75/MWh indexed by CPI	70% (45% levy + 25% corporate tax)	First £10m p.a. per group	1 Jan 2023 to 31 Mar 2028
Inframarginal Revenue Cap	Ireland	EUR 120/MWh	100%	None stated	1 Jan 2023 to 30 Jun 2023
	France	EUR 100/MWh	90%	Excludes FiTs and CfDs	1 Jul 2022 to 31 Dec 2023
	Germany	Feed-in Tariff + EUR 30/MWh	90%	Allowance for PPA costs	1 Dec 2022 to 30 Jun 2023
	Sweden	EUR 180/MWh	90%	None stated	1 Jan 2023 to 30 Jun 2023
Gas Clawback	Spain and Portugal	A calculated level based on assumed gas price	85%	Formula includes an allowance to reflect some costs	Enacted in 2021, applicable to 31 Dec 2023

The impact of these measures upon TRIG's forecast revenues are highlighted in Section 3.1 – Valuation of the Portfolio. Based on current forecasts, the Company could be paying approximately £400m to governments in the UK and mainland Europe over the next 3 years. Having delivered 379MW[54] of new renewables infrastructure since 31 December 2021, TRIG is committed to contributing to greater energy security across Europe. However, these measures risk reducing the Company's ability to invest in additional renewables and flexible capacity, which are essential to Europe's energy security. Government interventions that undermine investment in renewables may ultimately serve to slow down the development of new renewables capacity – making the transition to greater energy security and net-zero more expensive, disruptive and slower for consumers.

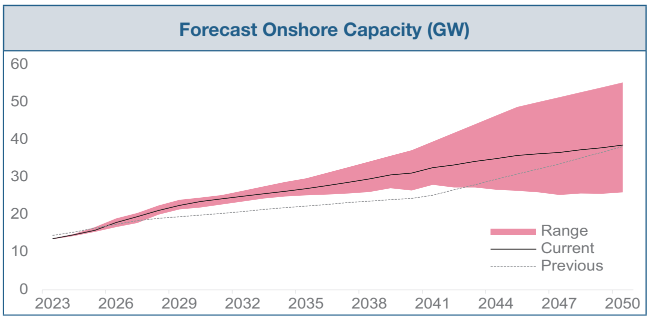
52 80% for winter 2022-23, increasing to 90% for future winters
53 Excludes Spain and Portugal
54 Blary Hill (35MW), Vannier (43MW), Grönhult (67MW) and Cadiz (234MW). Grönhult and Cadiz are due to be completed in Q1 2023

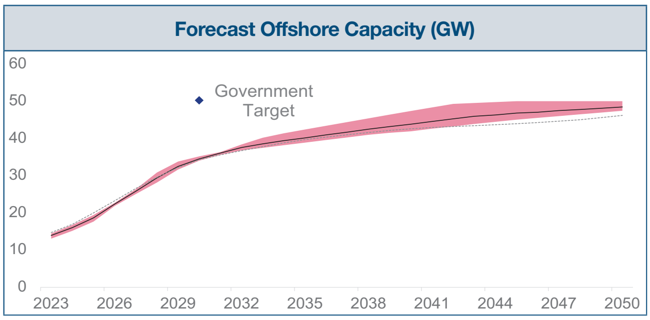
2.5 Market Developments (continued)

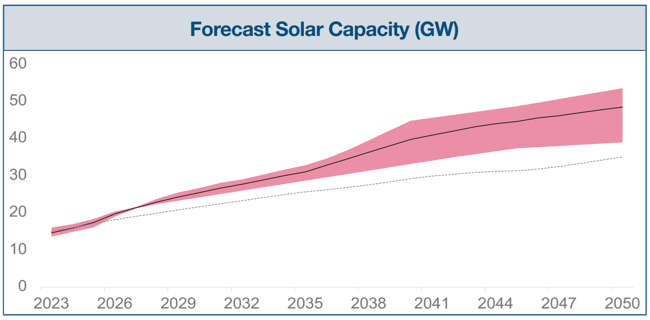
Longer term power prices

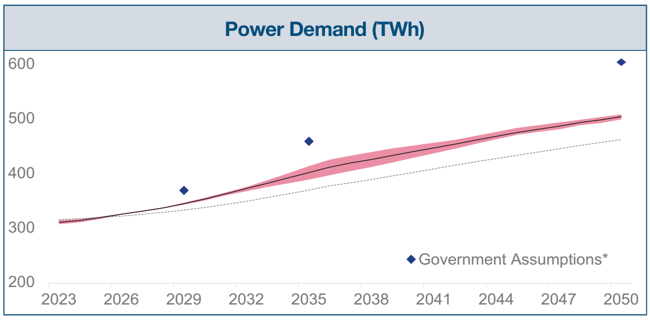
Public policy has focused on near-term interventions, but the ongoing energy crisis has underscored the importance of the deployment of renewables and transition away from gas to ensure supply security. The EU and UK governments have agreed to accelerate the deployment of renewable energy and clean hydrogen, as well as electrifying heating demand. Supply and demand are expected to broadly offset over time, thereby preserving long-term power prices in line with those at the end of December 2021. Despite an increase in renewable capacity and power demand, power price forecasters' views continue to be lower than government assumptions reflecting supply chain and grid constraints.

Forecast GB renewables capacity and power demand[52]









Forecasters used for TRIG's valuation purposes *Lower end of the range taken for each government assumption

Policy and regulation

United Kingdom

In April 2022, the UK Government built upon the Net Zero Strategy, setting out ambitious plans to accelerate the deployment of renewables and hydrogen as well as nuclear through its British Energy Strategy and undertake a comprehensive Review of Electricity Market Arrangements (REMA) programme of work.

REMA represents a comprehensive review of electricity market design to ensure that it is fit for the purpose of maintaining energy security and affordability for consumers as the electricity sector decarbonises. The main areas for consultation included: locational pricing, low carbon and capacity subsidy mechanisms[55] and alternatives to marginal pricing. Further details of potential reforms are expected to be communicated by government in H1 2023.

We believe that the proposal to offer Contracts for Difference (CfD) to operational low carbon generators, referred to as 'Pot Zero', represents a viable mechanism to decouple power prices from gas prices. Such a system would have the advantage of lowering consumer bills during periods of high power prices while lowering the cost of capital for generators by removing the risk of lower wholesale power prices. We have made clear to the government that it is important for such a mechanism to be voluntary in order to maintain the integrity of long-term investment decisions as well as for a genuine market to be established that is able to provide firm investment signals. The Company, through the activities of its Managers, continues to engage with the UK government on the long-term design of the GB power market.

European Union

The European Council initiated a programme in December 2022 to assess options to reform European electricity markets. Like REMA in the UK, the programme will consider alternatives to marginal price formation, where the cost of marginal generation sets the price for all generators to break the link between gas prices and power prices. The European Commission

55 Private law contracts, such as Contract for Difference, are expected to be grandfathered through transitionary arrangements

is also proposing a CfD-style mechanism for new and operating renewable plant with the support of some European governments. The possibility of introducing reforms to stimulate the long-term power purchase agreement market and forward wholesale markets is also considered as an alternative route to decouple power prices from gas prices.

The outcomes of the UK and EU's power market redesigns may have an impact on the revenue profile and capital structure of the Company. A CfD-style mechanism, for instance, may lower the risk profile, therefore enabling a different capital structure, for the Company as a whole. Any alternative market design will need to appropriately incentivise new and existing asset owners, and TRIG's current capital structure leaves the Company well placed to respond appropriately to such regulatory developments.

Beatrice, Scotland

Service Operations Vessel at Sheringham Shoal, England

03 Performance & Risk

3.1
Valuation of the Portfolio

Introduction

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

For non-market traded investments (being all the investments in the current portfolio), the valuation is based on a discounted cash flow methodology and accordance with IFRS 13 and IFRS 10, given the special nature of infrastructure investments.

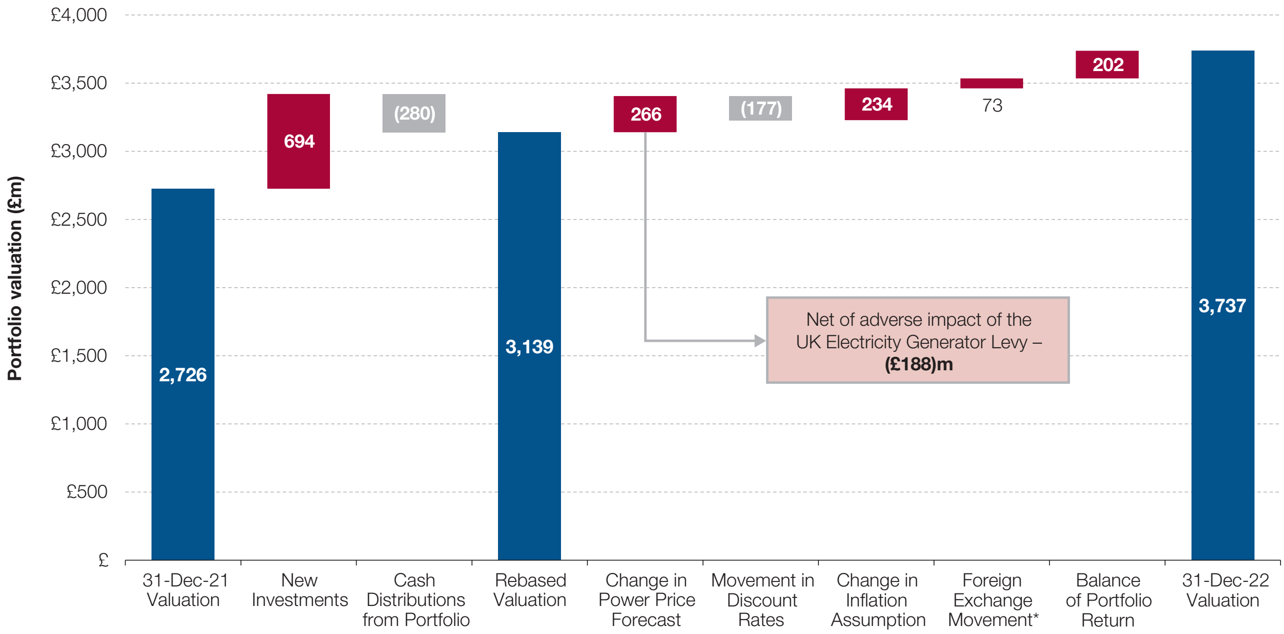
The valuation for each investment in the portfolio is derived from the application of an appropriate discount rate to reflect the perceived risk to the investment's future cash flows in order to give the present value of those cash flows. The Investment Manager exercises its judgement in assessing the expected future cash flows from each investment based on the project's expected life and the financial model produced by each project entity. In determining the appropriate discount rate to apply to a given investment, the Investment Manager takes into account the relative risks associated with the revenues, which include fixed price per MWh income (lower risk) or merchant power sales income (higher risk). Where a project has both income types a theoretical split of future receipts has been applied, with a different (higher) discount rate used for an investment's return deriving from the merchant income compared to the fixed price income, equivalent to using an appropriate blended rate for the investment.

The Directors' Valuation of the portfolio as at 31 December 2022 was £3,737.0m. This valuation compares to £2,725.8m as at 31 December 2021 and £3,235.6m as at 30 June 2022[56].

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 2022



* Foreign exchange movement is stated before the offsetting effect of hedges which are held at the Company and subsidiary level. Foreign exchange gain reduces to £36.6m after the impact of foreign exchange hedges.

56 Directors' Valuation is an Alternative Performance Measure ("APM"). See page 175 for details of APMs. Further, the reconciliation from the Expanded Basis financial results is provided in Section 3.2 – Analysis of Financial Results, and a reconciliation of the Directors' Portfolio Value (APM) to Investments at Fair Value is provided in Note 13 to the Financial Statements.

Valuation movement during the year to 31 December 2022	£m	£m
Valuation of portfolio at 31 December 2021		**2,725.8**
Cash investments net of capital return	693.8	
Cash distributions from portfolio	(280.5)	
Rebased valuation of portfolio		**3,139.1**
Changes in power price forecasts*	265.7	
Movement in discount rates	(176.6)	
Change in inflation assumptions	233.7	
Change in foreign exchange**	73.0	
Balance of portfolio return	201.9	
Valuation of portfolio at 31 December 2022		**3,737.0**

* The positive impact from the change in power price forecasts is net of the UK Electricity Generators Levy, which had an adverse impact of £188m.

** Foreign exchange movement is stated before the offsetting effect of hedges which are held at the Company and subsidiary levels. Foreign exchange gain reduces to £36.6m after the impact of foreign exchange hedges.

The opening valuation at 31 December 2021 was £2,725.8m. Allowing for net cash investments of £693.8m and cash receipts from investments of £280.5m, the rebased valuation as at 31 December 2022 was £3,139.1m.

Cash investments of £693.8m during the year is predominantly comprised of the following investments:

% of Committed Portfolio Valuation	Invested to 31 Dec 2021	2022 Invested[57]	Invested to 31 Dec 2022	Total (fully committed)[58]
Hornsea One	0%	8%	8%	8%
Valdesolar	0%	3%	3%	3%
Cadiz solar projects (Arenosas, Malabrigo, El Yarte and Guita)	2%	2%	5%	5%
Merkur	6%	2%	7%	7%
Battery storage projects (Ryton, Drakelow, Drax and Spennymoor)	0%	1%	1%	4%
Grönhult	1%	1%	3%	3%
Twin Peaks (Ranasjö and Salsjö)	1%	1%	2%	4%

Further detail on each investment is included in Section 2.5.

Each movement between the rebased valuation of £3,139.1m and the 31 December 2022 valuation of £3,737.0m is considered in turn below:

(i) Forecast power prices

The valuation at 31 December 2022 is based on current updated power price forecasts for each of the markets in which TRIG invests overlayed with a portion of the lower prices indicated by the forward markets over the next c.2 years. The forecasts are materially up in the short to medium term, but with the longer term broadly unchanged in real terms, resulting in an overall increase in valuation of the portfolio from a year ago by £453.8m. This is reduced by the impact of the UK Electricity Generator Levy ("EGL") which is explained in more detail below which leads to a net valuation increase arising from increase in power price forecasts after the impact of the UK EGL of £265.7m. This impact includes the long-term change in power curve inflation (see item (iv) changes to inflation assumptions).

Over the year, spot power prices and the short-to-medium term power price forecasts have markedly increased due to supply chain constraints exacerbated by the conflict in Ukraine and associated disruption to energy markets. This has had the effect of contracting the supply and pushing up the cost of natural gas. Many countries are seeking to reduce and/or eliminate their use of Russian gas, increasing their demand for other gas sources (including LNG) in the shorter term and increasing the drive to use and further develop

57 % of Invested portfolio excluding commitments
58 Committed Portfolio Value is £3,942m and includes £205m of investment commitments outstanding at the balance sheet date

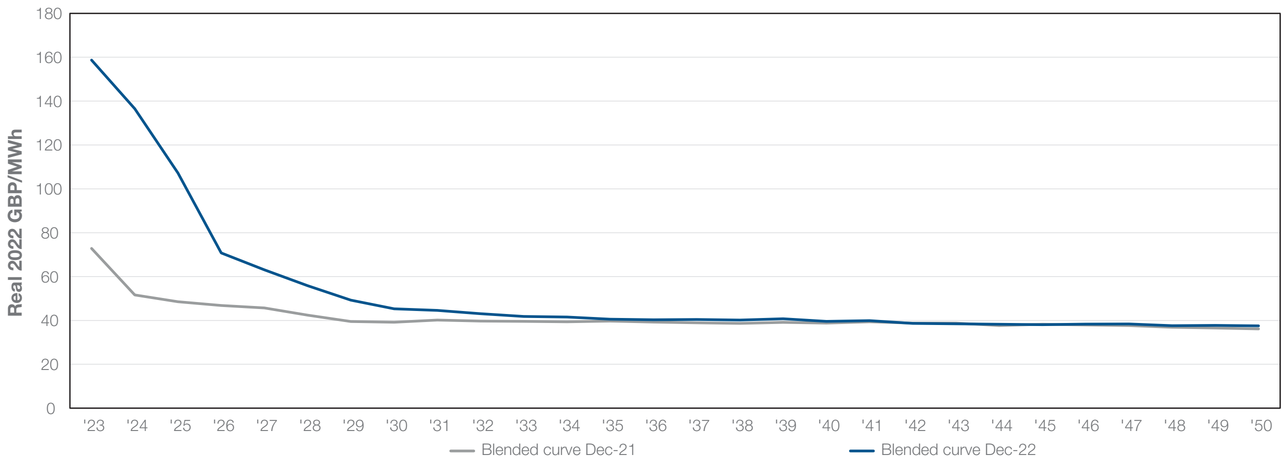
other energy sources. This includes coal as a stopgap measure (notwithstanding its high carbon tax). This transition has resulted in wholesale power price forecasts remaining elevated across the 2020s before reverting to the levels similar to those being forecast at the previous year end as additional demand and supply are broadly expected to balance. Over the longer term this also includes electricity displacing gas usage (for example switching to electric heating), introducing the use of green hydrogen and including more intermittent renewable generation and/or nuclear generation.

Prior to the Ukraine conflict, near-term power prices across Europe were already elevated, mainly caused by increasing gas demand during 2021 and early 2022. Gas storage levels were low over the last winter period (2021/22) as electricity demand increased during 2021 as economies came out of lockdown and electricity generated from other sources, such as wind and nuclear, was lower than usual (due to unusually low wind levels and outages, respectively). This has led to European gas prices, and hence electricity prices, being more sensitive to reduced supply and/or increased demand.

Power prices are one of the key risks faced by the Company: a number of factors go into power price forecasting to estimate electricity demand, including the mix of generation technology meeting this demand and for each technology, their associated costs of supply. As such, it is inherently difficult to estimate and then apply these factors to accurately forecast the outcome of this dynamic market. Please refer to Section 3.4 – Risk and Risk Management for further analysis.

The weighted average power price used to determine the valuation is shown below in real terms (average of 2022 prices) – this is comprised of the blend of forecasts for each of the power markets in which TRIG is invested after applying expected PPA power sales discounts and reflecting cannibalisation[59] and, where it is believed appropriate, overlaying shorter-term forwards to reflect current market pricing.

Illustrative blended power price curve (real prices) for TRIG's portfolio[60]



59 Cannibalisation describes the effect that renewables (an intermittent generator) can have on the overall power prices, whereby the marginal cost of generation, which in turn drives the power prices, is lower than the average which would be expected of a continuous base load generator as a result of the additional supply when renewables are generating. Rates differ over time and between markets but all are affected.

60 Power price forecasts used in the Directors' valuation for each market are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by the P50 estimate of production for each of the projects in the 31 December 2022 portfolio. Forecasts are shown net of assumptions for PPA discounts and cannibalisation. The average level of reduction to the baseload forecast power price assumed to renewable generation across the portfolio is approximately 15%–20%.

Region		Average 2023-2027	Average 2028-2050	Average 2023-2050
GB (Real, £/MWh)	Before EGL	121	41	56
	After EGL	100	41	52
Average of 5 euro jurisdictions* (Real EUR/MWh)	After intervention	89	48	55

* France, SEM, Germany, Sweden (SE2 and SE3) and Spain

Cannibalisation is assumed within the adopted power price forecasts across each jurisdiction. The reduction in captured wholesale electricity power prices is forecast to be further impacted in each geography over time as the proportion of production coming from renewables in each market increases.

The EU markets are imposing windfall taxes via inframarginal caps applied by EU markets to each county. These materially remove the benefit of power prices in excess of a threshold (set individually by country) and this has been incorporated within the assumed power price forecasts for each affected market. Further additional legislation applicable in Spain (a gas cap and a more onerous windfall tax related to gas pricing) is also incorporated within the power price forecast assumed. Additional detail by market is included within the market background section.

Electricity Generator Levy (UK-specific)

The Autumn Statement in November announced the introduction of the Electricity Generator Levy to applicable UK wind and solar assets. This imposes an effective 70% tax on "excess" revenues from the sale of electricity (excluding where these are derived from government support, i.e. ROCs, CfDs and FiTs). Excess revenues are defined as those above £75/MWh. The 70% effective tax comprises a direct 45% levy on revenues above the threshold and 25% corporation tax as the levy is not considered a deductible expense for corporation tax. The levy is expected to be applied for 5 years from 1 January 2023 and the £75 is indexed by CPI, with the first £10m of "excess revenue" provided as an allowance each year (i.e. escapes the levy).

The impact of the EGL is to reduce the uplift in value from increased power price forecasts. The adverse valuation impact of the introduction of the EGL has been £188.1m. It also has the effect of reducing project sensitivity to changes in power prices down to the £75 threshold, as analysed in the key sensitivities section below.

(ii) Movement in valuation discount rates:

The weighted average portfolio valuation discount rate as at 31 December 2022 was 7.2% (31 December 2021: 6.6%). The discount rates used for valuing each investment represent an assessment of the rate of return at which it is estimated infrastructure investments with similar risk profiles would trade on the open market.

During the year we have observed continuing strong competition for renewables infrastructure, which remains a sought-after asset class. Whilst transaction evidence is not yet demonstrating a clear increase in discount rates, the yield of long-term government bonds has increased since 30 June 2022. The Investment Manager has applied an average increase of 0.5% to discount rates across the portfolio. The valuation discount rates applied to investments in the UK have been increased by more than those in the EU, reflecting the higher long-term government bond yields in the UK. The average increase of 0.5% represents an average increase of 0.8% applied to UK investments and 0.3% to non-UK investments compared to 31 December 2021.

As the portfolio progresses through time, assets with fixed price arrangements in the earlier years will see their future returns become proportionally more exposed to market price movements (unless current arrangements, notably subsidies, are renewed) and consequently contain an increased level of risk. This effect has increased the portfolio weighted average discount rate by 0.1% since December 2021.

During the year, the Company commissioned an independent valuation of the portfolio and undertook a further review of the discount rates adopted for the December 2022 valuation, which confirmed that the rates used were reasonable. This change in assumption has led to a reduction in the valuation of the investments of £176.6m.

(iv) Changes to inflation assumptions

Throughout 2022, the material increases in energy prices (as described in (i) above) as well as increases in food and other commodity prices exacerbated by the conflict in Ukraine have contributed to material increases in headline inflation (measured versus price levels 12 months previously) across all the geographies TRIG invests in.

3.1
Valuation of the Portfolio (continued)

In respect of energy prices, the most significant increase in the UK resulted from the step-up in the retail consumer energy price caps in April and October of 2022 (with a further change in energy price cap in January 2023), while other contributions have been more evenly spread. Headline inflation figures are likely to remain high both from continued inflationary pressures (in energy and in other factors) and as a result of the "base effect", while the material increase in April will remain within the headline figure until the April 2023 inflation figure is released.

Inflation applied to cash flows has been uplifted for actual inflation in all geographies for the 11 months to November 2022. For December 2022 we have assumed 6% for UK RPI, 5.25% for UK CPI and 3% for CPI in the other European countries TRIG invests in.

We have shown below the revised inflation assumptions and also the effective annual rate for 2022, which combines the very high actual inflation to date with the expected inflation levels for the balance of 2022.

Inflation applied to future UK power prices tracks UK RPI till 2030 and is assumed to be 2.25% thereafter.

Inflation assumptions used in the Portfolio Valuation

Index	2022 Forecast (Dec)	2022 full-year equivalent*	2023	2024-2029	2030+
UK RPI	6.00%	13.3% (December 2021: 3.75%)	5.00% (December 2021: 3.50%)	2.75%	2.00%
UK CPI	5.25%	10.5% (December 2021: 3.00%)	4.25% (December 2021: 2.75%)	2.00%	2.00%
UK Power Price	6.00%	13.3% (December 2021: 3.75%)	5.00% (December 2021: 3.50%)	2.75%	2.25% (December 2021: 2.75%)
Eurozone	3.00%	8.2% (December 2021: 2.00%)	3.00% (December 2021: 2.00%)	2.00%	2.00%

* This represents the average inflation across the year 2022 measured against the prior 12 months.

The inflation changes above have had the impact of increasing the valuation by £233.7m. This number was mainly driven by inflation actuals accounting for approximately 80% of the total.

(v) Foreign Exchange Movement:
Over the year the sterling has depreciated 5% against the euro (31 December 2021: EUR 1.1899; 31 December 2022: EUR 1.1304). In aggregate this has led to a gain in the year of £73.0m in the valuation of the euro-denominated investments located in France, the Republic of Ireland, Sweden[61], Spain and Germany. After the impact of forward currency hedges held at Company level are taken into account, the foreign exchange gain reduces to £36.6m.

Euro-denominated investments comprised 41% of the portfolio at the year end.

The Group enters into forward hedging contracts (selling euros, buying sterling) for an amount equivalent to its expected income from euro-denominated investments over the short term, currently approximately the next 48 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 typically in the range of 60% to 80% of their valuation. Hedging is also effected when making investments using the revolving credit facility by drawing in euros for euro acquisitions.

The Investment Manager keeps under review the level of euro exposure and utilises hedges, with the objective of minimising variability in shorter term cash flows with a balance between managing the sterling value of cash flow receipts and potential mark-to-market cash outflows.

(vi) Balance of portfolio return:
This refers to the balance of valuation movements in the year (excluding (i) to (v) above) and represents an uplift of £201.9m and a 6.4% 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 at the prevailing portfolio discount rate (6.6% at 31 December 2021). Accounting for the fact that the acquisitions during the year occurred partway through the year and consequently these cash flows were brought forward by less than 12 months, then the increase in value would be the equivalent of an annualised rate of 6.9%.

61 The majority of the Swedish wind farm income is from wholesale power sales which in the Nord Pool are denominated in euros, accordingly the investment is treated as euro-denominated.

In addition to the unwinding of the discount rate:

– Actual operating performance has been greater than forecast, with higher-than-forecast power prices being partially offset by lower overall generation for the year.

– Changes have been made to deposit rate assumptions, increasing interest rate forecasts in line with market expectations and the recent rises enacted by central banks across TRIG's markets. The portfolio has a low sensitivity to the changes in interest rates, which is an advantage to TRIG's approach of favouring long-term structured project financing rather than short-term corporate debt. Structured project financing is secured against the underlying assets, with the substantial majority benefitting from long-term interest rate swaps which fix the interest costs to the projects. As such, the overall impact of interest rate changes is not material. Please see further detail on page 157.

– Several projects secured new fixed price power purchase agreements, while others utilised existing optionality to fix some prices at attractive rates, providing additional value and revenue security.

Investment Obligations

At the balance sheet date, the Company had outstanding investment commitments in relation to the construction of the Ranasjö, Salsjö and Grönhult onshore wind farms, and the Cadiz solar projects (Arenosas, Malabrigo, El Yarte and Guita).

The commitment amounts below include further development and subsequent construction spend on two battery storage projects (Ryton and Drakelow). These two projects for a combined size of 165MW/30MWh of flexible capacity are expected to become operational in 2024 and 2025. The expected cost to build these two projects is included in Outstanding Commitments, even though contracts have not yet been entered into, given that the contracts to build these projects are expected to be signed in the short term (in 2023).

TRIG has acquired the rights to develop and construct two further battery storage projects (located near Spennymoor and Drax). These projects are scheduled for grid connection in 2029 and 2031, and are expected to have total capacity of c. 190MW / 380MWh once built. The construction costs for these two projects are not included in the Company's Outstanding Commitments as no build contracts have been entered into, nor are they expected to be entered into in the short term.

Name	Acquired	Net MW	Status	Completion Date
Grönhult	Feb-21	67.0	Construction	Q1 2023
Ranasjö	Jul-21	43.4	Construction	2024
Salsjö	Jul-21	77.5	Construction	2024
Arenosas	Sept-21	58.1	Construction*	Q1 2023
El Yarte	Sept-21	58.1	Construction*	Q1 2023
Guita	Sept-21	58.1	Construction*	Q1 2023
Malabrigo	Sept-21	58.1	Construction*	Q1 2023
Ryton	Sept-22	74.0	Late Stage Development	2024
Drakelow	Sept-22	90.0	Late Stage Development	2025

* TRIG does not bear construction risk on the Cadiz solar projects. TRIG has a right to put any of the four projects back to the developer of the projects in the event that a project is not successfully commissioned by its long stop date.

3.1
Valuation of the Portfolio (continued)

The timeline of outstanding commitments is presented below (approximately half in relation to Ryton and Drakelow):

	2023	2024	2025	Total
Outstanding Commitments (£m)	97	78	30	205

Fully invested Portfolio Valuation

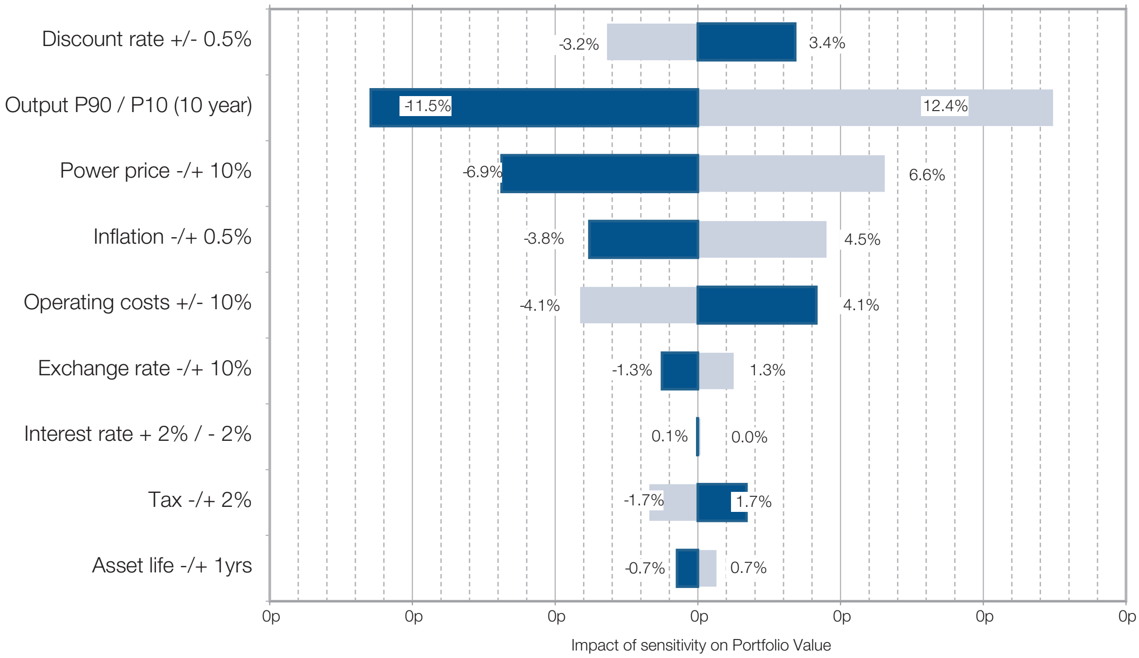
The valuation of the portfolio on a fully invested basis can be derived by adding the valuation at 31 December 2022 and the expected outstanding commitments as follows:

Portfolio valuation at 31 December 2022	£3,737.0m
Future investment commitments	£204.5m
Portfolio valuation once fully invested	£3,941.6m*

* Table does not cast due to rounding.

Key sensitivities

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



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

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is £3,941.6m. Accordingly, the NAV per share impacts shown above assumes the issue of further shares to fund the balance of these commitments.

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

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

The windfall taxes imposed by the UK (the Electricity Generator Levy) and the EU (Inframarginal Cap and Spanish-specific legislation) result in price sensitivity becoming lower while the assumed pricing exceeds the threshold for the imposition of these taxes (e.g. for the UK in 2023 for prices in excess of £75/MWh, the valuation sensitivity to change in price would be reduced by approximately 60% compared to the sensitivity were the Electricity Generator Levy not in place).

Ten Largest Investments

Set out below are the ten largest investments in the portfolio. As at 31 December 2022, the largest investment (Hornsea One) accounted for approximately 9% of the portfolio by invested value. In total, the 10 largest projects accounted for approximately 52% of the project portfolio by invested value (2021: 55%).

Ten largest investments – Invested to date basis				
			% of portfolio by value at	
Project	Location	Type	31 December 2022	31 December 2021
Hornsea One	England	Offshore Wind	9%	–
Merkur	Germany	Offshore Wind	7%	6%
Jädraås	Sweden	Onshore Wind	7%	8%
Beatrice	England	Offshore Wind	6%	10%
East Anglia 1	England	Offshore Wind	6%	9%
Gode Wind 1	Germany	Offshore Wind	4%	5%
Garreg Lwyd	Wales	Onshore Wind	4%	5%
Crystal Rig II	Scotland	Onshore Wind	3%	3%
Valdesolar	Spain	Solar PV	3%	–
Sheringham Shoal	England	Offshore Wind	3%	3%
December 2022 ten largest investments			**52%**	
Solwaybank	Scotland	Onshore Wind	2%	3%
Blary Hill	Scotland	Onshore Wind	2%	2%
December 2021 ten largest investments				**55%**[62]

The table below sets out the top ten largest investments in the portfolio, including investment commitments:

Ten largest investments – Committed basis			
			% of portfolio by value at
Project	Location	Type	31 December 2022
Hornsea One	England	Offshore Wind	8%
Merkur	Germany	Offshore Wind	7%
Jädraås	Sweden	Onshore Wind	6%
Beatrice	England	Offshore Wind	6%
East Anglia 1	England	Offshore Wind	6%
Gode Wind 1	Germany	Offshore Wind	4%
Garreg Lwyd	Wales	Onshore Wind	3%
Grönhult	Sweden	Onshore Wind	3%
Crystal Rig II	Scotland	Onshore Wind	3%
Valdesolar	Spain	Solar PV	3%
December 2022 ten largest investments			**49%**

62 This column does not cast due to rounding differences.

3.1
Valuation of the Portfolio (continued)

Investment Portfolio

The TRIG portfolio as at 31 December 2022 includes 89 equity investments in the UK, Republic of Ireland, France, Sweden, Germany and Spain, comprising 51 wind projects, 33 solar PV projects and five battery storage projects. Additionally, the portfolio includes one mezzanine debt investment in a mixed portfolio.

Project	Market (Region)[1]	TRIG's equity interest[2]	Net capacity (MW)[3]	Year commissioned[4]
Onshore wind Farms				
Roos	GB (England)	100%	17.1	2013
Grange	GB (England)	100%	14.0	2013
Tallentire	GB (England)	100%	12.0	2013
Garreg Lwyd	GB (Wales)	100%	34.0	2017
Crystal Rig 2	GB (Scotland)	49%	67.6	2010
Hill of Towie	GB (Scotland)	100%	48.3	2012
Mid Hill	GB (Scotland)	49%	37.2	2014
Blary Hill	GB (Scotland)	100%	35.0	2022
Paul's Hill	GB (Scotland)	49%	31.6	2006
Crystal Rig 1	GB (Scotland)	49%	30.6	2003
Solwaybank	GB (Scotland)	100%	30.4	2020
Green Hill	GB (Scotland)	100%	28.0	2012
Little Raith	GB (Scotland)	100%	24.8	2012
Rothes 1	GB (Scotland)	49%	24.8	2005
Freasdail	GB (Scotland)	100%	22.6	2017
Rothes 2	GB (Scotland)	49%	20.3	2013
Earlseat	GB (Scotland)	100%	16.0	2014
Meikle Carewe	GB (Scotland)	100%	10.2	2013
Neilston	GB (Scotland)	100%	10.0	2017
Forss	GB (Scotland)	100%	7.5	2003
Altahullion	SEM (N. Ireland)	100%	37.7	2003
Lendrum's Bridge	SEM (N. Ireland)	100%	13.2	2000
Lough Hill	SEM (N. Ireland)	100%	7.8	2007
Pallas	SEM (Rep. of Ireland)	100%	51.6	2008
Taurbeg	SEM (Rep. of Ireland)	100%	25.3	2006
Milane Hill	SEM (Rep. of Ireland)	100%	5.9	2000
Beennageeha	SEM (Rep. of Ireland)	100%	4.0	2000
Haut Vannier	France (North)	100%	42.5	2022
Venelle	France (North)	100%	40.0	2020
Epine	France (North)	100%	36.0	2019
Rosières	France (North)	100%	17.6	2018
Energie du Porcien	France (North)	42%	16.3	2012
Montigny	France (North)	100%	14.2	2018
Les Vignes	France (North)	42%	4.2	2009
Fontaine-Mâcon	France (North)	42%	5.1	2011

Project	Market (Region)[1]	TRIG's equity interest[2]	Net capacity (MW)[3]	Year commissioned[4]
Haut Languedoc	France (South)	100%	29.9	2006
Haut Cabardes	France (South)	100%	20.8	2006
Cuxac Cabardes	France (South)	100%	12.0	2006
Roussas–Claves	France (South)	100%	10.5	2006
Rully	France (North)	42%	5.0	2010
Val de Gronde	France (North)	37%	4.5	2011
Jädraås	Sweden	100%	212.9	2013
Grönhult[45]	Sweden	100%	67.0	2022
Twin Peaks – Ranasjö[5]	Sweden	50%	43.4	2024
Twin Peaks – Salsjö[5]	Sweden	50%	77.5	2024
Total onshore wind as at 31 December 2022			**1,326.9**	
Offshore Wind Farms				
East Anglia 1	GB (England)	14.3%	102.1	2020
Hornsea One[8]	GB (England)	10.2%	124.2	2020
Sheringham Shoal	GB (England)	14.7%	46.6	2012
Beatrice	GB (Scotland)	17.5%	102.9	2018
Merkur	Germany	35.7%	143.0	2019
Gode Wind 1	Germany	25%	82.5	2017
Total offshore wind as at 31 December 2022			**601.3**	
Solar Photovoltaic Parks				
Parley Court	GB (England)	100%	24.2	2014
Egmere Airfield	GB (England)	100%	21.2	2014
Stour Fields	GB (England)	100%	18.7	2014
Tamar Heights	GB (England)	100%	11.8	2014
Penare Farm	GB (England)	100%	11.1	2014
Four Burrows	GB (England)	100%	7.2	2015
Parsonage	GB (England)	100%	7.0	2013
Churchtown	GB (England)	100%	5.0	2011
East Langford	GB (England)	100%	5.0	2011
Manor Farm	GB (England)	100%	5.0	2011
Marvel Farms	GB (England)	100%	5.0	2011
Midi	France (South)	51%	6.1	2012
Plateau	France (South)	49%	5.9	2012
Puits Castan	France (South)	100%	5.0	2011
Chateau	France (South)	49%	1.9	2012
Broussan	France (South)	49%	1.0	2012
Pascialone	France (Corsica)	49%	2.2	2011
Olmo 2	France (Corsica)	49%	2.1	2011
Santa Lucia	France (Corsica)	49%	1.7	2011

3.1
Valuation of the Portfolio (continued)

Project	Market (Region)[1]	TRIG's equity interest[2]	Net capacity (MW)[3]	Year commissioned[4]
Borgo	France (Corsica)	49%	0.9	2011
Agrinergie 1 & 3	France (Réunion)	49%	1.4	2011
Chemin Canal	France (Réunion)	49%	1.3	2011
Ligne des 400	France (Réunion)	49%	1.3	2011
Agrisol	France (Réunion)	49%	0.8	2011
Agrinergie 5	France (Réunion)	49%	0.7	2011
Logistisud	France (Réunion)	49%	0.6	2010
Sainte Marguerite	France (Guadeloupe)	49%	1.2	2011
Marie Galante	France (Guadeloupe)	49%	1.0	2010
Valdesolar	Spain (Badajoz)	49%	129.2	2021
Arenosas[5]	Spain (Cadiz)	100%	58.4	2022
El Yarte[5]	Spain (Cadiz)	100%	58.4	2022
Guita[5]	Spain (Cadiz)	100%	58.4	2022
Malabrigo[5]	Spain (Cadiz)	100%	58.4	2022
Total solar as at 31 December 2022			**519.1**	
Battery Storage / Mixed portfolio				
Spennymoor[4]	GB (England)	100%	100.0	2031
Ryton[4]	GB (England)	100%	74	2024
Drakelow[4]	GB (England)	100%	90	2025
Drax[4]	GB (England)	100%	89	2029
Phoenix SAS[7]	France	0%	-	2015
Total battery storage / Mixed portfolio as at 31 December 2022			**373.0**	

Total Portfolio as at 31 December 2022			**2,820.3**	
Operating assets			2,045.8	
Construction assets[5]			540.9	
Contracted to acquire[6]			233.6	
Total Portfolio as at 31 December 2022			**2,820.3**	

Notes
1. SEM refers to the Irish Single Electricity Market.
2. This is TRIG's equity share of the nominal capacity of the asset.
3. This is each project's generation capacity pro-rated for TRIG's share of equity capital and subordinated debt.
4. Where a project has been commissioned in stages, this refers to the earliest commissioning date. For construction assets, this refers to the expected completion date.
5. Ranasjö, Salsjö, Grönhult and the Cadiz solar projects were under construction as at 31 December 2022. Due to contractual measures in place, TRIG does not retain any construction risk for the Cadiz solar projects, therefore they are included in the table under "Contracted to acquire".
6. This is the investment commitment to acquire the Spanish solar projects.
7. This investment is in the form of mezzanine-level bonds where the Company does not have an equity stake. The portfolio comprises five onshore wind farms in Northern France with a combined capacity of 74MW and four operational solar parks with battery storage located on the islands of Corsica and La Réunion with a combined capacity of 29MW ("the Portfolio"). All the Portfolio assets are backed by the French government's Feed-in Tariff subsidy and have an average year of commission of 2015.
8. In March 2022 the Company committed to invest in a 7.8% stake in Hornsea One which completed in July 2022. In July 2022 the Company committed to invest in a further 2.4% stake in Hornsea One which completed in October 2022.
9. In December 2022 the Company completed the acquisition of an additional 11% stake in Merkur, increasing the Company's holding from 25% to 36%.

3.2
Analysis of Financial Results

As at 31 December 2022, the Group had investments in 90 projects. As an investment entity for IFRS reporting purposes, the Company carries these 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 2022 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 have provided the non-statutory Expanded basis to assist users of the accounts in understanding the performance and position of the Company, by including the cash and debt balances carried in TRIG UK and TRIG UK I and expenses incurred in TRIG UK and TRIG UK I.

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 does not include TRIG UK and TRIG UK I's costs, such as 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 by 31 December 2022.

At 31 December 2022, TRIG UK I was £398.5m drawn on its revolving credit facility (2021: £72.8m drawn) being the majority of 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 credit facility and amounts passed down after capital raises. The remaining balance is that of reinvestment.

3.2
Analysis of Financial Results (continued)

Income statement

Summary income statement	Year to 31 December 2022 £'million			Year to 31 December 2021 £'million		
	Statutory IFRS Basis	Adjustments[1]	Expanded Basis	Statutory IFRS Basis	Adjustments[1]	Expanded Basis
Operating income	555.2	43.4	598.6	174.8	29.5	204.3
Acquisition costs	–	(2.6)	(2.6)	–	(1.9)	(1.9)
Net operating income	555.2	40.8	596.0	174.8	27.6	202.4
Fund expenses	(2.3)	(27.1)	(29.4)	(1.9)	(21.9)	(23.8)
Foreign exchange (loss)/gains	(32.1)	(4.3)	(36.4)	37.6	0.0	37.6
Finance costs	(0.1)	(9.4)	(9.5)	(0.0)	(5.7)	(5.7)
Profit before tax	520.7	0.0	520.7	210.5	0.0	210.5
EPS[2]	21.5p	–	21.5p	10.0p	–	10.0p

1. The following were incurred within TRIG UK and TRIG UK I; acquisition costs, the majority of expenses and credit 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 2,424.0 million shares.

Analysis of Expanded Basis financial results

Profit before tax for the year to 31 December 2022 was £520.7 million, generating earnings per share of 21.5p, which compares to £210.5 million and earnings per share of 10.0p for the year to 31 December 2021.

The EPS of 21.5p reflects high revenues generated in the year as a result of particularly high wholesale power prices coupled with higher subsidies as a result of their indexation to inflation, and increases in the portfolio valuation (which is included in Operating Income) primarily as a result of expectations for power prices and inflation continuing to be elevated over the short-medium term.

Other areas contributing to valuation growth have been foreign exchange movements as sterling has weakened against the euro.

These increases are partially offset by the Electricity Generator Levy (EGL) introduced in the UK applied to actual revenues from the sale of electricity in excess of the threshold schemes and other government intervention schemes (clawback and caps) across the other markets. The valuation discount rate has also been increased in the year with the portfolio discount rate increasing to 7.2% (2021: 6.6%) reflecting increasing long-term government borrowing rates. This also had the effect of reducing the overall valuation. The factors causing the movement in the valuation are more fully described in Section 3.1 – Valuation of the Portfolio.

Generation volume in the year was below budget, although this was more than offset by the higher-than-budgeted power prices achieved during the year.

Acquisition costs of £2.6m (2021: £1.9m) relate to the investments in the year, mostly attributable to the investments in Hornsea One, Valdesolar, Spennymoor, Ryton, Drakelow and Drax battery storage projects as well as the incremental investment in Merkur.

	Year to 31 December 2022 (£'million)	Year to 31 December 2021 (£'million)
Acquisition costs	2.6	1.9
Total acquisition commitments made in the year	648.1	677.9
Acquisition costs as % of investments	0.4%	0.3%

An increase in fund expenses in the year to 31 December 2022 as compared to the year to 31 December 2021 reflects the increase in the size of the portfolio.

Fund expenses of £29.4 million (2021: £23.8 million) includes all operating expenses and £26.6 million (2021: £21.5 million) in fees paid to the Investment and Operations Managers. Management fees are charged as follows: at 1% of Adjusted Portfolio Value up to £1 billion, 0.8% of Adjusted Portfolio Value in excess of £1 billion, 0.75% of Adjusted Portfolio Value in excess of £2 billion and 0.7% of Adjusted Portfolio Value in excess of £3 billion. This is set out in more detail in the Related Party and Key Advisor Transactions note, Note 19 to the financial statements.

During the year the sterling weakened against the euro by 5% resulting in a positive foreign exchange valuation movement for existing euro-denominated assets, giving a valuation gain of £73.0 million (2021: £58.7 million loss), partially offset by loss on foreign exchange hedges and cash and debt balances held at Company level of £36.4 million (2021: £37.6 million gain) recorded in the Income Statement. The net foreign exchange gain in the period is hence £36.6 million (2021: £21.1 million loss).

Finance costs relate to the interest and fees incurred relating to the Group's revolving credit facility. The finance costs in the period are higher than the comparative period, reflecting increased interest rates in the year.

Ongoing charges

Ongoing Charges (Expanded Basis)	Year to 31 December 2022 £'000s	Year to 31 December 2021 £'000s
Investment and Operations Managers' fees	26,639	21,520
Audit fees	300	272
Directors' fees and expenses	375	342
Other ongoing expenses	1,934	1,519
Total expenses[1]	29,246	23,653
Average net asset value	3,123,518	2,435,718
Ongoing Charges Percentage (OCP)	0.93%	0.97%

1. Total expenses excludes £0.1m (2021: £1.1m) of lost bid costs incurred during the year.

The Ongoing Charges Percentage is 0.93% (2021: 0.97%). 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 those of the Company.

The decrease in OCP level reflects the tiered Manager Fees that reduce as Portfolio Value grows as well as the growth of the Company in the year, meaning the Company's expenses are spread over a larger capital base. There is no performance fee paid to any service provider.

3.2
Analysis of Financial Results (continued)

Balance sheet

Summary balance sheet	As at 31 December 2022 £'million			As at 31 December 2021 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Portfolio value	3,322.6	414.4	3,737.0	2,636.8	89.0	2,725.8
Working capital	12.4	(16.0)	(3.6)	13.9	(15.9)	(2.0)
Hedging Asset/(Liability)	(16.8)	(0.7)	(17.5)	27.3	(0.6)	26.7
Debt	-	(398.5)	(398.5)	-	(72.8)	(72.8)
Cash	24.5	0.8	25.3	28.2	0.3	28.5
Net assets[1]	3,342.7	-	3,342.7	2,706.2	-	2,706.2
Net asset value per share	134.6p	-	134.6p	119.3p	-	119.3p

1. The hedging liability has been shown net above, this consists of current and non-current asset and liability balances relating to FX forward contracts, this is discussed further in note 18 of the financial statements.

Analysis of Expanded Basis financial results

Portfolio value grew by £1,011.2 million in the year to £3,737.0 million, primarily as a result of the investments made in the year to 31 December 2022 and strong valuation growth as described more fully in the "Valuation of the Portfolio" section of this Strategic Report.

Hedging liabilities and assets represent the value of outstanding foreign exchange derivatives used to manage the Company's risk to movements in the foreign exchange rate between the sterling and euro. Working capital amounts include debtors, liabilities and capitalised financing costs.

Group cash at 31 December 2022 was £25.3 million (2021: £28.5 million) and credit facility debt drawn at 31 December 2022 was £398.5 million (2021: £72.8 million).

Net assets grew by £636.5 million in the year to £3,342.7 million. The Company raised £276.3 million (after issue expenses) of new equity during the year to support investment activity and produced a £520.7 million profit in the year, with net assets being stated after accounting for dividends paid in the year (net of scrip take-up) of £160.4 million. Other movements in net assets totalled £1.0 million, being the Managers' shares which form part of the management fee accrued at 31 December 2022 and to be issued on or around 30 March 2023.

Net asset value ("NAV") and Earnings per share ("EPS") reconciliation

Net asset value ("NAV") per share as at 31 December 2022 was 134.6p compared to 119.3p at 31 December 2021.

	NAV per share	Shares in issue (m)	Net assets (£m)
Net assets at 31 December 2021	119.3p	2,267.2	2,705.2
Profit/EPS to 31 December 2022	21.5p[1]	-	520.7
Shares issued (net of costs)[2]	0.6p[3]	211.7	276.3
Dividends paid in 2022	(6.8)p		(165.6)
Scrip dividend take-up[4]	-	3.9	5.2
H2 2022 Managers' shares to be issued	-	0.8	1.0
Net assets at 31 December 2022	134.6p	2,483.6[5]	3,342.8[5]

1. Calculated based on the weighted average number of shares during the year being 2,424.0 million shares.
2. Includes shares issued to managers (less costs) during the year.
3 The increase in net assets per share of 0.6p was the result of accretive share issues where shares were issued above the Company's net asset value per share.
4. Scrip dividend take-up comprises 3.9 million shares issued during the year.
5. Balance may not cast due to rounding.

Cash flow statement

Summary cash flow statement	Year to 31 December 2022 £'million			Year to 31 December 2021 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Cash received from investments	184.8	98.9	283.7	155.4	20.5	175.9
Operating and finance costs	(2.0)	(33.0)	(35.0)	(1.9)	(23.6)	(25.5)
Cash flow from operations	182.8	65.9	248.7	153.5	(3.1)	150.4
Debt arrangement costs	-	(0.3)	(0.3)	-	(0.1)	(0.1)
Foreign exchange gains/(losses)	11.8	(6.5)	5.3	3.1	0.5	3.6
Issue of share capital (net of costs)	276.3	(2.0)	274.3	434.9	(2.0)	432.9
Credit facility drawn/(repaid)	-	325.7	325.7	-	32.8	32.8
Purchase of new investments (including acquisition costs)	(314.1)	(382.1)	(696.4)	(452.3)	(28.6)	(480.9)
Distributions paid	(160.5)	-	(160.5)	(134.1)	-	(134.1)
Cash movement in year	(3.7)	0.5	(3.2)	5.1	(0.5)	4.6
Opening cash balance	28.2	0.3	28.5	23.1	0.8	23.9
Net cash at end of year	24.5	0.8	25.3	28.2	0.3	28.5

Analysis of Expanded Basis financial results

Cash received from investments in the year was £283.7 million (2021: £175.9 million). The increase in cash received compared with the previous year reflects the increase in the size of the portfolio. The adjustment reflects working capital movements and cash flow available for reinvestment and proceeds in the year.

Dividends paid in the year totalled £160.5 million (net of £5.2 million scrip dividends). Dividends paid in the prior year totalled £134.1 million (net of £7.5 million scrip dividends).

Cash flow from operations in the year was £248.7 million (2021: £150.4 million) and covers dividends paid of £160.5 million in the year (2021: £134.1 million) by 1.55 times (or 1.50 times without the benefit of scrip take-up), or 2.55 times before factoring in amounts invested in the repayment in project-level debt. The Group repaid £174 million of project-level debt (pro-rata to the Company's equity interest) in the year.

Share issue proceeds (net of costs) totalled £274.3 million (2021: £432.9 million) reflecting the net proceeds of the 210.1 million shares issued in the March 2022 equity fund raise.

In the year, £696.4 million was invested in acquisitions. These were funded through the March equity fund raise (net proceeds of £274.3 million), drawing on the Company's credit facility of £325.7 million, as well as the reinvestment of surplus cash flows.

Cash balances decreased slightly in the period by £3.2 million.

3.2
Analysis of Financial Results (continued)

The company has future commitments relating to the Cadiz solar projects (Arenosas, El Yarte, La Guita and Malabrigo), Ranasjö and Salsjö wind farms, Grönhult and Goshawk (Ryton, Drakelow and Drax) as follows.

	2023 (£'m)	2024 (£'m)	2025 (£'m)	Total (£'m)
Outstanding Commitments	98	64	37	205

Financing

The Group's recently increased £750m revolving credit facility is with a banking group comprising Royal Bank of Scotland International, National Australia Bank, ING, Sumitomo Mitsui Banking Corporation, Barclays, Lloyds, BNP Paribas, ABN Amro, Skandinaviska Enskilda Banken (SEB) and Intesa SanPaolo. The facility expiry date is 31 December 2025 with options to extend for up to an additional 24 months. Margins on the facility when drawn are 1.85% over the relevant reference rate. The facility can be drawn in sterling or euros.

The revolving credit facility enables the Group to fund new acquisitions and to provide letters of credit should they be required. The facility includes a £45m working capital element.

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

The credit facility was drawn at the commencement of the year having funded investments in 2021 and was subsequently repaid following the capital raising in March 2022. During the second half of the year further new investments were funded in addition to providing funding to the Spanish solar projects and Swedish wind projects the Group has in construction. The balance at the year end is £399m.

In addition to the revolving credit facility, the projects may have underlying project-level debt. There is an additional gearing limit in respect of such debt, which is typically 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 2022 across the portfolio was 38% (2021: 40%). Principal repayments in the year totalled £174m, as the debt is retired over the project's subsidy periods. Gearing has reduced during 2022 partially due to the scheduled repayment of debt in the year and partially due to the mix of acquisitions in the year, some of which introduced new debt in projects and some of which were acquired without project debt.

The vast majority of the project debt is fixed and has an average cost of 3.6% (including margin). The project-level debt is fully amortising and repaid in each case over the period of the subsidy term. The portfolio weighted average subsidy life remaining is 11 years.

Foreign Exchange Hedging

At the year end, 41% of the portfolio was located within France, the Republic of Ireland, Sweden[63], Germany and Spain and hence is invested in euro-denominated assets.

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

During the majority of 2022, the Group targeted hedging of approximately 60% to 80% of the overall euro portfolio value. The Group has been maintaining this increased hedging level since 2019 in light of increased euro / sterling exchange rate volatility risk related to Brexit and subsequently due to other economic factors.

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

63 The majority of the Swedish wind farms' income is from wholesale power sales which in the Nord Pool are denominated in euros. Accordingly, the investments in Sweden are treated as euro-denominated, notwithstanding that the smaller subsidy element of the revenues and some operating costs are denominated in Swedish krona.

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

The impact on NAV per share of a 10% movement in the euro exchange rate after the impact of hedges held by the Group outside of the investment portfolio is 1.7p assuming an effective euro foreign exchange hedge of 60% – this is explained in more detail in Section 3.1 and Note 4 in the Notes to the Financial Statements (Valuation Sensitivities – euro/sterling exchange rate).

Going Concern

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment (including but not limited to the conflict in Ukraine and current upward inflationary pressures) and can continue operations for a period of at least 12 months from the date of these financial statements.

Further information on the Directors, assessment and decision to prepare the financial statement on a going concern basis can be found in the Report of the Directors in Section 4.6 of this report.

Related Parties

Related party transactions are disclosed in Note 19 to the set of financial statements.

3.3
Financial KPIs

The below metrics measure TRIG's financial performance during the year:

	(Year to) 31 Dec 2022	(Year to) 31 Dec 2021	(Year to) 31 Dec 2020	(Year to) 31 Dec 2019	(Year to) 31 Dec 2018
Dividend per share (declared)	6.84	6.76	6.76p	6.64p	6.50p
Share price	130.0p	134.4p	127.8p	138.4p	113.2p
Net Asset Value per share	134.6p	119.3p	115.3p	115.0p	108.9p
Total Shareholder Return[1] for the year (share price basis)	1.8% (FTSE All Share: 0.3%)	11.3% (FTSE All Share: 18.3%)	-2.9% (FTSE All Share: -9.8%)	+29.3% (FTSE All Share: 19.2%)	+10.7% (FTSE All Share: -9.5%)
Portfolio Value	£3,737m	£2,726m	£2,213m	£1,745m	£1,269m
Year-on-year growth	+37%	+23%	+26%	+38%	+17%
Number of projects	90	83	77	74	62
Aggregate capacity	2,820MW	2,173MW	1,650MW	1,664MW	1,110MW
Market capitalisation	£3,227m	£3,047m	£2,433m	£2,265m	£1,334m
Year-on-year growth	+5.9%	+25%	+7.3%	+70%	+30%
Number of shares in issue at year end	2,482.8m	2,267.2m	1,904.4m	1,636.5m	1,178.4m
Ongoing Charges Percentage	0.93%	0.97%	0.94%	0.98%	1.12%

1 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.

3.4
Risks and Risk Management

Risk Management

The Company has 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 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 and Board discuss and consider what emerging risks there are to the Company at the board meetings. The Company has a range of advisers in addition to its Managers. These advisers report on key topics and potential events which may present potential risks that the Board and the Manager need to monitor and, where possible, mitigate. In addition, the Company and its Managers are registered with various industry bodies which alert both the Board and the Managers of emerging risks as key events and news items unfold. The inherent risk of each existing and emerging risk is assessed based on their likelihood of occurring and their potential impact should they manifest. Where necessary and possible, mitigation plans are developed to reduce the residual risk.

The Managers utilise their systems, their policies, oversight of the supply chain and third-party input to manage these risks. The strength of mitigants and controls is applied to the inherent risk to determine the residual risk, which is classified as 'high', 'medium', 'low' or 'insignificant'. 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 Managers review and consider the Group's key and emerging risks with the Board on a quarterly basis. Given the stability of the Company's investment policy and focus of its strategy (i.e. investments in renewable energy infrastructure projects in the UK or Europe), the risks in the Group are not expected to change materially from quarter to quarter. 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, which includes a consideration of the Managers' internal controls and their effectiveness and the maintenance of a risk control matrix.

Risks and Uncertainties

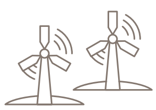
The Board and the Managers have considered and reviewed the Company's key risks. Risks relating to the Covid-19 pandemic (health and safety, energy yield, political and regulatory and taxation risks, as explained on page 77 of TRIG's Annual Report and Financial statements 2021) and risks relating to the UK's exit from the EU ("Brexit") (political / regulatory and electricity pricing, as explained on page 77 of TRIG's Annual Report and Financial statements 2021) have reduced during the year. However, the exceptionally high levels of energy prices and persistently high levels of inflation across the markets the Company invests in means that the increase in regulatory and political risk last year was borne out during the year. Governments announced interventions in energy markets and introduced "windfall" taxes and levies, as described in the Market Developments section on page 50. With short-to-medium term measures announced by the UK and EU, there is now a somewhat greater possibility of stability in regulation, though we consider that regulatory and political risk remains elevated due to the conflict in Ukraine leading to potential further shocks to global energy markets.

The risks arising from these elements are embedded in risk factors already identified by the Board and the Managers. As such, the Board and the Managers have concluded that there has been no material change to the key risks or their residual risk classifications in the year.

Risks identified in the Company's risk management framework

This section sets out the key risks faced by the Group categorised by their residual risk rating. The table below sets out the risks with a 'high' residual risk categorisation. They relate to macro factors driven by externalities where the common mitigant is the diversification within TRIG's portfolio.

RESIDUAL RISK – 'HIGH'

Principal risk	Key mitigants
 **Energy yield** Portfolio electricity production falling short of expectations	▲ Diversification of the portfolio across a variety of geographies, i.e. weather systems, and renewables technologies, including the complementary seasonal bias of solar production ▲ Established nature of wind and solar technologies; typical levels of availability in a given year are around 96% to 99% ▲ Experience of Operations Manager in monitoring portfolio production and delivering asset availability ▲ Utilisation of the Operations Manager's and third-party expertise when assessing energy yield estimates during acquisition due diligence ▲ Improvements in technology providing future opportunities for enhancement, life extensions and repowering ▲ The sensitivity of the Company's NAV to deviations from energy yield expectations is provided in Section 3.1 – Valuation of the Portfolio, and climate change considerations are covered in Section 3.6 – TCFD

3.4
Risks and Risk Management (continued)

RESIDUAL RISK – 'HIGH'

Principal risk	Key mitigants
Electricity pricing Wholesale electricity prices moving adversely, as a result of factors including: (i) electricity demand increasing less than expected, (ii) the volume of renewables and other generation with low marginal costs increasing more than expected within the energy mix, and (iii) natural gas prices and carbon pricing being lower than expected.	▲ A significant portion of TRIG's near-term portfolio-level revenue benefits from government-backed subsidies (e.g. renewable obligation certificates, feed-in-tariffs and contracts for difference), power price fixes or power price financial hedges ▲ Forward pricing mechanisms, including through offtake agreements with utility or corporate counterparties and hedging instruments with financial institutions, provide some protection against short-term fluctuations ▲ The weighted average power price forecast used to determine the portfolio valuation is comprised of a blend of the forecasts for each of the power markets in which TRIG is invested after applying expected power purchase agreement sales discounts and reflecting cannibalisation ▲ In the longer term, power price risk arising from the climate-change-related transition to net zero (expanded upon in the Company's TCFD reporting in Section 3.6) may be mitigated through: • Storage technologies enabling renewables to become partly dispatchable and able to capture higher prevailing prices at times of higher demand • The increasing electrification of the transport and heating sector and the commercial development of renewables-generated "green" hydrogen could support long-term demand for power • Greater value attribution to renewables because it is green ▲ The sensitivity of the Company's NAV to changes in power price forecast assumptions is provided in Section 3.1 – Valuation of the Portfolio
Political / regulatory Government or regulatory support for renewables changes adversely, including retrospective changes to contracted tariffs, the introduction of levies or price caps or established cost frameworks.	▲ The risk of regulatory changes to power markets remains elevated in the near term, with several government interventions announced. Whilst the announcements have provided UK and European electricity markets with some clarity, there remains elevated risk that any further shocks to global energy markets could lead to further intervention. ▲ UK and European economies where opportunities fall within TRIG's acquisition focus have, broadly, demonstrated a robust approach to grandfathering commitments[64] to existing installed capacity ▲ Future subsidies generally track the fall in development costs of maturing technologies, providing appropriate public value-for-money ▲ With the reductions in costs of deploying renewables driving renewable energy to grid parity, unsubsidised assets are being developed, particularly in the Nordic (onshore wind) and Iberian (solar PV) regions ▲ 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 (e.g. the EU's New Green Deal and the UK's Energy White Paper) ▲ Should Scotland separate from the rest of the UK, an independent Scotland's energy policies may impact the renewables market. The relationship between the Scottish devolved government and the UK's government at Westminster is monitored. The Company's diverse portfolio alongside the Scottish government's commitment to achieving net zero by 2045 reduces this risk.

64 Notwithstanding in France where the government has retrospectively reduced historical, contracted feed-in tariffs. Following provisions made in 2021 and 2022, this affects assets representing a de minimis proportion of TRIG's portfolio, by value, and is not expected to have a significant financial impact on the overall portfolio.

RESIDUAL RISK – 'MEDIUM'

The table below sets out the risks with a 'medium' residual risk categorisation.

Principal risk	Key mitigants
Liquidity / treasury management	▲ The Investment Manager's policies and controls in relation to cash management ▲ Regular cash monitoring by the Board and Investment Manager ▲ Regular cash flow forecasting and stress testing prepared by the Investment Manager and considered by the Board in setting dividend targets and declaring dividends ▲ Revolving credit facility provides liquidity to finance acquisitions between equity fundraising
Counterparty credit	▲ Diversification of counterparty exposure through several component suppliers and service sub-contractors ▲ The Managers have dedicated credit monitoring functions. Their analysis is reported to the Board quarterly ▲ Managers prepare contingency plans when credit quality deteriorates to prepare for an event of counterparty failure ▲ Credit quality of project counterparties is assessed as part of the acquisition due diligence process ▲ Further detail on the portfolio's counterparty exposure is provided below
Taxation	▲ Corporation and local tax rates are changed by governments and local authorities from time to time. There is a risk that tax rates are increased to fund government deficits arising from the Covid-19 pandemic or to fund increased costs arising to consumers from higher energy pricing. Some mitigation is achieved as a result of the diversification across geographies and therefore different government policies ▲ Relevant tax rules are closely monitored, utilising third-party advisers where necessary ▲ The sensitivity of the Company's NAV to changes in taxation rates is provided in Section 3.1 – Valuation of the Portfolio
Sub-contractor delivery	▲ The Operations Manager, RES, sits on the boards of the project companies. Through this role, and reporting information provided, the Operations Manager reviews projects and their sub-contractors' performance ▲ Where RES is a sub-contractor to a project or in other specific circumstances, representatives of the Investment Manager, InfraRed, will sit on the board of the project company ▲ The Operations Manager maintains a regular dialogue with major sub-contractors to ensure challenges and issues are resolved proactively ▲ In extremis, sub-contractors can be terminated for poor performance. Replacement sub-contractors are generally readily available
Macroeconomic factors	▲ Foreign exchange: hedging policy established and adhered to ▲ Inflation: the income from the portfolio has a correlation with inflation. Most of the subsidy regimes and some costs are linked to inflation. It is expected that power prices have some positive correlation with inflation in the longer term ▲ Interest rates: fixed-rate debt or interest rate swaps to reduce interest rate exposure at project level; limited exposure at Company level ▲ The sensitivity of the Company's NAV to changes in macroeconomic factors is provided in Section 3.1 – Valuation of the Portfolio

3.4
Risks and Risk Management (continued)

RESIDUAL RISK – 'MEDIUM'

Principal risk	Key mitigants
Construction projects	▲ Through the acquisition process, the Investment Manager, with input from the Operations Manager, undertakes risk allocation and counterparty due diligence when determining the appropriate valuation for, and whether to proceed with, the opportunity, utilising input from third-party legal and technical advisers where necessary ▲ The Operations Manager sits on the boards of the project companies. Through this role, and with reporting information provided, the Operations Manager reviews construction progress and is able to intervene where necessary ▲ The Operations Manager provides quarterly updates to the Board on each project in construction
Physical single points of failure	▲ Some infrastructure that is important to the performance of TRIG's portfolio exists outside the direct control of individual projects, such as grid connections. Exposure to single points of failure is reduced through portfolio diversification and TRIG's balanced portfolio manages single asset concentration ▲ Acquisition due diligence considers the contractual provisions and protections for individual projects, factoring the conclusions into investment valuations and decisions ▲ Actively monitored by the Operations Manager through project company risk matrices and analysis of shared exposure between projects
Supply chain	▲ There is the risk of non-sustainable behaviour (actual or alleged) in the supply chain that may be outside the direct control of the Managers, such as working conditions, greenhouse gas emissions, and other ESG factors – to mitigate this acquisition due diligence is a key control, with counterparties identified as high risk being subjected to enhanced procedures ▲ The Operations Manager engages with and monitors counterparties throughout the asset life with a rigorous selection process for new counterparties / suppliers
Balancing risk	▲ Power price financial hedges may lead to generation risk remaining with the generator. This means that if the generator does not generate its contracted level of electricity in any one settlement period, then it must cash settle the difference. The risk of significant financial exposure in this regard is managed by: • Hedging across a group of assets to reduce the risk of underperformance of any one asset • Increasing the length of the settlement period so short-term down time or poor weather resource has less of an impact on overall generation • Limiting the volume of electricity production hedged, typically less than P90 levels

RESIDUAL RISK – ‘LOW’ OR ‘INSIGNIFICANT’

The table below sets out the identified risks, including those with a ‘low’ or ‘insignificant’ residual risk, grouped by AIFMD category.

AIFMD category	Risks
Operational	▲ Energy yield ▲ Political / regulatory ▲ Sub-contractor delivery ▲ Construction projects ▲ Supply chain ▲ Physical single points of failure ▲ Health & safety ▲ Climate change – see Section 3.6 for TRIG’s reporting against the recommendations of the Task force on Climate-related Financial Disclosures (“TCFD”) ▲ Stakeholders: communities and investment partners ▲ Asset-level regulatory compliance ▲ Insurance ▲ Cybersecurity ▲ Fraud and management override ▲ Breach of Company-level regulations or contractual covenants ▲ Transaction due diligence and structuring ▲ Key person and Company-level service provider failure ▲ Conflicts of interest ▲ Portfolio valuation error
Liquidity	▲ Liquidity / treasury management ▲ Asset-level liquidity and gearing
Counterparty	▲ Counterparty concentration
Credit	▲ Risk of counterparty failure
Market	▲ Electricity pricing ▲ Macroeconomic factors, including interest rates, inflation and foreign exchange ▲ Equity capital markets ▲ Deal flow and transaction pricing ▲ Breach of Company policies
Taxation	▲ Changes in corporation tax rates, limitations on tax relief on interest deductions and other tax risks

3.4
Risks and Risk Management (continued)

Counterparty Exposures

Counterparty exposure may arise from:

- Given the importance of government-supported revenues for many investments in renewables, TRIG has exposure to the creditworthiness of and policy commitments by national governments and is reliant on the consistency of government policy. One example is the "grandfathering" within the UK whereby renewables generators continue to receive the same level of revenue per MWh generated, 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 FiT or 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. This is often, but not always, with the original equipment manufacturer; in recent years there has been an increase in the number of alternative providers in an expanding renewables equipment maintenance market.
- There are also contracts with equipment and/or EPC providers who may be building or maintaining plant and/or have defect guarantees for past works. For both wind and solar sectors, projects may also benefit from equipment provider warranties. Failure of any of these counterparties represents a risk for the group.

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

There are significant exposures to counterparties, in particular:

- Statkraft, Orsted and Scottish Power (as PPA providers to projects totalling over 10% of the portfolio by value), and
- Vestas, Siemens, Orsted and RES (as equipment and maintenance providers to projects totalling over 10% of the portfolio by value).

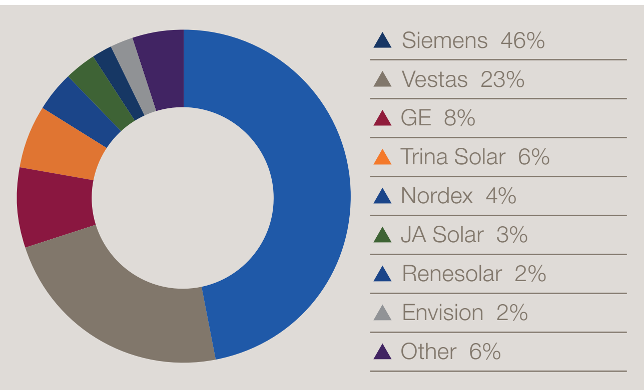
In the event that a counterparty or guarantor enters insolvency, then there is a risk of disruption while counterparties are replaced and a risk of distribution lock-up for the assets that are project-financed. For equipment manufacturers, the Company has the greatest exposures to Siemens and Vestas. If the associated contracts are priced below market levels, replacement of a counterparty may result in increases in costs to the affected portfolio companies. As a result, benchmarking of costs is an important part of pre-investment due diligence.

Turbine suppliers are financially under pressure as they seek to fulfil largely fixed price supply contracts whilst being exposed to variable input costs. These input costs are exposed to inflation, particularly relating to materials, transportation and energy. Whilst TRIG's greatest exposures are to Siemens and Vestas, the largest turbine suppliers in Europe, the Company does use a wide range of suppliers to help mitigate concentration risk. A number of turbine manufacturers are resetting the pricing of new turbines upwards, which may feed into more stable financials over two to three years as they work through their order books. Further, the fundamentals behind the industry, policies supporting wind energy globally, remain in place and we believe that although certain turbine suppliers may be facing difficulty, the risk of systemic failure is not high.

Recent elevated wholesale power prices may present challenges to retail electricity suppliers with unhedged positions, some of whom may also be PPA providers to the Group. The Company regularly monitors the credit worthiness of all PPA counterparties and has not identified any significant financial issues with any of the Group's PPA providers.

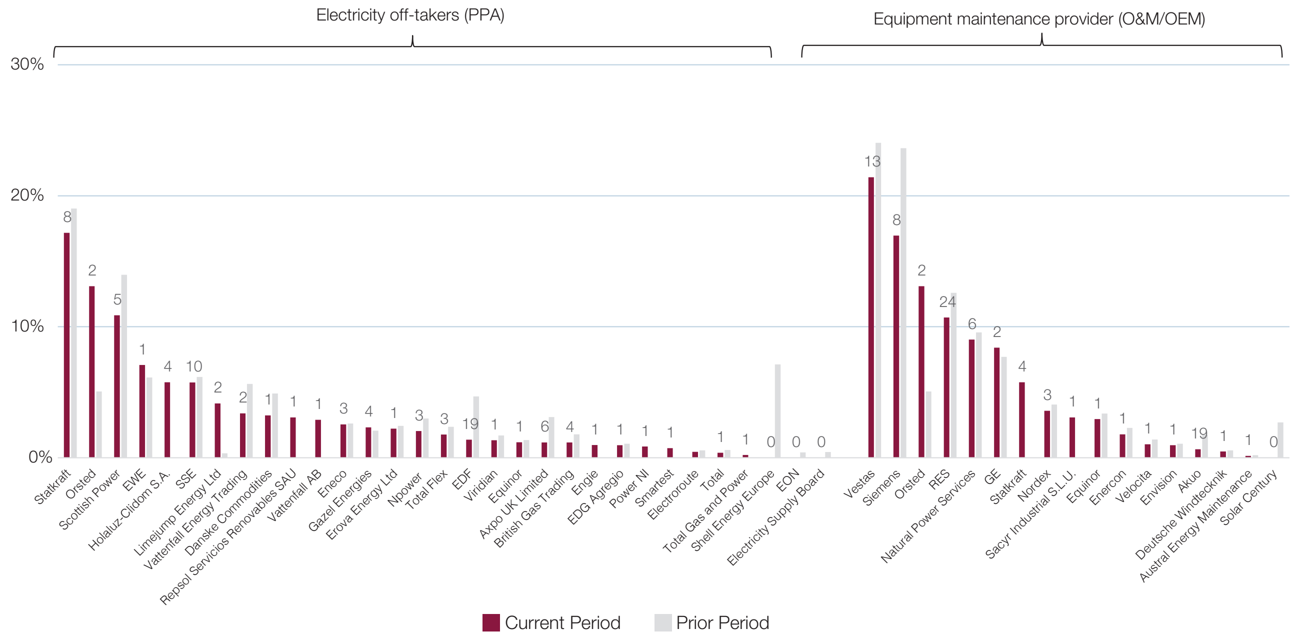
Some project companies have more than one counterparty in each category – where that is the case, the relative valuation of the associated project in the illustration below has been apportioned between counterparties.

Exposure to equipment manufacturers shown on an invested portfolio valuation basis



1 Power Purchase Agreement
2 Feed-in Tariff
3 Renewable Obligation Certificates

Illustration of the range of PPA counterparties, equipment manufacturers and maintenance suppliers as at 31 December 2022 by relative value of associated projects[1] and number of projects:



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

1. By value, on an invested and committed basis, as at 31 December 2022, using the Directors' valuation. Some projects have more than one counterparty in a category, in which cases the valuation of the associated project is apportioned.
2. Equipment manufacturers generally also supply maintenance services, but the equipment manufacturer and maintenance provider can vary. The above graph shows the maintenance provider only. For exposure to equipment manufacturer see below.
3. Definitions:
   a. PPA: Power price agreement
   b. O&M: Operations & maintenance
   c. OEM: Original equipment manufacturer

3.5
Viability Statement

The Directors have assessed the viability of the Group over a five-year period to December 2027.

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, including as a result of weather resource and operational performance; the level of future energy prices; and regulatory change, including continued government support for renewable subsidy payments and consideration of intervention by governments in the electricity generation market), in severe but plausible downside scenarios and the effectiveness of any mitigating actions. These risks are included amongst other risks faced by the Group in Section 3.4 – Risks and Risk Management.

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 2027 is an appropriate period over which to provide this viability statement as this period accords with the Group's business planning exercises and is appropriate for the investments owned by the Group. The Group's risk management processes (described in Section 3.4 – Risks and Risk Management) consider the key risks during this five-year period and beyond. These include sustainability-related risks that take into account environmental, social and governance considerations, one of which is climate change (in line with the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD")).

TRIG is the owner of a portfolio of project companies whose underlying assets are predominately fully constructed and operating renewable electricity generating facilities with economic lives significantly in excess of the period being considered. As a result, TRIG benefits from resilient, long-term cash flows and a set of risks that can be identified and assessed, noting that from time to time, risks may manifest that have not been anticipated. Over the next five years, 60% of portfolio revenues are fixed per MWh under government subsidies and fixed price PPAs assuming expected generation levels. Forecast revenues for wholesale power prices are based upon independent forecasts. The projects are each supported by detailed financial models. The Directors believe that diversification within the portfolio of projects (including but not limited to technologies, geographies and counterparties) helps to withstand and mitigate for risks it is most likely to meet.

The Investment Manager prepares and considers, and the Directors review, summary five-year cash flow projections each year which are refreshed quarterly as part of management reporting, business planning and dividend approval processes. The projections consider cash balances and liquidity, key covenants and limits, dividend cover, investment policy compliance and other key financial indicators over the five-year period. Sensitivity analysis considers the potential impact of the Group's principal risks 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 produce 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 other than where the French Republic has been seeking to retrospectively reduce certain historical, contracted Feed-in Tariffs for early solar PV plants. Generally, subsidy payments, which comprise an important element of the Group's revenues alongside electricity sales into the wholesale market, are considered to be robust as Governments continue to support the transition towards renewable energy generation. Subsidy earnings are spread across several jurisdictions (currently UK, Ireland, Germany and France) where it is expected that governments will act consistently with their promises, especially in a sector which continues to need to mobilise large amounts of capital. In the case of France, the government stated the adjustments they are seeking to implement (referred to above) are limited to the older solar projects, which were awarded tariffs under legislation from 2010 or earlier.

The Directors believe that whilst the risk to the value of the Company's investments, its ability to operate its projects and generate revenue presented by the current environment is significant (such as recovery from Covid-19, rising inflation and interest rates, the Ukraine conflict, regulatory change and global supply chain issues), there has been limited disruption to the business to date and the risk-mitigating activities have served to reduce the impact. The Directors continue to work with the Managers to ensure that the portfolio of investments are able to operate as effectively as possible. The Managers have performed downside risk scenario planning encompassing a range of potential outcomes and these demonstrate that whilst profitability may be adversely affected, the Company and its investments are expected to remain viable.

The Company has assessed its resilience over the five-year period against severe, albeit plausible, individual and combined stress scenarios covering principal risks the Company faces.

Of the principal risks, the Directors consider the most significant risk affecting financial resilience to be the level of achieved power price income (albeit these are currently high versus historical norms and expected to remain elevated in the near to medium term).

The investments in renewable energy projects held by the Company generally have low operating costs as a proportion of expected income and so a significant reduction in revenues can be sustained which, whilst reducing income available to pass up to the Company including that available to pay dividends, would not be expected to threaten solvency. Where the investments have long-term debt financing in place, repayments of principal debt are substantially covered by projected revenues arising from subsidies and other fixed price income (per unit of power generated). This assumes normal levels of generation. It is expected that government subsidies will continue to be in place and in cases where these have been amended or withdrawn in the past, these have tended to be isolated or specific cases.

Withdrawal of specific subsidy income from retroactive government action, should it manifest, may threaten the solvency of individual projects. The investments with senior debt in place are typically non-recourse to the Company and so should these projects become loss-making, the Company would not have an obligation to fund these.

The Company has considered an extreme downside case to be assuming significantly lower achieved power prices (at about half the level currently forecast). Due to the low operating costs and that the long-term fixed rate project-level debt is expected to be covered by the subsidy streams that would continue to be paid, this scenario showed the investments continued to be solvent and able to pass up distributions to the Company. The cash available to the company to pay dividends and to reinvest would be reduced significantly such that if dividends were not reduced, the dividend coverage would reduce to c. 1x and hence the current level of dividend might not be sustained. However, dividends are discretionary and hence solvency and resilience in this scenario are maintained.

The Company takes an average of three power price forecasters' central cases to include in its valuation to estimate future market prices. Forecasters include both high and low cases in their forecasts. A reduction of power prices by half is below the forecasters' low case scenarios. The probability attached to power prices being lower than the forecasters' low cases would typically be estimated by forecasters to be below 10%, suggesting this would be an unlikely downside case.

Less severe downside cases were run assuming 10% lower power price projections compared to the central case, reduced generation levels assuming a P90 case (see Note 4 in the Financial Statements) and a combination of these scenarios were assessed. In all scenarios including the combined downside case, the company remained solvent and could continue to pay dividends at current levels.

TRIG has a revolving credit facility ("RCF") at fund level which was increased and extended to £750m on 3 February 2023. This facility has a three-year term and expires on 31 December 2025. The company uses the proceeds from equity fund raises to repay the RCF as well as operational cash from investments. Projected reinvestment flows over the next five years continue to be healthy (£88m of reinvestment was achieved in 2022[65]). In the event that equity fund raises and reinvestment are not sufficient to repay the RCF balance by the expiry date, the Company would anticipate either renewing the RCF and/or raising new debt to repay that balance secured against ungeared projects within the portfolio (that represent 37% of the portfolio by value) and/or strategic disposals or a combination of all three activities.

63% by value of the renewable energy projects TRIG owns have long-term, fixed-rate, amortising senior debt in place. These projects do not need to be refinanced and the debt within these projects is scheduled to be repaid, in the main, from expected revenues arising from subsidies and fixed-price PPAs over the term of that fixed-price-per-MWh income. 37% by value of the renewable energy projects TRIG owns are ungeared.

The Company's dividend policy is to increase the dividend when the Board considers it prudent to do so, considering forecast cash flows, expected dividend cover, inflation across TRIG's key markets, the outlook for electricity prices and the operational performance of the Company's portfolio. Dividends are discretionary and declared quarterly. Each year, as the target dividend for the next financial year is set, the Directors consider the expected forward-looking cash flows and consider the sustainability of the proposed dividend. Each quarter, as dividends are declared, the Directors consider the projected cash flows, covenants of the Company and dividend cover levels. Cash dividend cover projections over the five-year period remain healthy.

As explained in the Chairman's Statement and in Section 3.4 – Risks and Risk Management, the Directors do not consider that the risks to the Company resulting from Brexit, the Ukraine conflict or the Covid-19 pandemic significantly affect the principal risks set out above. The Group's projects have continued to operate during this time and the Managers and Directors believe the risks are reducing and continue to be manageable.

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 five-year period to December 2027.

65 See section 3.2 Analysis of Financial Results – Cash flow – 2022 Cash flow from Operations (£248.7m) less Dividends Paid (£160.5m)

Task Force on Climate-related Financial Disclosure

The recommendations of the Task Force on Climate-Related Financial Disclosures, of which TRIG is a supporter, is the established framework for consistent, comparable and clear reporting on a company's approach to climate change and assessing its potential impact on the company.

TRIG began voluntarily reporting against the TCFD recommendations in its 2019 Annual Report & Financial Statements, and has added to these disclosures in subsequent reporting periods. In light of the FRC's "CRR Thematic review of TCFD disclosures and climate in the financial statements" published in July 2022, published in July 2022, we consider ourselves to be consistent in our reporting against ten of the eleven TCFD recommendations (as published in June 2017 by the TCFD). For recommendation ten, TRIG currently reports its Scope 1 and 2 emissions for the 2022 calendar year and will be publishing its Scope 3 emissions in the Company's 2023 Sustainability Report. This is due to the complexities of collecting and analysing scope 3 emissions data. Scope 1, 2 and 3 emissions are reported for the 2021 calendar year. Consistent with LR 9.8.6R, our climate-related financial disclosures are set out over the following pages.

Egmere Airfield Solar Park, England

3.6
Task Force on Climate-related Disclosures

TCFD | TASK FORCE ON CLIMATE–RELATED FINANCIAL DISCLOSURES

Governance

Recommendation	Disclosure
1 Describe the Board's oversight of climate-related risks and opportunities	Since the previous reporting period, the Board's oversight approach has not changed in a material way. The Board has overall responsibility for the oversight of TRIG's sustainability risks and opportunities, of which climate change is an important subset. As is set out in TRIG's Sustainability Policy, which is available on TRIG's website. The TRIG Board has extensive experience in the renewables sector, as shown in Section 4.1 – Board of Directors, and receive training on sustainability and ESG, to facilitate further understanding of the climate risks and opportunities faced by the Company. The Board and Managers discuss risks related to climate change at least annually and have ultimate oversight of the Company's risk management framework. Consideration of the transition risks and physical consequences of climate change features in the Board's discussions. Climate change is also considered within the Company's risk register at each Board meeting. The Board considers climate-related events through its discussions with the Managers, notably in respect of opportunities through the Company's annual strategy reviews and risks through the Company's risk management framework which is presented in Section 3.4 – Risks and Risk management, on page 75. The Board's Audit Committee considers the Company's climate-related disclosures, and the Board's Management Engagement Committee reviews the Managers' performance annually, including their adherence to the Company's Sustainability Policy.
2 Describe management's role in assessing and managing climate-related risks and opportunities	TRIG's Sustainability Policy, including climate change considerations, applies to both making new investments (throughout the deal screening and due diligence processes) and running of the current portfolio (asset management activities, monitoring and reporting). Day-to-day management of TRIG's portfolio is delegated to its Investment Manager, InfraRed, and its Operations Manager, RES. Detail on both organisations, including their commitments to addressing climate change can be found in Section 2.1, on page 18, and throughout Section 2.4. The Managers monitor climate-related government policy, engaging with policy makers where appropriate, and physical changes in the climate, to inform the application of TRIG's strategy and the Managers' assessment of the risks faced by the Company. Quarterly, TRIG's Advisory Committee, comprised of representatives from both Managers, considers TRIG's strategy and risks, the output of which is reported to and discussed with the Board. InfraRed and RES each report on their sustainability-related activities, including relating to climate change. Their reporting is available on their respective websites. RES and/or InfraRed are represented on the board of each project company. Through this role, they ensure that climate change-related risks are considered by project company management teams and reflected in project company risk registers. A diagram of the Company's reporting structure is shown on page 14 of TRIG's 2022 Sustainability Report.

Strategy

Recommendation	Disclosure
3 Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	TRIG's business model is specifically designed to take advantage of the investment opportunities arising from the decarbonisation of energy usage – over the short, medium and long term. The Company defines short term as 5 years from the date of this report aligning with the Company's viability statement, medium term as 15 years from the date of this report, aligning to the typical length of government-backed revenue support mechanisms, and long term as 30 years from the date of this report, aligning with the typical life of a renewables infrastructure asset. The pace of the transition to a net zero carbon future will dictate the size of the investment opportunity for TRIG. Under current plans for renewables deployment spread over the range of European countries in which TRIG invests, coupled with the expected need for the replacement of existing installations in due course, as well as supporting infrastructure, the Managers expect there to be significant investment opportunities for the Company over the long term. This is further expanded upon in response to recommendation four. Notwithstanding this, TRIG recognises that risks relating to climate change could have an impact on the Company. How these risks are identified is described overleaf under recommendation six and the risks identified are explored later in the scenario analysis relating to recommendation five.

3.6
Task Force on Climate-related Disclosures
(continued)

Strategy

Recommendation	Disclosure
4 Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The table below sets out key climate-related opportunities and risks as they apply to TRIG, identified using the approach outlined in recommendation six. Risks arising from climate change overlap with the Company's principal risks: energy yield, energy pricing and government / regulations. These principal risks are covered in more detail on page 75 of this Annual Report. The table includes a qualitative assessment of the impact of climate-related opportunities and risks on: ▲ TRIG's investments, strategy and financial planning; ▲ Incorporating the expected timeframes.

Climate-related opportunities and risks for TRIG

Impact	Opportunities	Risks
Portfolio investments Relates to Energy yield and electricity pricing as set out on pages 75 and 76	In the short and medium term, government policy aimed at the transition to a net-zero carbon economy may present opportunities for follow-on investments in the existing portfolio such as: ▲ The co-location of storage, which may enhance the asset and provide access to new revenue streams; ▲ Repowering existing sites to extend asset life and enhance investment performance. In France, for example, repowered sites are able to bid for new subsidies; ▲ Expanding sites to efficiently increase investment scale whilst utilising existing site knowledge and, potentially, grid infrastructure.	In the near and medium term, transition risks to portfolio investments arise from unexpected changes to government policies. An increase in renewables build-out ambition without sufficient demand-side action can reduce power price forecasts. In the medium and longer term there is a risk that developments in renewables and other clean generation technologies result in unforeseen changes in wholesale power prices, due to either changes in the marginal cost of generation which sets prices or policy changes to the system for setting prices. This is reflected in the Company's principal risk reporting in Section 3.4 – Risks and Risk Management. Climate change means that portfolio investments will likely be exposed to more frequent extreme weather events over time, particularly those in countries most affected by climate risk, increasing the risk of physical damage to on-site infrastructure and off-site transmission and distribution systems, alongside additional safety risks and operational considerations. Such events may be acute, including: ▲ Forest, grassland or peat fires; ▲ Flooding; or ▲ Storms and high-speed wind gusts or chronic, including: ▲ Increased temperatures such that the thermal capacity of equipment could be exceeded; ▲ Changes to ground conditions from increased rain; or ▲ Changes to cloud cover impacting ground-level solar irradiation. Risks also include potential long-term changes to weather patterns causing a material increase or decrease in an asset's energy yield from that expected at the time of investment. Mitigation comes from portfolio diversification across geographies and technologies. This reduces the overall impact of action taken by an individual government, of any local extreme weather event or of any single asset failure. Physical climate risks relating to the Company's assets are detailed overleaf on page 91.

Impact	Opportunities	Risks
Strategy Relates to Political / Regulatory, and construction projects on pages 76 and 78	Government policies across Europe have shown renewable energy has a central role to play in decarbonising our energy usage. This has resulted in significant growth in markets where TRIG has an investment focus. In the near term, the greatest investment activity in TRIG's key markets is expected to be from subsidised offshore wind in the North Sea and onshore wind in France, and unsubsidised onshore wind in the UK and Nordics and solar in Iberia. The geographies and technologies within the portfolio are likely to increase as the Investment Manager, InfraRed, also considers a broader range of investment opportunities within the Company's investment remit. The development of renewables frameworks across Europe (if they are considered to be credible, stable and robust) could result in broadening TRIG's diversification to further geographies. As newer storage technologies mature, investment opportunities may arise in such projects. This may include the production and storage of "green" hydrogen and its subsequent use to replace otherwise difficult-to-abate energy users.	Economics are pushing projects to greater scale, which may result in fewer opportunities by number. This, coupled with an increasing volume of capital looking to deploy into sustainable investment themes, means that renewable energy projects can be highly sought after, and investment discipline is key. "Off-market" transactions sourced by the Investment Manager, InfraRed, remain an important route to attractive opportunities. In the long term, as portfolios mature and subsidy periods come to an end, the power price exposure of renewable investment portfolios will naturally increase. The risks associated with power price exposure of projects within a merchant power price structure may be mitigated in part through offtake agreements or hedging instruments. Further analysis of the potential transitional impact of climate change on power prices is presented in the scenario analysis relating to recommendation five.
Financial planning Relates to Macroeconomic factors, Taxation and Liquidity / Treasury Management on page 77	The strength of the renewables investment theme is underpinned by both its strong ESG credentials, including the positive impact on climate change, and investors' desire for long-term sustainable income. This provides the opportunity for TRIG to continue to grow. For existing shareholders, this means greater diversification through further acquisitions, increased economies of scale, and accretion through raising capital at a share price in excess of the Company's net asset value per share. TRIG's revolving credit facility and hedging arrangements are ESG-linked. This provides the opportunity to reduce the margin and commitment fees under the facility should TRIG meet certain targets, including increasing the number of homes powered by clean energy from TRIG's portfolio.	Increasing penetration of intermittent renewable electricity generators in the energy system risks increasing the volatility in the prevailing and forecast power price. In the near term, exposure is reduced through managing the proportion of revenues with fixed power prices, achieved through the acquisition of investments with subsidised revenues, fixing under offtake agreements and the use of hedging instruments. Forecasted revenues are budgeted based on estimates of energy yield from individual projects. The accuracy of these budgets are subject to risks relating to generation including equipment downtime and low weather resource. In the medium term, the build-out of long-term storage infrastructure, charging infrastructure for electric vehicles and grid upgrades will help provide flexibility to the energy system. This will support the power price at times when renewables generation may exceed electricity demand, thereby reducing periods of low or negative pricing. Climate change is considered in the valuation of the Company's investments. For example, cannibalisation is applied to power price assumptions, accounting for the effect that renewables can have on overall power prices. Further detail is provided in Section 3.1 – Valuation of the portfolio, on page 56.

3.6
Task Force on Climate-related Disclosures
(continued)

Strategy

Recommendation	Disclosure
5 Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario	TRIG's portfolio returns and potential to grow the portfolio are subject to both transition risks and physical risks. **Transition risks:** Risks related to the transition to a lower-carbon economy. The risks can be grouped into four categories: policy and legal risk; technological risk; market risk; and reputational risk. **Physical risks:** Physical risks: Risks associated with physical impacts from climate change that could affect energy assets and operating companies. These impacts may include "acute" physical damage from variations in weather patterns (such as severe storms, floods and drought) and "chronic" impacts (such as sea level rise and desertification). The Board and the Managers have identified three key factors that will be impacted by the transition and physical risks of climate change: ▲ Power price forecasts, which are impacted by renewables build-out assumptions and the extent to which renewable electricity can be utilised when it is generated. This risk is most likely to manifest in a 2 degrees Celsius or lower scenario, where transition risks are greatest. The Investment Manager's analysis, having taken input from leading third-party power price forecasters, is set out below. ▲ Energy yield, which could be impacted by changes to weather patterns. Weather models are not able to forecast the impact of climate change scenarios on site-by-site weather patterns. ▲ Asset availability, maintenance costs and replacement costs will be impacted by changes in weather patterns that result in more severe events such as lightning strikes, hail and windstorms, floods and wildfires. This risk is most likely to manifest in a higher temperature scenario, where physical risks are greatest. The assessments performed in the following pages set out the climate-related risks faced by TRIG in different climate scenarios and determine a limited adverse impact on the Company's business strategy.


Merkur, Germany

Impact of different climate-related scenarios

The Managers have completed an internal assessment of the potential impact of a high transition risk scenario, and are in the process of completing a third-party physical assessment using the latest climate science, data and scenario models. This assessment covers the whole of TRIG's portfolio and considers the physical impacts over the short, medium and long-term periods based on different climate scenarios.

Current long-term power price forecasts do not assume that climate change is limited to 1.5-2 degrees and also do not correspond with a 4-degree temperature change scenario (as referenced in the next TCFD consideration, the high physical risk scenario).

Therefore, to assess the potential impact from climate change on power prices, net zero versions of power price forecasters were used across TRIG's portfolio to estimate the impact of a high transition risk scenario on TRIG's portfolio. Similarly for the higher physical risk scenario, the current energy mix is assumed to stay static as this is estimated to equate to a 4-degree temperature change – all else being equal.
It is important to note that these forecasts are incredibly complex, with a very large number of inputs that could be adjusted differently to arrive at either a high transition risk scenario or a high physical risk scenario. These scenarios could be arrived at through a number of different paths. It is not necessarily the case, for instance, that in a high transition risk scenario that forecast power prices may be lower; greater than expected demand, public policy or a market "premium" on renewable electricity could result in power prices at a higher level than those we assume in the high transition risk scenario.

Equally, it is not necessarily the case that in the high physical risk scenario that power prices would increase relative to a high transition risk scenario; for instance, electricity demand and commodity prices may be lower than forecast.

Estimates are provided below of the potential financial impact of two climate change scenarios. Neither of the two scenarios are considered as representing an indication of current fair value for the portfolio, as the assumptions applied are for more extreme climate scenarios. Nor do these scenarios reflect reasonably possible changes to the fair value in the next 12 months, and so are not included in the sensitivities included within note 4 to the financial statements.

High transition risk scenario (typically associated with a 1.5-2 degree Celsius temperature change)

Under this scenario, we assume that policy measures are put in place that accelerate the decarbonisation of energy production, including higher than expected levels of renewables deployment, and each country where TRIG invests achieving net-zero carbon by 2050.

Physical risks from extreme weather events are less frequent and effective insurance coverage remains generally available.

In a high transition risk scenario:

- There is downward pressure on forecast power prices for renewables generators due to greater decarbonisation of the energy mix from that assumed in the independent power price forecasts used in the Company's valuation.
- This is, in part, offset by an increase in electricity demand as in transport, industry and heating as these sectors move away from fossil fuels.
- An increase in carbon prices is expected; however, this is likely to be offset by lower gas prices and greater periods of time when non-emitting generation is setting the prevailing power price.

Although these scenarios are very difficult to quantify, in-house financial modelling undertaken using information from site questionnaires in combination with climate projections as per the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report suggests a possible impact of this scenario being an approximate 6% reduction in the Portfolio Value on a committed basis, or approximately 7p per share. This impact could be reduced as a result of industry efficiencies, such as lower operating costs arising from greater competition between sub-contractors as the sector continues to scale up, or increased generation efficiencies and performance.

One of the challenges to achieving more renewables build-out than assumed in current power price forecasts, and therefore decarbonisation, is that as long-term power prices fall, a feedback loop of making fewer new projects financially viable is created, which in turn reduces the rollout rate and therefore reduces the downward pressure on forecast power prices.

Governments across TRIG's target markets are beginning to set out detailed policies in relation to both supply and demand for renewable electricity, which may address this feedback loop, provide support to the power price and achieve the levels of renewables rollout required for net-zero carbon by 2050.

3.6
Task Force on Climate-related Disclosures
(continued)

High physical risk scenario (typically associated with a 3-4 degree Celsius temperature change)

This is a climate change scenario occurring across the lives of the assets currently in the portfolio that results in a temperature change of greater than 3 degrees Celsius, resulting in extreme weather events that could threaten the successful operation of assets within the portfolio.

We assume that under this scenario, renewables build-out lags expectations, the energy system is not decarbonised to an extent consistent with a lower impact from climate change and that insurance for damages may become unavailable or very expensive. It is expected that these events could occur over an 5–15-year time period.

Whilst current power price forecasts are not prepared on the basis of an overall temperature change, the underlying assumptions, particularly relating to renewables build-out, are consistent with a 3 degree Celsius scenario.

The Managers have undertaken in-house analysis, using the same approach as that of the high transition risk analysis, to consider the potential physical impact of climate change on TRIG's portfolio over a variety of scenarios.

Chronic changes refer to long-term and structural physical risks. Acute changes refer to the increased risk of specific, extreme short-term events. How events are categorised under these two headings is set out in the subsequent table. The review suggests a possible adverse impact of physical risks in a high temperature change scenario of c. 2p to 3p per share. The estimated financial impact does not consider the offsetting impact of any insurance claims that may be possible.

In such a scenario, it is likely that the renewables rollout assumptions incorporated in current power price forecasts are unlikely to be met. Therefore, the Investment Manager considers that the medium to longer-term reductions seen in the power price forecasts in recent reporting periods may reverse and that there may be limited overall net impact on NAV. The estimated financial impacts are based on current views, which are likely to evolve as industry methods mature.

A key mitigant to the portfolio as a whole suffering from a material event at any one asset is the portfolio's asset diversification including the geographic spread across six European countries, which helps to reduce the impact of localised weather events.

Sustainability considerations, including those relating to climate change, are integrated throughout InfraRed's investment process, for example a climate change risk assessment must be completed for all new investments. Scenario and sensitivity analysis is also undertaken as part of due diligence and examined by the Investment Committee when considering investment approval.

The Managers have also undertaken analysis to consider the impact on long-term power price forecasts of a 4 degree temperature change scenario. In such a scenario, it is likely that the renewables rollout assumptions incorporated in current power price forecasts are unlikely to be met. The current energy mix across Europe broadly equates to a 4 degree temperature change and therefore the current power price assumptions from 2024 (upon normalisation of forecast power prices from current elevated levels) is applied across the forecast period as an approximation.

This, net of the impact of the physical risk assessment, results in an increase in Portfolio Value on a committed basis by approximately 4% or approximately 6p per share. The estimated financial impacts are based on current views, which are likely to evolve as industry methods mature.

Cadiz, Spain

Physical Risk Assessment Findings

The table below presents results of the most recent screening exercise performed on TRIG's portfolio for the risk of physical damage due to climate change on a site-by-site basis. The Company has recently engaged a climate consultant to provide a more detailed view on physical climate risks on an asset-by-asset basis.

In addition to the mitigations set out, commercial protections are also used to mitigate such risks, such as insurance, supplier warranties or operation of contractual scopes of work. The review below suggests a possible adverse impact of physical risks in a high temperature change scenario of c. 2p to 3p per share.

Potential physical risk	Potential impact of physical risk	Mitigation measures in place
Wind and tropical storms	Increased incidence or intensity of wind and tropical storms may exceed the design wind-loading for solar sites with potential to uproot foundations, damage frameworks and panels or be accompanied by large hailstorms that damage panels. Windspeeds above the design parameters of the wind turbines and their cut-out generating wind speeds could cause internal mechanical damage or external structural damage to the wind turbine blades.	▲ Solar acquisition due diligence of wind-loading assessments and embedded design principles, with framework or foundation reinforcements performed where material risks are identified. ▲ Wind turbines' built-in high wind speed protection systems protect the turbines from damage, supported by real-time remote monitoring and software updates.
Fire	Wildfires can result in fire damage to the renewable asset or the associated sub-station and any overhead export cable. Any woodland in the vicinity of wind farms tends to be commercial forestry, which when dry can burn particularly fast and easily. Dry peat can also have a higher exposure risk to fire.	▲ Some habitat management plans include maintained firebreaks in accordance with site risk assessments. ▲ Monoculture forestry is removed from the immediate vicinity of each wind turbine to provide sufficient space during turbine erection, which provides a degree of protection from fire. ▲ Some sites have wider forestry removal to improve energy yield performance which can be coupled with broadleaf compensatory planting elsewhere.
Icing	Exposure to icing changes as humidity levels increase in those areas previously less affected by icing. Wind turbine blades can be prone to ice build-up, impacting aerodynamic performance or causing turbines to pause due to rotor imbalances, thereby increasing downtime. Ice throw from blades can also pose a safety risk, or cause damage to infrastructure.	▲ Climatic conditions are considered during the design phase to determine the extent of any icing impacts on yield as well as the ice-throw risk (and potential throw distance). ▲ Turbines are set back from dwellings and roads minimising risk to people from ice throw. ▲ Turbines are available with anti-icing or de-icing systems. The reliability and effectiveness of such systems is, however, not well established at this stage.

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Task Force on Climate-related Disclosures
(continued)

Potential physical risk	Potential impact of physical risk	Mitigation measures in place
Flooding	Flash flooding due to increased intensity of rainfall caused by higher temperatures. Solar sites are generally considered to be more exposed to flooding due to their larger footprint, high volume of equipment mounted close or below ground level, with local topography and geology also a consideration.	▲ Solar acquisition due diligence of exposure to flooding and installed mitigations including drainage systems.
Lightning	Wind turbine blades can be susceptible to lightning damage through to severe structural damage or destruction of a blade. Offshore turbines may be more susceptible to damage due to salt build-up reducing the efficiency of lightning protection systems.	▲ Wind turbine exposure to lightning is well understood with extensive industry experience of lightning protection systems. ▲ Offshore turbines benefit from the knowledge gained onshore, with increasingly sophisticated protection systems installed.

Risk

Recommendation	Disclosure
6 Describe the organisation's processes for identifying and assessing climate-related risk	Overall, as previously noted, TRIG's business model is specifically designed to take advantage of the investment opportunities arising from the decarbonisation of energy usage. Nonetheless, climate-related risks exist and are identified and discussed through the Managers' wider risk management processes outlined on page 75. They are identified and assessed by the Managers when making new investments (throughout the deal screening and due diligence processes) and in the running of the current portfolio (asset management activities, monitoring and reporting). The Company has appointed a third-party consultant to model and identify further climate-related risks with findings reviewed by the Managers and Board to consider mitigations. As part of this process, each asset has been screened according to specific location and key technology characteristics. The assessment details the probability of an asset being exposed to climate hazards at varying levels of intensity, such as extreme winds of a particular speed, or floods of certain depths – using the latest climate scenarios (SSP-8.5/RCP-8.5; SSP2-4.5/RCP-4.5; SSP1-2.6/RCP-2.6). This will allow TRIG to quantify the climate hazards' characteristics likely to cause direct damage or disruption to each asset in order to calculate the value at risk for the portfolio. The results of this climate assessment will be published in TRIG's 2023 Sustainability Report.
7 Describe the organisation's processes for managing climate-related risks	Climate-related risks identified through the acquisition process are managed through the acquisition business plan and investment pricing. The appropriateness of mitigating action is considered by the Investment Committee as part of the investment process. Representatives of RES and/or InfraRed sit on the board of each project company. Through this role, they ensure that climate change-related risks are considered by project company management teams, reflected in project company risk registers and appropriate mitigation plans are put in place. Those identified in the running of the current portfolio are managed through mitigating action, where possible. Management activities are discussed by the Advisory Committee through their quarterly review of portfolio performance.

Metrics

Recommendation		Disclosure
8	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks are integrated into TRIG's risk management framework through the investment process and reported quarterly to the Board. The Board considers the completeness of the risks recognised and the sufficiency of controls and mitigation, identifying where it is felt further action is required.
9	Disclose the metrics used by the organisation to assess climate-related risks and opportunities	The Company considers the TCFD's seven cross-industry metrics and specifically reports on GHG emissions. Outside of this, as an organisation which invests solely in infrastructure that contributes towards a net-zero carbon future, TRIG utilises a range of metrics which monitor the portfolio's contribution to mitigating climate change, including the following, with the latest figures reported on page 39: ▲ Renewable energy generation ▲ Tonnes of carbon emissions avoided ▲ Homes powered by clean energy, which impacts the margin and commitment fee paid under TRIG's ESG-linked revolving credit facility ▲ The proportion of portfolio sourcing electricity under renewable energy tariffs ▲ Number of active environmental management projects The Board and Managers consider several metrics that relate to climate-related opportunities and risks: ▲ Renewables build-out assumptions in TRIG's investment and target acquisition markets, which impacts long-term power price forecast assumptions ▲ Percentage of revenues with fixed power prices, which impacts the extent to which fluctuations in power price forecasts affects the portfolio valuation and forecast cash flows ▲ Energy yield, where deviations from expectations are examined for climate-related risk factors, including those arising from asset availability The Company's annual budgeting and semi-annual valuation process includes forecasts that may be influenced by the transition and physical impacts of climate change. These include expectations in respect of variables, in particular: ▲ Percentage of revenues with fixed power prices, which impacts the extent to which fluctuations in power price forecasts affects the portfolio valuation and forecast cash flows ▲ Energy yield, where deviations from expectations are examined for climate-related risk factors, including those arising from asset availability Deviations of these variables from budgets and changes to the variables in forecasts may serve as leading indicators of changes to climate-related opportunities, risks and performance.

3.6
Task Force on Climate-related Disclosures
(continued)

Metrics

Recommendation	Disclosure
10 Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions and the related risks	The Greenhouse Gas (GHG) Protocol categorises greenhouse gas emissions into three groups, or "scopes": Scope 1 covers direct emissions from owned/controlled sources; Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company; and Scope 3 includes all other indirect emissions that occur in the Company's value chain. TRIG's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are disclosed below. TRIG has adopted the operational control boundary approach for the measurement of energy emissions for TRIG projects, as the Directors believe this reflects the level of emissions that can be actively controlled and reduced. Going forward TRIG may alter its methodology to align with the definition of a 'financial institution' as defined by the GHG Reporting Protocols and SBTi. This would impact the presentation of the Company's GHG emissions, resulting in a greater proportion of emissions falling under Scope 3. An update on this will be provided in TRIG's 2023 Sustainability Report. Emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Location-based emission factors have been updated and are calculated using International Energy Agency (IEA) emission factors, to maintain consistency between regional investments. The 2021 location-based emissions have been reinstated to reflect these revised emissions factors in order to compare on a like for like basis. Overall, there has been a decrease in reported emissions from 2021 to 2022, which was largely due to a reduction in the amount of energy purchased by the projects. Other contributing factors were an improvement in data collected from the underlying investments and a slight increase in projects which have green energy tariffs (72% to 75% as reported on page 40).

Disclosure	Year ended 31 December 2021	Year ended 31 December 2022
Scope 1 – direct emissions (tCO_2e)	18	54
Scope 2 – indirect emissions, market based (tCO_2e)	969	308
Total Scope 1 and 2 (market based) emissions (tCO_2e)	**987**	**363**
Intensity ratio (tCO_2e per MWh of renewable electricity generated)	0.0005	0.0002
Weighted average carbon intensity (tCO_2e / £m)	1.84	0.41
Scope 2 – indirect emissions, location based (tCO_2e)	1,362	575
Scope 3 – indirect emissions within Company value chain (tCO_2e)	317,778	Scope 3 emissions for 2022 will be published in in TRIG's 2023 Sustainability Report
Total Scope 1, 2 and 3 emissions (tCO_2e)	**318,765**	**Scope 3 emissions for 2022 will be published in TRIG's 2023 Sustainability Report**

The Managers have been seeking to understand and quantify the usage of other greenhouse gases, such as SF6, across the portfolio. Following updated data collection SF6 leaks are now included within Scope 1 emissions for the first time. Latest emission factors from DEFRA have been applied.

11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Climate-related targets are currently contained within the Company's RCF. In 2023, TRIG will also be publishing targets for its ESG metrics in its 2023 Sustainability Report and setting SBTi targets by the end of the year. These targets will relate to metrics which TRIG has published for a number of years, including those reported on page 39. TRIG's portfolio is included in InfraRed's commitment to the Net Zero Asset Managers initiative. InfraRed published its interim net zero targets, including for 70% of AUM to be aligned or aligning to net zero by 2030, in its net zero progress report, available at www.ircp.com. **SBTi** TRIG is a signatory of SBTi and is currently in the process of setting Science Based Targets by the end of 2023 for Scope 1, 2 and 3 emissions in line with our SBTi commitment signed during 2021. TRIG is aware of developments within the sector for decarbonisation plans and the Company is currently in the process of defining its own in accordance with SBTi. **ESG Targets within TRIG's Revolving Credit Facility** TRIG's ESG-linked SONIA revolving credit facility sets ambitious ESG targets for the Company. The ESG key performance indicators (KPIs) that TRIG's performance is judged on annually are consistent across TRIG's revolving credit facility, FX hedges and inflation swaps: ▲ Environmental: increase in the number of homes powered by clean energy from TRIG's portfolio ▲ Social: increase in the number of community funds supported by TRIG ▲ Governance: maintaining a low Lost Time Accident Frequency Rate (LTAFR) Performance against these targets is measured each year, with the cost of the RCF being amended in the following year. All the RCF KPIs were met for the year ending 31 December 2022. Meeting the sustainability targets across all our ESG-linked financing instruments is expected to result in annual savings of c. £250,000.

3.7 Strategic Report Disclosures

Investment Policy

In order to achieve its investment objective to generate sustainable returns, the Company invests in infrastructure that contributes towards a net-zero carbon future through the generation of electricity from renewable energy sources, with a particular focus on wind farms and solar PV parks. The Company also invests in infrastructure that supports the energy transition, including flexible capacity such as battery storage.

The Group aims to achieve portfolio diversification principally through investing across the European continent (including UK & Ireland) and a mix of renewable energy technologies, in order to improve the stability of shareholder returns by reducing risks of single asset concentration, power markets, regulatory frameworks and local weather patterns. The Company's portfolio comprises onshore and offshore wind farms, solar farms and battery storage assets spread across the UK, Ireland, France, Germany, Sweden and Spain.

TRIG's Investment Policy frames the Board's and the Managers' pursuit of the Company's objective. The key policies below provide a summary of the parameters within which investments are made. The full wording of the Investment Policy can be found on the Company's website at the following link: www.trig-ltd.com/about-us/why-invest-with-trig/business-model/investment-policy.

Key investment policies

- Investments are made in the UK and other European countries where the TRIG Board and Managers believe there is a stable renewable energy framework.
- Up to 65% of the Portfolio Value[66] may be invested in projects that are located outside the UK.
- Whilst investments are predominantly made in wind farms and solar projects, the Company may also invest in infrastructure that is complementary to renewables, such as flexible capacity, up to a limit of 20% of Portfolio Value.
- Up to 25% of the Portfolio Value may be invested in development or construction projects (including repowering of existing assets).
- In order to manage single asset concentration risk, no more than 20% of Portfolio Value may be invested in any single project.
- Short-term debt (principally drawings on the Company's revolving credit facility) is limited to 30% of the Portfolio Value.
- Long-term debt (typically amortising project finance debt) is limited to 50% of the Gross Portfolio Value (being the total enterprise value of the Portfolio).

Historically, the Company has often made investments in 100% or majority equity ownership of assets. As renewable energy projects increase in size, particularly in offshore wind, the Company is increasingly acquiring minority equity stakes. Where minority positions are taken, the Investment Manager will secure TRIG's shareholder rights (including voting rights) through shareholder agreements and other transaction documentation.

Other policies covering revenue management, hedging, cash balances, the origination of further investments, repowering and material amendments to the Investment Policy can be found in the full Investment Policy on the Company's website.

66 Portfolio Value is calculated on a committed basis and at the time of investment. This applies to all instances of Portfolio Value used throughout the Investment Policy.

Section 172(1) Statement:

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

Section 172(1) statement area	Reference
The issues, factors and stakeholders the Directors consider relevant in complying with section 172(1) (a) to (f) and how they have formed that opinion.	During the Board's quarterly meetings, both the Investment Manager and Operations Manager are required to provide updates on items that relate to section 172(1) (a)-(f). Primarily, this is achieved through quarterly Investment Manager and Operations Manager reports. The Company's relationships with suppliers, customers and contractors is a key part of the operations report, whilst items relating to shareholders, Company reputation and investment decisions are contained within the Investment Manager report. The Board challenges the Managers to be alert to the concerns of stakeholders and how best to address these concerns to ensure continuing positive stakeholder engagement. The Company's risk review framework also facilitates the identification of items relevant to the Section 172(1) statement. The annual review of the Strategy by the board encompasses the longer-term factors relating to the Company's decisions and the implications for the communities and environments in which our investments are made. As part of the Annual Strategic Review process, key stakeholders such as partners, suppliers, customers and local communities are also discussed. The Board's approach to engaging with these stakeholders is outlined above.
(a) the likely consequences of any decision in the long term	The Board considers the likely consequences on all stakeholders of decisions taken as part of the Annual Review process. Please see sections **2.2 TRIG's Investment Proposition, Business Model and Strategy** (page 13)
(b) the interests of the Company's employees	The Company does not have any employees. Please see section **4.2 Stakeholders and Corporate Culture** (page 106)
(c) the need to foster the Company's business relationships with suppliers, customers and others	Please see section **4.2 Stakeholders and Corporate Culture** (page 106)
(d) the impact of the Company's operations on the community and the environment	The risk framework of the Company overseen by the Board specifically considers environmental and social factors, as detailed in section **3.4 Risks and Risk Management** (page 75). Please see Sections **2.4 Sustainability** (page 37) and **4.2 Stakeholders and Corporate Culture** (page 106) for further information.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	Please see sections **2.4 Sustainability** (page 37) and **4.2 Stakeholders and Corporate Culture** (page 106)
(f) the need to act fairly between members of the Company	Please see sections **2.4 Sustainability** (page 37), **4.2 Stakeholders and Corporate Culture** (page 106) and **4.3 Corporate Governance Statement** (page 110)

3.7
Strategic Report Disclosures (continued)

Summary

On the basis of the Managers' recommendations, the Directors have considered existing sustainability and corporate culture policies, relative to good industry practice for an infrastructure investment company, believing 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 Section 4.3 – Corporate Governance Statement.

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 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.

21 February 2023

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

Green Hill, Scotland

Merkur, Germany

04 Directors' Report

4.1
Board of Directors

Richard Morse
Chairman

Appointed 18 July 2022, Richard has more than 30 years' experience in the energy, environmental and related infrastructure sectors, as well as a wealth of experience in investment company governance. He is a partner in the sustainable energy practice at Opus Corporate Finance. Among his Board appointments, he is Deputy Chairman of Bazalgette Tunnel Limited ("Tideway") as well as Chairman of its Audit & Finance Committee; Chair of The Woodard Corporation, a charitable educational group; Non-executive Director of the Heathrow Southern Railway; and Chair of AT85, a global mid-market infrastructure fund that has announced its intention to float. Richard was previously Chairman of JLEN Environmental Assets Group Limited from its IPO in 2014 to 2022. He has previously held executive roles as a partner at Greenhill & Co, Head of European Utilities & Energy at Goldman Sachs, and Deputy Head of Corporate Finance and Head of Utilities & Energy at Dresdner Kleinwort Wasserstein. Richard has also held public sector roles, having been the Deputy Director General of Ofgem and a Senior Adviser to the Department of Energy and Climate Change (now subsumed into BEIS).

Relevant skills that support TRIG's long-term success:

- Extensive energy, environmental and infrastructure experience at national and international level in both the private and public sectors.
- Substantial Board and Governance experience in senior roles throughout his career, in executive and non-executive roles, with a particular expertise in M&A and fundraising for infrastructure, utilities and energy companies
- A highly regarded expert in the field of sustainable energy and technology with a deep insight into the history and progression of the sector.

Tove Feld
Senior Independent Director

Appointed 1 March 2020, Tove is a Danish national and has more than 25 years' experience in the renewables sector, with a focus on offshore wind. Her previous roles include the Chief Technical Officer at DONG Energy Wind Power (now Orsted) where she had a prominent role in preparing the company for IPO, Head of Engineering Solutions Offshore Wind at Siemens Wind Power, as well as Managing Director DNV Global Wind Energy. Tove currently serves as Non-Executive Director on a number of Boards supporting the Green Energy Transition including Venterra Group plc, a service provider to the wind industry; Stiesdal, an innovative technology company developing high impact solutions to overcome climate change; FORCE Technology, a leading technological service company; and CEKO Sensors ApS, an industrial monitoring and optimisation sensor technology business. She is also a Non-executive Director on the Board of YARA International and serves on the Board of Representatives of the Danish Technical University. Tove is a UF (USA) Engineering Graduate (M.Sc.), she has a Ph.D. from Aalborg University (Denmark) and Executive MBA from IMD (Switzerland). Tove is a resident of Denmark.

Relevant skills that support TRIG's long-term success:

- Extensive Renewables and Energy Generation Operational experience, proving a deep understanding of Technology, Commercial, Project, Portfolio and Risk Management with a strong Health & Safety focus.
- Board and Governance experience from external international boards ranging from innovation to investment companies. Combined with a deep energy market insight, various stakeholder views and understanding of the Net-Zero Framework.
- Strong people and business development focus, immense experience with leadership and strategic transition from energy and infrastructure business, encompassing a dedicated focus on HSQE, D&I, ESG and Sustainability.

Klaus Hammer
Director and Management Engagement Committee Chair

Appointed 1 March 2014, Klaus is a graduate of the University of Hamburg and earned an MBA at IMD Lausanne. He was previously Chief Operating Officer of the global combined-cycle gas turbine power plant business of E.ON, and also served on a variety of boards including E.ON Värmekraft Sverige AB, Horizon Nuclear Power Ltd. and the UK Association of Electricity Producers. Prior to E.ON, which he joined in 2005, he spent 20 years with Royal Dutch Shell in a variety of roles in both Europe and Africa. Among his other recent roles, he was a public member of Network Rail until mid-2014. Klaus also advises investors in energy-related businesses. In 2018, he supported the setting-up of a major defence contractor on an interim basis as Executive Finance Director in Australia. In 2022, he became Chair of Hydreatio GmbH and since 2021 he has been a Non-executive Director of the Biotech company Terravesta. Klaus is a resident of Germany.

Relevant skills that support TRIG's long-term success:

- Power sector experience across multiple technologies – practical operational experience of generating assets across the gas, nuclear and renewable energy sectors.
- International operational experience – senior roles across Europe and Africa within the energy sector.
- Governance focused – strong track record of project oversight and HSQE implementation.

John Whittle
Director and Audit Committee Chair

Appointed 1 July 2021, John Whittle is a Fellow of the Institute of Chartered Accountants in England and Wales and holds the Institute of Directors Diploma in Company Direction. He is the non-executive Chairman of Starwood European Real Estate Finance Ltd (LSE), Sancus Lending Group Ltd and Chenavari Toro Income Fund Limited (listed on the SFS segment of the Main Market of the London Stock Exchange). Prior to these roles, John was Senior Independent Director and Audit Committee Chair at International Public Partnerships Ltd (INPP), the FTSE 250 infrastructure investment company. In his executive career, amongst other senior roles, John served as Finance Director of Close Fund Services and CEO of Hugh Symons Group PLC. John is a resident of Guernsey.

Relevant skills that support TRIG's long-term success:

- Investment Company & Governance; extensive experience gained over a number of years at multiple FTSE-listed business, in particular during 12 years as a non-executive Director, including as Audit Committee Chair and Senior Independent Director at INPP (a FTSE 250-listed infrastructure Investment Company).
- Accounting, Audit & Finance; Chartered Accountant with 44 years' post qualification experience including as a Financial Director of a financial services business and CEO of a large mobile telephone business.
- Shareholder Engagement; through John's executive and non-executive career he has deep experience of investor engagement, particularly gained as Audit Chair and Senior Independent Director of INPP and as Chairman of Aberdeen Frontier Markets Investment Company.

4.1 Board of Directors (continued)

Erna-Maria Trixl
Director

Appointed 1 March 2022, Erna-Maria is an energy and infrastructure expert and is currently an independent executive consultant focusing on renewables, e-mobility, decarbonisation and sustainability. Erna-Maria is also a member of the advisory board of METR Building Management Systems GmbH. She previously served as chair of the supervisory board of M-net Telekommunikations GmbH, as a member of the supervisory board of Energie Suedbayern GmbH and of the shareholder's committee of the nuclear power plant Isar 2. Erna-Maria's executive roles included membership of the executive board and chief sales officer of Stadtwerke Müenchen GmbH, Germany's largest municipal utility services company, and roles within the RWE Group and at EnBW Energie Baden-Wuerttemberg AG.

Relevant skills that support TRIG's long-term success:

- ▲ Extensive energy and renewables expertise and experience with renewables investment strategies and performance management.
- ▲ Strong business and stakeholder focus, balancing short-term performance and long-term value creation.
- ▲ Governance and risk management skills with a focus on climate risks, sustainability and ESG.

Selina S Sagayam
Director

To be appointed 1 March 2023, Selina Sagayam brings deep corporate finance and legal experience from her employment at Gibson, Dunn & Crutcher where she is a leader of the firm's Environmental, Social and Governance (ESG) Practice and Senior Of Counsel in their Corporate Group. She also has extensive experience as a mergers & acquisitions, corporate governance, financial services and regulatory law adviser. Selina has previously been a Non-executive Director of Hastings Group Holdings PLC and a non-executive director of FCA-authorised Hastings Insurance Services Limited and served as chair of its Risk & Compliance Committee. Selina was seconded as the Secretary to the UK Panel on Takeovers and Mergers. Selina chairs Gibson Dunn's UK Diversity & Inclusion Committee and sits on its Global Diversity Committee. She is a trustee of the charity Refuge (and chair of its People, Nomination and Remuneration Committee) and is also a member of the board of the Corporate Finance Faculty of the ICAEW.

Relevant skills that support TRIG's long-term success:

- ▲ Deep understanding of ESG principles from both a legal and financial perspective, helping to support and enhance the values at the foundation of TRIG's investment proposition, business model and strategy.
- ▲ Diverse board experience across various private institutions as well as public boards and charities, bringing valuable insight to TRIG's board as part of decision-making processes.

Board succession

In 2022, Helen Mahy, Shelagh Mason and Jon Bridel, each having served as Non-executive Directors of TRIG for nine years, retired from the Board. During 2023, Klaus Hammer will also have served nine years and intends to step down. The Nomination Committee concluded the appointments envisaged by its succession plan during the year, with Erna-Maria Trixl joining the Board as a Non-executive Director and Richard Morse as Non-executive Director and Chairman, following a transition period with outgoing Chairman Helen Mahy. This follows the appointment of John Whittle in July 2021 as Audit Committee Chairman. The Board has also appointed Selina Sagayam as non-executive Director, who will take up her appointment on 1 March 2023.

TRIG was supported in the recruitment process that resulted in the appointment of Erna-Maria Trixl by Russell Reynolds Associates. Russell Reynolds Associates is independent of TRIG and Erna-Maria Trixl.

TRIG was supported in the recruitment processes that resulted in the appointment of Richard Morse and Selina Sagayam by Longwater Partners. Longwater Partners is independent of TRIG, Richard Morse and Selina Sagayam.

The senior officer roles of the retiring Non-executive Directors are being fulfilled by:

- ▲ Senior Independent Director: Tove Feld
- ▲ Audit Committee Chairman: John Whittle

Further details on the Board and its Nomination Committee's approach to succession planning and the appointment process for new Directors is provided in Section 4.3 – Corporate Governance Statement.

Directors' and Managers' Skills Matrix

	Skills & expertise[1]										
	Investment Company management[2]	Investors[3]	Strategy	Transactions	Finance[4]	Risk	Comms & PR	Legal	HSQE	Sustainability[5]	Construction & operational delivery
Klaus Hammer	Experience	Experience	Expertise	Expertise	Experience	Expertise	Experience	Experience	Expertise	Experience	Expertise
Tove Feld	Experience	Experience	Expertise	Experience	Experience	Expertise	Experience	Experience	Expertise	Expertise	Expertise
John Whittle	Expertise	Expertise	Expertise	Experience	Expertise	Experience	Experience	Experience	Limited / no relevant experience	Experience	Limited / no relevant experience
Erna-Maria Trixl	Experience	Experience	Expertise	Experience	Experience	Expertise	Experience	Experience	Expertise	Expertise	Experience
Richard Morse	Expertise	Expertise	Experience	Expertise	Expertise	Experience	Experience	Experience	Experience	Experience	Limited / no relevant experience
Selina Sagayam	Expertise	Expertise	Experience	Expertise	Experience	Experience	Experience	Expertise	Experience	Expertise	Limited / no relevant experience
InfraRed	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Experience	Expertise	Expertise	Experience
RES	Experience	Experience	Expertise	Expertise	Expertise	Expertise	Expertise	Experience	Expertise	Expertise	Expertise

	Geographies				Technologies			
	UK & Ireland	Core Europe[6]	Nordics	Iberia	Onshore wind	Offshore wind	Solar	Storage
Klaus Hammer	Expertise	Expertise	Expertise	Experience	Experience	Experience	Experience	Experience
Tove Feld	Expertise	Expertise	Expertise	Experience	Expertise	Expertise	Expertise	Experience
John Whittle	Expertise	Experience	Experience	Limited / no relevant experience	Limited / no relevant experience	Limited / no relevant experience	Limited / no relevant experience	Limited / no relevant experience
Erna-Maria Trixl	Limited / no relevant experience	Expertise	Experience	Experience	Expertise	Expertise	Expertise	Experience
Richard Morse	Expertise	Experience	Limited / no relevant experience	Limited / no relevant experience	Experience	Limited / no relevant experience	Experience	Experience
Selina Sagayam	Expertise	Experience	Experience	Experience	Limited / no relevant experience	Limited / no relevant experience	Limited / no relevant experience	Limited / no relevant experience
InfraRed	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
RES	Expertise	Expertise	Expertise	Experience	Expertise	Expertise	Expertise	Expertise

Key: Expertise · Experience · Limited / no relevant experience

1 Specialist advisers are hired where additional expertise is required, including the use of legal advisers
2 Including management, dividend policy, and regulations (incl. Guernsey)
3 Including fundraising, shareholder engagement and defence
4 Including valuation, audit and accounting
5 Including Environment, Social & Governance, and Diversity & Inclusion
6 Representing France and Germany, as countries where TRIG has investments, and other closely located countries with a similar risk profile

4.2
Stakeholders and Corporate Culture

Stakeholder Management
The Board believes in conducting business responsibly, which means behaving ethically, respecting people and the environment.

TRIG maintains high standards of business conduct and stakeholder engagement to ensure a positive impact on the communities and environment in which the Company operates. This requires consideration of stakeholders by building strong relationships with suppliers, customers, communities, and authorities among others.

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

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
- Developers, builders & operators
- Financial

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

Portfolio customers
- PPA counterparties

Portfolio suppliers
- OEMs & spare part providers
- O&M providers
- Landowners
- 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

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

Shareholders & the Board:
The Board of Directors is ultimately accountable to the Shareholders for the running of the business, 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 key service providers. Shareholder interaction is regarded as a critical component of the management of TRIG and the Board works closely with the Managers, InfraRed and RES, with the Company Secretary, Aztec and with the Company's brokers, Investec and BNP Paribas, 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 Investec and BNP Paribas act as key intermediaries between the Company and its shareholder base, working with the Managers to arrange meetings with current and prospective investors, monitoring equity market conditions and advising on capital raising activities.

TRIG benefits from the commitment and flexibility of six corporate lenders for the Company's revolving credit facility, namely National Australia Bank, Royal Bank of Scotland International, ING, Sumitomo Mitsui Banking Corporation, Barclays, Lloyds, BNP Paribas, ABN Amro, Skandinaviska Enskilda Banken (SEB) and Intesa SanPaolo. 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, maintains the shareholder register and manages the processing of shareholder communications with our other advisers. Regarding public relations, TRIG receives advice and practical coordination from Maitland / AMO Strategic Advisers. TRIG also has access to several 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 independent valuation services are provided by the accountants BDO 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 several joint venture partners, some being developers and vendors, such as Equinor, Orsted, SSE and Akuo Energy and others being financial co-investment partners, for example APG and Equitix. In each case, the Managers build on the relationship with the co-investor, providing representatives to attend project board meetings to coordinate and monitor the investment, with the additional potential to share best practices.

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

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

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

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

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

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

Further details on how TRIG interacts with the local community can be found in Section 2.5 – Sustainability.

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

4.2
Stakeholders and Corporate Culture (continued)

Corporate Culture

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

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

The Nomination Committee is mindful of the recommendations of the Hampton Alexander Review on gender diversity (the Board of Directors has been at least 40% female since its launch in 2013) and the Parker Review on ethnic diversity, and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management. Following the conclusion of the Nomination Committee's succession plan, with the retirement of Klaus Hammer from the Board at the 2023 Annual General Meeting and the appointment of Selina Sagayam on 1 March 2023, the composition of the Board of Directors will be aligned with each of these frameworks.

TRIG has no employees beyond its non-executive Board. The executive management of TRIG is provided by its Managers, InfraRed and RES, with the senior decision-making bodies being InfraRed's Investment Committee, and InfraRed and RES's jointly staffed Advisory Committee. Both InfraRed and RES are global businesses with a broad cultural representation of employees reflecting the international nature of their activities.

The data shown in the tables below reflects the gender and ethnic background of the Investment and Advisory Committees and Company Secretary, and was collected on the basis of self-reporting by the individuals concerned. The questions asked were "Which of the Parker Review ethnicity categories do you consider yourself to fall within?" and "What is the gender with which you identify?".

Gender identity and ethnic background reporting as at 31 December 2022:

Gender identity	Number of TRIG Board members	Percentage of the TRIG Board	Number of senior positions on the TRIG Board	Number in Executive Management	Percentage of Executive Management
Men	3	60%	1	9	82%
Women	2	40%	1	2	18%
Ethnic background					
White British or other White (including minority-white groups)	5	100%	2	9	82%
Asian / Asian British	0	0%	0	2	18%
Other ethnic group	0	0%	0	0	0%

The Managers support equal opportunities regardless of age, race, gender or personal beliefs and preferences, both in their recruitment and when managing existing employees. Both Managers prioritise work force engagement and implement a range of initiatives to enhance employee wellbeing, including fitness and mental health schemes, mentorship programs, promotion of charity work and organising social activities. HR systems are in place to allow employees to raise any concerns in confidence. InfraRed and RES recognise that when their employees are engaged, they will benefit from elevated productivity and increased employee loyalty.

InfraRed employs over 180 professionals, representing a range of nationalities, ages and cultural backgrounds. To support diverse recruitment of candidates on merit and not on background, race or gender, InfraRed staff may undergo "unconscious bias" training.

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

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

InfraRed
InfraRed has a strong and clear set of values which it promotes and monitors both at a company and individual level through assessments. These values focus on the principles of Passion, Curiosity, Trust, Partnership and Fulfilment.

InfraRed also adopts and implements the Principles for Responsible Investment ("PRI")[67] which are widely recognised and highly regarded around the world. In the assessments by PRI, InfraRed maintains a five-star rating, standing well above industry standards. 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.

RES
RES' unique culture is important from both a business perspective and for RES' people. The culture enables its strategy and drives the passion of its people and the company's senior leadership is proactive in preserving it, supported by RES' Director of People and Culture who oversees the cultural continuity and development within the growing business. RES empowers its people and promotes a strong safety culture helping to prevent unsafe behaviours. The culture is informed by its vision to create a future where everyone has access to affordable zero carbon energy, plus the values of Passion, Accountability, Collaboration and Excellence (PACE).

RES encourages a range of activities to support staff in their own volunteering and charitable fundraising activity through paid time off and fund matching. Activities surrounding projects are designed to create social, economic or environmental benefits particularly making a difference for local communities and amenities available to them, often in remote locations where TRIG's projects are sited.

Anti-Bribery and Corruption
Although TRIG has no employees, TRIG is committed to respecting human rights in its broader relationships.

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

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

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

67 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.

4.3
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 whilst 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.

AIC Code

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

Stewardship Code

The Company's Managers are responsible for day-to-day management of the portfolio and therefore are best placed to engage with portfolio companies and discharge stewardship obligations. Accordingly, TRIG becoming a signatory to the Stewardship Code would unnecessarily duplicate the work of the Managers.

The Board has instead chosen to exercise stewardship by reporting against the AIC Code rather than by being signatories to the Stewardship Code.

Guernsey Regulatory Environment

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

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

Non-Mainstream Pooled Investments

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

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

The Board

The Board consists of five non-executive Directors. In accordance with Provision 10 of the AIC Code, all of the non-executives are independent of the Investment Manager. The Chairman, Richard Morse, met the independence criteria of the AIC Code Provision 11 upon appointment and continues to meet this condition throughout his term of service. Although not a requirement of the AIC Code, in accordance with guidance in Provision 11, the Board has a Senior Independent Director, Tove Feld, who was appointed as Senior Independent Director in 2022. Being non-executive Directors, none of the Directors have a service contract with the Company.

The Articles of Incorporation provide that each of the Directors shall retire at each Annual General Meeting in accordance with Provision 23 of the AIC Code. All Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on May 2023, other than Klaus Hammer who intends to retire from his role on the TRIG Board during 2023. Selina Sagayam will be standing for election.

The Board believes that the balance of skills, gender, experience, ethnicity and knowledge of the current Board provides for a sound base from which the interests of investors will be served to a high standard. As reported in Section 4.1 – Board of Directors, the Board's Nomination Committee has completed its succession plan for Helen Mahy, Shelagh Mason, Jon Bridel (each joining the Board in 2013) and Klaus Hammer (who joined the Board in 2014) with the appointments of John Whittle (in 2021), Erna-Maria Trixl, Richard Morse (each in 2022) and Selina Sagayam (who will join the Board in 2023).

The Nomination Committee is mindful of the recommendations of the Hampton Alexander Review on gender diversity and the Parker Review on ethnic diversity, and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management. Following the conclusion of the Nomination Committee's succession plan, with the retirement of Klaus Hammer from the Board and the appointment of Selina Sagayam, the composition of the Board of Directors will be aligned with each of these frameworks.

The Board recommends the re-election of each Director and supporting biographies are disclosed in Section 4.1 (page 102) of this annual report.

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

The attendance record of Directors for the period to 31 December 2022 is set out below:

	Quarterly Board meetings	Audit Committee	Management Engagement Committee	Remuneration Committee	Nomination Committee	Market Disclosure Committee
Number of meetings*	4	4	3	3	4	5
Meetings Attended:						
H Mahy (resigned 31 Oct)	3	N/A**	2	2	3	3
J Bridel (resigned 27 May)	2	2	1	1	2	2
S Mason (resigned 28 Feb)	1	1	1	1	1	1
K Hammer	4	4	3	3	4	5
T Feld	4	4	3	3	4	5
J Whittle	4	4	3	3	4	5
R Morse (appointed 18 July)	2	N/A**	2	2	2	3
E-M Trixl (appointed 1 March)	3	3	2	2	3	4

* Every Director was present for every meeting available for them to attend. Some Directors served part but not all of the year and hence attended meetings for part but not all of the year.
**Helen Mahy and Richard Morse were not members of the Audit Committee during 2022 and attended only at the invitation of the Committee

During the period a further 28 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 regularly considers the Company's strategy with regard to market conditions and feedback from shareholders received directly or from the Managers and the Company's joint corporate brokers. 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.

The Board and the governance arrangements continued to operate effectively during 2022.

Performance Evaluation

The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis. The Board also employs an independent adviser to conduct a formal evaluation of the effectiveness of the Board with a frequency of at least once every three years. During the year, such a formal evaluation of the effectiveness of the Board was carried out by BoardAlpha Limited, an independent consultant. BoardAlpha

4.3 Corporate Governance Statement (continued)

attended Board and Committee meetings, interviewed each Director independently, as well as the Managers and Company Secretary. BoardAlpha does not have any other connection with the Company and its Directors.

BoardAlpha Limited concluded in their report that the Board is functioning at a high level. The report commented that the Board has a tight grasp of strategic issues, with a strong level of involvement, and provides constructive challenges to the Managers. Through detailed reporting from the Managers, the Board has excellent oversight of the portfolio, operations and investing activity and has a strong drive to protect shareholder interests. Board members were considered to be well prepared for meetings, and effective and professional in their decision-making and boardroom behaviour. BoardAlpha noted that the Company's Board had undergone a significant degree of evolution recently and that the transition of the Board's membership appeared to have been smooth and with good handover periods. Overall, BoardAlpha concluded that the Board worked well with the Managers, Company Secretary and other service providers and demonstrated a high standard of corporate governance. A number of useful recommendations of an administrative nature were made by BoardAlpha that the Company has taken on board.

The Board continues to monitor training for Directors. The Directors consider and regularly report their training needs and continuing professional development and training carried out. For example, during the year, the Directors attended courses on relevant subjects including cyber security, risk management, tax, sustainability and diversity. The Directors have indicated a desire for a more formalised and regular training, a programme of which is being developed with the Company Secretary.

Site visits are considered important to the Board's oversight of the Company. The last three years have presented logistical challenges associated with Covid-19 such as travel restrictions and social distancing requirements. Nonetheless, Erna-Maria Trixl visited one of the Company's UK onshore wind projects with the Managers and Investors once restrictions were removed. The Managers are working with the Board to select sites for annual Board visits to help build a stronger understanding of the operational environment of the Company on a day-to-day basis.

A key element of the Board's role is to engage with investors, including to provide reassurance as to the robustness of their oversight of the business. During 2022, the outgoing Chairman of the Company, Helen Mahy, and incoming Chairman Richard Morse met a number of institutional shareholders and answered questions on the Company's governance. All members of the Board also had the opportunity to meet investors at the Company's Capital Markets Day in April 2022. Shareholders are also able to attend or dial into and ask questions of the Directors at the Company's Annual General Meeting.

Given responsible investment considerations are at the heart of the Company's strategy, the Board will be establishing a further committee to specifically considering ESG and Sustainability. As the Company grows in size and complexity, it is considered that the formation of this committee will provide more focused consideration of these important topics.

The Directors engage with the senior leadership of both Managers to understand succession planning at each of the Managers' organisations. Towards the end of 2022, there was also an increase in the contact between the Board and the day-to-day management team of TRIG to delve into specific matters in more detail as required and leverage the particular skill set of individual Board members, as well as help utilise the time at Board meetings most effectively as the Company continues to grow in complexity.

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 2022 and since the launch of the Company in 2013.

As with the previous Directors of TRIG, the current Board is diverse in its composition and thought processes. The Directors have a breadth of experience relevant to the Company. The members of the Board strive to challenge each other and the Company's Managers constructively and examine issues from multiple perspectives. The Board has a very high level of confidence in both managers. Notwithstanding this, the Board is deeply cognisant of its responsibilities to shareholders and holds the Managers to account on their progress on the execution of the Company's strategy, approach to sustainability and focus on responsible investment.

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 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 2022 are as follows:

	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	Market Disclosure Committee
Chairman	J Whittle	T Feld	H Mahy (until October)/ R Morse (from 1 November)	K Hammer	H Mahy (until 31 October)/ R Morse (from 1 November)
Members	T Feld	R Morse	T Feld	R Morse	T Feld
	K Hammer	K Hammer	K Hammer	T Feld	K Hammer
	E-M Trixl	E-M Trixl	E-M Trixl	E-M Trixl	E-M Trixl
		J Whittle	J Whittle	J Whittle	J Whittle

Nomination Committee

The main terms of reference of the Committee are:

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

The Nomination Committee met four times during 2022.

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

4.3
Corporate Governance Statement (continued)

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 2022 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 2022 and no material issues were identified in connection with their respective appointments.

During the year, the Management Engagement Committee and the Investment Managers conducted an independent tender for a joint Corporate Broker mandate for the Company. The tender process was carried out by the Investment Manager with the involvement of the Management Engagement Committee in the shortlisting and final selection. As a result of the process, the Board chose to appoint BNP Paribas to become joint Corporate Broker, alongside Investec, to the Company.

Details of the activities of the Remuneration Committee and the Audit Committee are set out in Section 4.5 and Section 4.4, 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.
- ▲ To ensure that effective arrangements are in place to prevent access to inside information.

The Market Disclosure Committee met five times during 2022.

Relations with Shareholders – AIC Code Principle D
The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Investment Manager produces a regular factsheet which is available on the Company's website. Senior members of the Investment Manager and Operations Manager make themselves available, as practicable, to meet with principal shareholders and key sector analysts. Feedback from these meetings is provided to the Board on a regular basis. The Board is also kept fully informed of all relevant market commentary on the Company by the Company's Financial PR agency, as well as receiving relevant updates from the Managers and the Company's brokers. During the period, the Chairman of the Board met seven separate institutional shareholders of the Company, providing the chance for Shareholders to have a dialogue directly with the Board.

The Company reports formally to shareholders twice a year and will hold an Annual General Meeting in Guernsey in May 2023, at which members of the Board will be available to answer shareholder questions.

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

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

4.4
Audit Committee Report

The Audit Committee which has been in operation since the inception of the Company is chaired by John Whittle, who took over the chair of the committee from Jon Bridel in May 2022. The Audit Committee operates within clearly defined terms of reference and comprises all of the Directors other than the Chairman (who is not a member in accordance with provision 24 of the UK Corporate Governance Code). It is also the formal forum through which the auditor reports to the Board of Directors. The Audit Committee met four times in 2022 (it meets at least three times annually).

The main duties of the Audit Committee are:

- giving full consideration of, and recommending to the Board for approval, the contents of the interim 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 the external audit plan with the auditor, 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;
- monitoring ESG performance in line with the Company's ESG goals and ensuring appropriate disclosures with respect to these targets are reported and reviewed;
- 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 Chair of the Audit Committee meets with the Audit Partner (without the Managers being present) to discuss the results of their procedures performed ahead of the Audit Committee meeting twice a year in advance of the issue of the Annual Report and the interim financial report. 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, John Whittle, is a fellow of the Institute of Chartered Accountants in England and Wales and holds the Institute of Directors Diploma in Company Direction. John is also the chairman of the audit committee for another listed investment company and he is a non-executive Director of several listed and unlisted companies. Previously, John served as the Finance Director of a financial services business and CEO of a large mobile telephone business. Prior to John's appointment as a Non-executive Director of the Company in July 2021, John served for 12 years as a Non-executive Director, including as Audit Committee Chair and Senior Independent Director, at International Public Partnerships Ltd (INPP), the FTSE 250 infrastructure investment company. John has extensive experience in audit, governance and investment companies. Overall, John has 44 years' post qualification accounting experience.

Following a handover period of 10 months working alongside the previous Chair of the Audit Committee (Jon Bridel), John took over the Chair of the Audit Committee in May 2022.

The Board is satisfied that John and Jon have recent and relevant financial experience as required under the UK Corporate Governance Code. The other members of the Audit Committee during the year were Shelagh Mason (who retired 28 February 2022), Klaus Hammer, Tove Feld and Erna-Maria Trixl (who was appointed 1 March 2022). Klaus, Tove and Erna-Maria have extensive experience of the renewables sector. The qualifications of the Audit Committee members are outlined in the Directors' Biographies in Section 4.1.

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 relate to the valuation of the investments.

4.4 Audit Committee Report (continued)

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 and TRIG UK I) as at 31 December 2022 was £3,323m (2021: £2,636.8m). 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 2022 prior to the year-end valuation process and again in February 2023 as part of the year-end sign-off process. The Committee met with the auditor when it reviewed and agreed the auditor's Group audit plan and also at the conclusion of the audit of the financial statements, in particular discussing the valuation process. The Investment Manager carries out a valuation semi-annually and provides a detailed valuation report to the Company. The Company also engaged a third-party valuation expert to provide an independent valuation at June 2022 and also to review the valuation discount rates at December 2022. In July 2022 the expert provided a report to the Audit Committee that corroborated the valuation of the portfolio as at June 2022. The expert also provided a report to the Audit Committee in February 2023 confirming that the discount rates adopted at 31 December 2022 were reasonable.

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

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

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

The Audit Committee considers the remaining operating life assumptions in light of public information provided by the Company's peer group and reports provided by the Operations Manager during the year, considering the remaining operational lives for investments and considering any potential extension of those lives and the recognition of additional value resulting to be appropriate. The independent valuation carried out in June 2022 also supported the assumed operating lives.

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

Valuation Discount Rates
The bifurcated discount rates adopted to determine the valuation are selected and recommended by the Investment Manager. The Company uses a bifurcated discount rate approach (as more fully explained on page 56).

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 (using a discounted cash flow methodology). The resulting valuation is sensitive to the discount rates 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, information available from peer group companies and an independent review of valuation discount rates by a third-party valuation expert both at December 2021 and at December 2022) and satisfied itself that the rates applied were appropriate.

Auditor Interaction
The external auditor explained the results of their review of the valuation, including their consideration of the Company's underlying cash flow projections, the macro economic assumptions and discount rates to the Audit Committee. On the basis of their audit work there were no adjustments proposed that were material in the context of the financial statements as

a whole. Please refer to Section 5 for the Independent Auditor's Report to the Members of The Renewables Infrastructure Group Limited.

Internal Controls and Risk Management

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

The process is 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 ongoing 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 the processes in place in relation to the Company, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary. There is no impact on the work of the external auditor as a result of not having an internal audit function.

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 at least 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 first appointed to be external auditor for the TRIG Group on 19 September 2013 and reappointed for a second time following an extensive audit tender process that concluded in December 2021. Deloitte's reappointment was subsequently ratified by shareholders at the Company's AGM in May 2022.

In line with the UK Corporate Governance Code and in particular the requirement to put the external audit out to tender at least every 10 years, the Audit Committee conducted a tender exercise for the external audit of the Company during 2021, as communicated fully in the Audit Committee report 12 months ago. The tender exercise was run during the ninth year of Deloitte's appointment as the Company's auditor. The Company intends to run the next audit tender process within 10 years of the recently run process – i.e. during or before 2031.

The 2021 audit tender process took into consideration best practice in line with the 2018 UK Corporate Governance Code and the 2019 AIC Code of Corporate Governance. This ensured a fair, robust and independent tender process was conducted to ensure the Company appointed the most suitable firm.

At the conclusion of the 2021 audit tender process and following the Audit Committee review of submissions and in-person presentations from shortlisted firms, the Committee members resolved to recommend the continuing appointment of Deloitte as auditors, deeming this course of action to be in the best interests of shareholders, by virtue of the strength and experience of the Deloitte audit team and lack of demonstrable differentiation shown by challengers.

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

4.4
Audit Committee Report (continued)

independence and objectivity, the Audit Committee ensures that any other audit-related and/or other assurance services provided by the external auditor does not conflict with their statutory audit responsibilities.

Audit-related and/or other assurance services generally relates to the review of the interim financial statements and other assurance work generally completed by the auditor. Any non-audit services conducted by the external auditor require the consent of the Audit Committee. The external auditor may undertake additional work for the Company, however this is limited to specific services permitted in line with the FRC's "whitelist" of non-audit services. In general, the Company seeks to avoid using Deloitte for non-audit services and the Audit Committee will only approve their appointment for such non-audit services where the Committee is convinced that Deloitte are best placed to carry out this work and that the appointment would not impair their audit independence.

Total fees paid amounted to £931,616 for the year ended 31 December 2022, of which £246,407 related to audit and audit-related services to the Company and its subsidiaries, TRIG UK and TRIG UK Investments, and £607,098 related to audit of the Group's project subsidiaries and other audit-related services. The non-audit services provided by Deloitte in the year to the Company and its subsidiaries are in relation to the review of the interim financial statements at the half year totalling £52,615 and minor other services of £25,496. In addition, audit fees of £31,000 were agreed in the current year in respect to the prior year.

European Union (EU) statutory audit legislation stipulates that fees for permissible non-audit services in the current year should not exceed 70% of the average audit fees paid by the group in the last three consecutive financial years. The Audit Committee monitors auditor independence and considers these criteria as part of this role. For 2022, non-audit services did not exceed the aforementioned limits.

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 Partner for the Company is John Clacy. Deloitte rotates the Audit Partner every five years and the most recent rotation took place during 2019.

The Audit Committee confirms that TRIG has complied with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 since it became a member of the FTSE 250 Index on 18 December 2015 and up to 31 December 2022. Deloitte were appointed as external auditor in 2013 following a competitive process and reappointed in 2022 following an extensive audit retender exercise and the Audit Committee terms of reference are in line with the Order.

The Committee conducts a formal review of Deloitte following the issue of the annual financial statements as it did in 2022 to ensure that the Committee considers all aspects of the auditor's service and performance. The outcome of the review in May 2022 was positive and led to no material concerns over the performance of the auditor. The Committee will perform a similar review in May 2023.

The Audit Committee remains satisfied with Deloitte's effectiveness and independence as auditor, having considered the degree of diligence and professional scepticism demonstrated by them.

Having satisfied itself that the external auditor remains independent and effective, and having concluded a full audit tender process, the Audit Committee has recommended to the Board that Deloitte LLP be reappointed as auditor for the year ending 31 December 2023.

Audit Committee Performance Evaluation

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

Financial Reporting Council Review

During the year, the Financial Reporting Council ("FRC") Corporate Reporting Review team reviewed the Company's financial statements for the year ended 31 December 2021.

The FRC did not raise any questions or queries requiring correspondence as a result of its review but did make a number of suggestions for changes to the disclosures. The Committee considered the changes to disclosures as made by management in the 2022 Annual Report and are satisfied that the suggestions raised by the FRC had been adequately addressed.

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

4.5
Directors' Remuneration Report

The Remuneration Committee, chaired by Tove Feld and comprising all the Directors, operates within clearly defined terms of reference. Tove Feld was appointed Chair of the Remuneration Committee on 1 March 2022 following Shelagh Mason's retirement from TRIG's Board of Directors.

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 Chair 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 there are no other incentive programmes or performance-related emoluments.

During the year, the Committee considered the external advice received from Trust Associates in 2020, which noted that should inflation rise significantly, the Remuneration Committee could then consider greater increases than in previous years. As such, the Remuneration Committee procured further external advice from Trust Associates as to the appropriate fees for 2023 given the high level of inflation being experienced. The Committee's 2022 review of Directors' remuneration also took into account *inter alia* fair and equitable treatment of Directors, market conditions and changes in the activities and scale of the Company. The Committee's review of Directors' remuneration considered:

- The increase in the net assets of TRIG, the number of assets in the portfolio, the size of individual assets and co-investing and partnering activities;
- The time commitment required to appropriately perform each Director's role and their responsibilities in respect of TRIG;
- Additional fees where a Director's duties extend beyond those normally expected as part of the Director's appointment (e.g. Chair of the Board or one of its Committees, or Senior Independent Director); and
- Market remuneration levels, including *inter alia* with reference to the renewables and infrastructure investment company peer group, to attract and retain high-calibre directors.

The Committee proposes and the Board has, subject to Shareholders' approval, agreed to implement increases of between 4-5% as set out in the table below, which is within the guidance provided by Trust Associates. The proposed remuneration for the Chair of the Board remains less than that previously proposed by Trust Associates in 2020, and balances the increase in time commitment to perform the role and the level of remuneration presented to candidates through the Board succession recruitment process, with the ongoing challenging economic conditions resulting from the pressure on the cost of living from high rates of inflation notwithstanding that the operations of the Company are continuing with no material adverse effect.

The Remuneration Committee has commissioned an external, independent review of Directors' remuneration in 2023.

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 Chair of the Board, the Senior Independent Director and the Chair of each of the Board's committees to be remunerated in excess of the remaining Board members to reflect their increased roles of responsibility and accountability;
- be paid quarterly in arrears;
- include remuneration for additional, specific corporate work which shall be carefully considered and only become due and payable on completion of that work; and
- be reviewed by an independent professional consultant with experience of investment companies and their fee structures, at least every three years.

The maximum annual limit of aggregate fees payable to the Directors as set in the Articles of Association is £450,000.

Remuneration Committee

The Remuneration Committee met three times during 2022 to consider the remuneration of the Directors. Its membership comprised all Directors of the Company, which was deemed appropriate as they are each independent and have the requisite knowledge of the Company and experience to appropriately determine remuneration.

The table below sets out the Remuneration Committee's recommendation for annual base fees for 2023:

Role	2023 Remuneration	2022 Remuneration
Chair of the Board	£92,500	£88,000
Director	£56,500	£54,000

The Remuneration Committee confirmed its recommendation for the annual supplement for the additional responsibilities and activities of Directors:

Role	2023 Additional remuneration	2022 Additional remuneration
Senior Independent Director	£3,500	Nil
Audit Committee Chair	£13,000	£12,500
Other Committee Chair*	£3,500	£3,500

* Paid to the chair of the Management Engagement Committee, Remuneration Committee and new committees formed; excludes the Nomination Committee and the Market Disclosure Committee, which are chaired by the Chair of the Board and are included in the fee payable to the Chair of the Board.

The table below sets out the Directors' remuneration approved and actually paid for the year to 31 December 2022 as well as the estimated remuneration for the year ending 31 December 2023 based on the rates set out in the tables above. Where Directors serve for part of the year their fee is pro-rated accordingly. Where a Director's role changes during the year (e.g. succession of roles such as that of the Chair), their fees for the year will reflect the period of the year for which they have borne additional responsibilities.

Director	Role	2023 Remuneration	2022 Remuneration
H Mahy	Chair (Resigned 31 October 2022)	N/A	£73,413
J Bridel	Audit Committee Chair (Resigned 27 May 2022)	N/A	£27,038
S Mason	Senior Independent Director and Remuneration Committee Chair (Resigned 28 February 2022)	N/A	£9,424
K Hammer	Management Engagement Committee Chair	£21,370[68]	£57,500
T Feld	Remuneration Committee Chair (from 1 March 2022) Senior Independent Director (from 18 July 2022)	£63,500	£56,087
J Whittle	Senior Independent Director (from 1 March 2022 – 17 July 2022) Audit Committee Chair (from 28 May 2022)	£69,500	£62,292
R Morse	Director (Appointed 18 July 2022) Chair (from 1 Nov 2022)	£92,500	£30,141
E-M Trixl	Director (Appointed 1 March 2022)	£56,500	£45,150
S Sagayam	Director (Appointment with effect from 1 March 2023)	£47,367[69]	–
	Management Engagement Committee Chair	£2,253[70]	–
	ESG / Sustainability Committee Chair	£2,052[71]	–
Total		£355,042	£361,044

No additional fees were payable to the Directors in 2022. 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.

68 Presented in the table as the annual fee of £60,000, pro-rated for January to mid-May 2023 (inclusive). It is intended that Klaus Hammer will resign from the Board at the Company's 2023 AGM.
69 Presented in the table as the annual fee of £56,500, pro-rated for March to December 2023 (inclusive).
70 Fee for the successor to Klaus Hammer as Management Engagement Committee Chair. The annual fee of £3,500 has pro-rated for mid-May to December 2023 (inclusive).
71 As reported in the Governance Report, it is the intention of the Board to form a new committee focused on ESG/sustainability effective June 2023. The annual fee of £3,500 has pro-rated for June to December 2023 (inclusive).

4.5
Directors' Remuneration Report (continued)

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 2022 was £11,477.

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

Directors' Interests

The Directors of the Company as at 31 December 2022, and their interests in the Ordinary Shares of the Company, are shown in the table below.

	31 December 2022 Ordinary shares	31 December 2021 Ordinary shares
Klaus Hammer	47,104	29,094
Tove Feld	59,519	48,646
John Whittle	73,900	51,200
Erna-Maria Trixl	23,000	N/A
Richard Morse	41,350	N/A

Some of the Directors' shares may be held by their close associates. 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

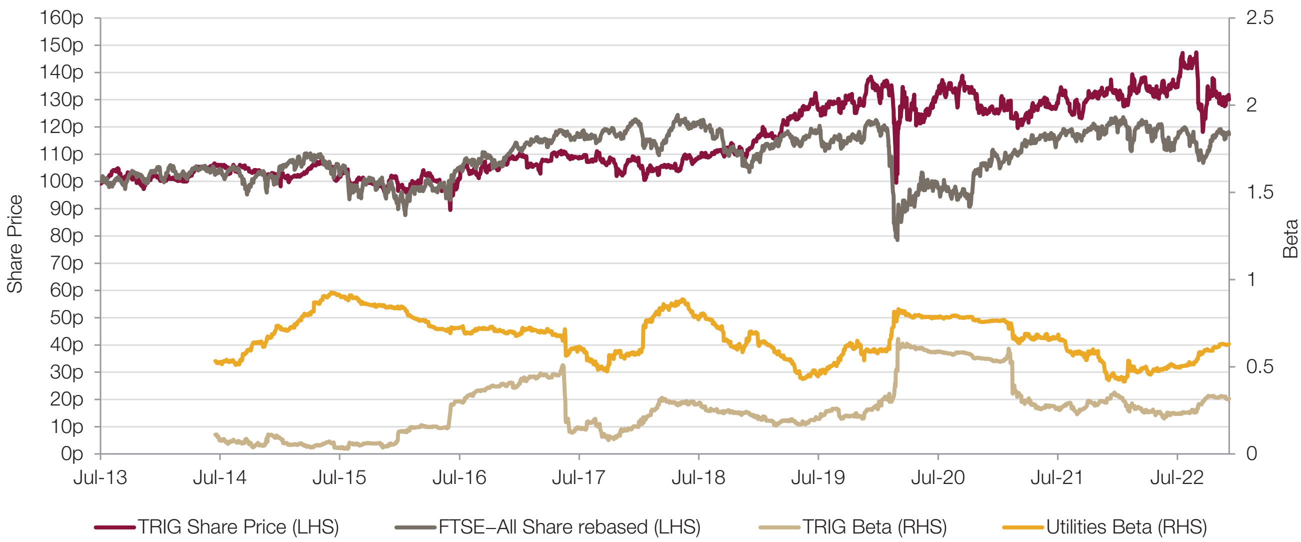
At the last AGM, held on 27 May 2022, the following resolution including Directors, Remuneration was approved:

Ordinary Resolution 9 – To approve the Directors' remuneration report, including 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 2022:

	Shares voted	Percentage
In Favour	1,772,322,035	99.56
Against	7,914,894	0.44
Withheld	413,379	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 2022, the Total Shareholder Return (on a share price basis) for the Company was 1.8% (2021: 11.3%) versus 0.3% for the FTSE-All Share Index (2021: 18.3%). Over the period from the IPO in July 2013 to 31 December 2022, the annualised Total Shareholder Return for the Company was 8.7% and for the FTSE-All Share it was 5.4%.



Source: Thomson Reuters Datastream

4.6
Report of the Directors

The Directors present their report and accounts of the Company for the year to 31 December 2022.

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 Operations Report and Valuation of the Portfolio sections (Sections 2.3 and 3.1) 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 2022 for an aggregate annual dividend of 6.84p (2020: 6.76p) per share as follows:

- 1.71p per share was declared on 5 May 2022, to shareholders on the register as at 13 May 2022, paid on 30 June 2022,
- 1.71p per share was declared on 1 August 2022, to shareholders on the register as at 12 August 2022, paid on 30 September 2022,
- 1.71p per share was declared on 10 November 2021, to shareholders on the register as at 18 November 2021, paid on 31 December 2022, and
- 1.71p share was declared on 2 February 2023, to shareholders on the register on 9 February 2023, to be paid on 31 March 2023.

The Company had one class of share capital, Ordinary Shares, in issue as at 31 December 2022.

Shares in Issue

Ordinary Shares in issue have increased during the year from 2,267,246,415 to 2,482,824,562 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 2021	Opening position	-	2,267,246,415
28 March 2022	Share issue and Primary Bid offer	210,104,535	2,477,350,950
31 March 2022	Issue of shares to the Managers in lieu of fees relating to H2 2021	857,254	2,478,208,204
31 March 2022	Issue of scrip dividend shares in lieu of 2021 4th (Q4) interim dividend	1,750,412	2,479,958,616
30 June 2022	Issue of scrip dividend shares in lieu of 2022 1st (Q1) interim dividend	1,044,593	2,481,003,209
30 September 2022	Issue of shares to the Managers in lieu of fees relating to H1 2022	748,569	2,481,751,778
30 September 2022	Issue of scrip dividend shares in lieu of 2022 2nd (Q2) interim dividend	1,072,784	2,482,824,562
31 December 2022	Closing position	-	2,482,824,562

Share Issues in the Year

In 2022, the Company issued 210m shares at a strike price of 132.0p each in a single equity issue by way of a non-pre-emptive tap issuance (excluding the issuance of Managers' shares and scrip issues). This issue raised gross proceeds of £277m at a premium to NAV.

The net proceeds of this fund raise were used to acquire assets over the year for the TRIG portfolio and to pay down the Company's revolving credit facility. At 31 December 2022, the Company's credit facility was £399m drawn.

Shares Issued to the Managers

The Managers are paid 20% of their annual management fee (up to an adjusted portfolio value of £1bn) and advisory fees in shares. In relation to this, 857,254 shares were issued in March 2022 (557,215 to the Investment Manager and 300,039 to the Operations Manager) relating to fees for the second six months of 2021. A further 748,569 shares were issued in September 2022 (486,570 to the Investment Manager and 261,999 to the Operations Manager) relating to fees for the first six months of 2022. Shares in lieu of fees relating to the second six months of 2022 (expected to be 758,686 shares in total – comprising 493,146 to the Investment Manager and 265,540 to the Operations Manager) are to be issued in March 2023. (See Note 18 to the financial statements for further detail).

4.6
Report of the Directors (continued)

For the calculation of Net Asset Value ("NAV") per share as at 31 December 2022, 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 2,424,009,954 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 2,424,009,954.

In addition, senior representatives and connected individuals of the Managers hold approximately 2.4 million shares.

As a result of the share issues during the year and the expected issuance to the Managers in March 2023, the number of shares in the Company held by the Investment Manager is expected to be 5,683,349 and the number of shares held by the Operations Manager is expected to be 9,524,375.

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 2023.

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 a dividend.

The scrip dividend alternative was offered to shareholders in relation to the first and second interim dividends declared for the year ended 31 December 2022. A scrip alternative will again be offered to shareholders if the share price is above the net asset value and a scrip dividend circular will be published separately in May 2023 with details of the scrip dividend alternative for 2023. 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 3.1%.

Guernsey regulatory environment

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

Directors

The Directors who held office during the year to 31 December 2022 were:

Richard Morse (Chairman) (appointed 18 July 2022)
John Whittle
Tove Feld
Klaus Hammer
Erna-Maria Trixl (appointed 1 March 2022)
Shelagh Mason (resigned 28 February 2022)
Jonathan (Jon) Bridel (resigned 27 May 2022)
Helen Mahy CBE (resigned 31 October 2022)

Directors due to be appointed after 31 December 2022 were:

Selina Sagayam (to be appointed 1 March 2023)

Biographical details of each of the Directors are shown in Section 4.1 (page 102).

Investment Manager

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

Operations Manager

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

Further details of the Managers are provided in Section 2.1 (page 14) of the Strategic Report.

Broker, Administrator and Company Secretary

The Company's joint brokers during the year to 31 December 2022 were Investec Bank PLC, Liberum Capital Limited (acting until September 2022) and BNP Paribas (appointed 25 October 2022).

The Company's Administrator during the year to 31 December 2022 is Aztec Financial Services (Guernsey) Limited.

Substantial Interests in Share Capital

As at 31 December 2022, 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
Rathbones	169,102,771	6.81%
Newton Investment Management	138,304,018	5.57%
Quilter Cheviot	135,049,825	5.44%
Investec Wealth & Investment	127,151,009	5.12%

Donations

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

Payment of Suppliers

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

Criminal Finances Act

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

Going Concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in Section 3.2 (page 67), Analysis of Financial Results of the Strategic Report. In addition, Notes 1 to 4 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has the necessary financial resources to meet its obligations for the foreseeable future. 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.

On 3 February 2023, the revolving credit facility was renewed and extended from £600m to £750m with an expiry date of 31 December 2025. The revolving credit facility includes a working capital component of £45m and is 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 Company has a number of commitments related to the construction of assets held within the portfolio and has sufficient headroom in its revolving credit facility to finance these activities.

The Company has sufficient headroom on its revolving credit facility covenants. These covenants have been tested and relate to interest cover ratios and group gearing limits and the Company does not expect these covenants to be breached. The Company and its direct subsidiaries have a number of guarantees, detailed in note 20 of these financial statements. These guarantees relate to certain obligations that may become due by the underlying investments over their useful economic lives. We do not anticipate these guarantees to be called in the next 12 months and in many cases the potential obligations are insured by the underlying investments.

The Directors have assessed ongoing risks (such as recovery from Covid-19, rising inflation and interest rates, the Ukraine conflict, and global supply chain issues) and do not believe that there is a significant risk to the business as a result of these uncertainties and will continue to monitor any future developments.

The Company is affected by climate-related risks, as set out in the Company's TCFD reporting, and the Board consider these when they assess the Company's ability to continue as a going concern. The Company continues to assess, monitor and where necessary and possible, mitigate and manage these risks.

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.

4.6
Report of the Directors (continued)

Internal Controls Review

Taking into account the information on emerging and principal risks and uncertainties provided in Section 3.4 – Risk and Risk Management and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board (see Section 4.4, the Audit Committee Report), the Directors:

- are satisfied that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- are satisfied the Company has adequate safeguards and procedures in place to function effectively and ensure operational continuity in the event of a major business interruption (such as a pandemic or cyber attack) including step-in plans for key personnel and systems;
- continue to monitor emerging risks facing the company, including but not limited to the ongoing conflict in Ukraine, inflationary pressures and constraints in global supply chains; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

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

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

- review the Company's risk dashboard and framework each quarter;
- consider each Manager's compliance with their own internal controls each quarter;
- receive presentations from each Manager on the effectiveness of these controls and their internal controls environment at least annually;
- consider the Company's risk appetite, agree this with the Managers and document this;
- assess the impact of a major business interruption (such as a pandemic) on the Company;
- identify key personnel, systems and document step-in plans to ensure business continuity; 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 27 May 2022 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 (5 May 2021) 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

Richard Morse

21 February 2023

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

4.7
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 requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping proper 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

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

This responsibility statement was approved by the Board of Directors on 21 February 2023 and is signed on its behalf by:

21 February 2023

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

Jadraas, Sweden

05 Independent Auditor's Report

5.1
Independent Auditor's Report
to the Members of The Renewables Infrastructure Group Limited

Report on the audit of the financial statements

1. Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the related notes 1 to 23.

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

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the company for the year are disclosed in note 7 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

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

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: ▲ The assessment of the fair value of investments Within this report, key audit matters are identified as follows: Similar level of risk
Materiality	The materiality that we used in the current year was £66.0m which was determined on the basis of 2% of shareholders' equity. A lower materiality threshold of £4.2m based upon 3% of income from investments (excluding fair value movements in the portfolio valuation) was applied to balances in the income statement and balance sheet, excluding fair value of investments and derivatives balances and their associated fair value movements.
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 have been no significant changes in our approach.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's going concern paper, identifying the assumptions applied in the going concern assessment;
- assessing the reasonableness of assumptions used in the forecasts including the impact of climate change and energy market disruption;
- evaluating consistency of the forecast assumptions applied in the going concern assessment with forecasts used within the investment valuation;
- testing of clerical accuracy and our assessment of the integrity of the model used to prepare the forecasts;
- assessing the historical accuracy of forecasts prepared by management;
- reviewing the revolving credit facility (RCF), as renewed and extended in January 2023, including consideration of availability and compliance with covenants;
- assessing the future commitments and guarantees of the company; and
- considering the amount of headroom in the forecasts (cash and revolving credit facility covenants).

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

In relation to the reporting on how the company has applied the Association of Investment Companies Code of Corporate Governance, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1
Independent Auditor's Report

to the Members of The Renewables Infrastructure Group Limited (continued)

<table>
<tr><th colspan="2">5.1 The assessment of the fair value of investments</th></tr>
<tr><td>Key audit matter description</td><td>The company's investments held at fair value at 31 December 2022, comprise of investments in intermediate holding companies and equity and subordinated debt interests as well as mezzanine level bonds in wind farm, solar park and battery storage projects. The company, its subsidiaries and its portfolio of investments are known as "the Group". These investments are classified at Level 3 within the IFRS 13 fair value hierarchy and their valuation requires significant judgement.

The company's portfolio continues to grow, having increased by £685.8m in the year to £3,322.6m at 31 December 2022 (31 December 2021: £2,636.8m). The investment was funded through the issue of equity and drawdown of the Group's revolving credit facility.

Certain assumptions used in the determination of fair value are a key source of estimation uncertainty, which is why we consider there to be a risk of material misstatement as well as a potential for fraud through possible manipulation of this balance. As there is no liquid market for these investments, they are measured using a discounted cash flow methodology. The complex nature of this methodology, combined with the number of significant judgements, means there is a risk that the fair value of the investments could be misstated.

The key assumptions and judgements have been summarised as:
▲ Discount rates – the determination of the appropriate bifurcated discount rates for each investment that is reflective of current market conditions and specific risks of the investment;
▲ Forecast power prices, including the consideration of government imposed levies and caps, forward prices, cannibalisation (as explained on page 58), and the impact of climate change; and
▲ Forecast inflation rates in the short-term and long-term for the applicable geographies where the company has investments.
The audit committee have set out their consideration of the risk on page 116 and it is disclosed as a critical accounting judgement and a key source of estimation uncertainty in Note 3 of the financial statements. A breakdown of the investments and the assumptions applied to the valuation and related sensitivities are described in Note 4 of the financial statements.</td></tr>
</table>

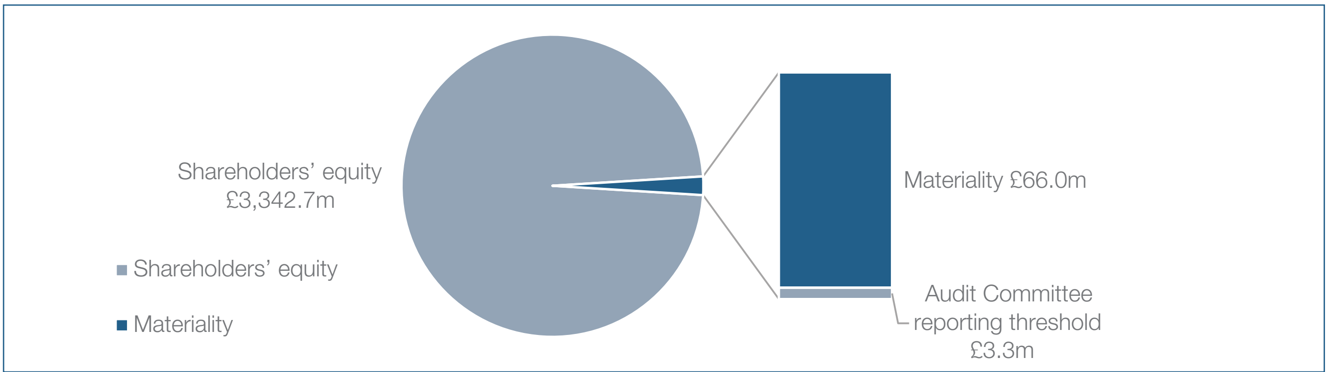
How the scope of our audit responded to the key audit matter	We challenged the key judgements and assumptions in our assessment of the fair value of investments as well as the sensitivity of the valuation to reasonably possible changes in these assumptions. Our audit procedures included the following: ▲ obtaining an understanding of the relevant controls in respect of the valuation process adopted by the Investment Manager and Board, including the incorporation of new acquisitions and updates to the valuation models used at 31 December 2022; ▲ holding meetings with key management personnel (including advisors Fred Olsen and Renewable Energy Systems (RES)) to understand the performance of the fund and of the underlying Special Purpose Vehicles (SPVs); ▲ disaggregating projects based upon our risk assessment with detailed model review procedures performed on higher risk projects using analytics and performing analytical reviews on the remainder of the projects in order to challenge the cash flow projections and explanations for significant movements in the forecast; ▲ involving our valuation specialists in assessing the bifurcation discount rate methodology and benchmarking the discount rates against comparable market participants and transactions and considering the inherent risk profile of the underlying cash flows specific to each investment; ▲ evaluating the inflation rate assumptions included in the forecasts with reference to observable market data and external forecasts; ▲ evaluating the power price curves used in the model through independent recalculation of the curves and agreement of inputs back to external source data; ▲ assessing the independent advice received by the company in respect of power prices and discount rates and meeting with those advisors where appropriate to understand the methodology used and challenge key assumptions through the use of benchmarking against third party sources; ▲ reviewing government publications on the mechanisms of the generation levies and caps and the appropriateness of their application within the valuation; ▲ involving our tax specialists in assessing the tax treatment of portfolio level reliefs; ▲ assessing the impact of climate change on the power price curves, in respect of the wholesale curves selected and cannibalisation rates, used within the fair value of the investments; ▲ reviewing the share purchase agreements for any newly acquired assets in order to determine the acquisition cost and the nature and amount of any deferred consideration that may be embedded in the valuation; ▲ understanding and challenging management's process for determining costs to complete for projects in construction through review of the estimated costs to complete; ▲ assessing the incorporation of the assumptions into the valuation and the correct application of the selected discount rates; and ▲ evaluating the adequacy of the disclosures made in the financial statements including the sensitivities applied to the valuation.
Key observations	Based on the audit procedures performed and our benchmarking of assumptions we identified that some areas of the valuation were more conservative, including certain power price assumptions in the near-term offset by other more optimistic judgements including lower discount rates for certain projects. We concluded in aggregate that the assumptions are within the acceptable range of reasonably possible alternatives and that the fair value of investments is reasonable.

5.1
Independent Auditor's Report
to the Members of The Renewables Infrastructure Group Limited (continued)

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

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

Materiality	£66.0m (2021: £54.0m)
Basis for determining materiality	2% of shareholders' equity (2021: 2% of shareholders' equity)
Rationale for the benchmark applied	We consider equity to be the key benchmark used by shareholders of the company in assessing financial performance. The reason for the significant increase in materiality relates to the growth in this benchmark, which has been primarily driven by increases in investments at fair value through profit or loss.



A lower materiality threshold of £4.2m (2021: £3.1m) based upon 3% of income from investments (excluding fair value movements in the portfolio valuation) has also been used. This has been applied to balances in the income statement and balance sheet, excluding fair value of investments and derivatives balances and their associated fair value movements, due to qualitative factors of stakeholder interest.

6.2. Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 70%). In determining performance materiality, we considered the following factors:

a. the quality of the control environment; and

b. the low level of corrected and uncorrected misstatements identified in the prior period.

6.3. Error reporting threshold
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £3.3m (2021: £2.7m) in respect of the balances associated with the portfolio valuation, and all audit differences in excess of £0.21m (2021: £0.16m) for all other balances, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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

As the company is an investment entity under IFRS 10, its subsidiaries are measured at fair value rather than consolidated on a line-by-line basis. Therefore, the company has been treated as having only one component and all of the audit work was performed directly by the audit engagement team.

7.2 Our consideration of the control environment

We have obtained an understanding of the control environment and the relevant controls around journal entries, the financial reporting process, the valuations process and relevant controls operating at the Investment Manager as a key service provider to the company.

7.3. Our consideration of climate-related risks

Management has considered transition and physical risks when factoring in climate change as part of their risk assessment process when considering the principal risks and uncertainties facing the company. These risks have been focused on the assumptions underlying the valuation of investments, and include power price forecasts, energy yields, asset availability and maintenance costs. In our evaluation of the climate-related risks facing the company, we considered that the key assumption is the power price forecasts; this is linked to the key audit matter as highlighted in section 5.1, where we have described both the risks related to these assumptions and our audit procedures in relation to the challenge of this assumption. The climate change risk factors underpinning the assumptions have been explained in note 3 of the financial statements. With the involvement of our ESG specialists, we have evaluated the appropriateness of disclosures included in the financial statements and have read the annual report to consider whether other climate change disclosures are materially consistent with the financial statements and our knowledge obtained in the audit, including the consideration of net zero power curves used to assess the impact of certain transition risks on the valuation of the portfolio.

8. Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

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

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

11.1 Identifying and assessing potential risks related to irregularities

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

5.1
Independent Auditor's Report
to the Members of The Renewables Infrastructure Group Limited (continued)

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

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

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008, the Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context included the Alternative Investment Fund Managers ("AIFM") Directive, Association of Investment Companies ("AIC") Code of Corporate Governance, Non-Mainstream Pooled Investments ("NMPI") regulations.

11.2 Audit response to risks identified

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

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

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

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

Report on other legal and regulatory requirements

12. Corporate Governance Statement

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

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

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 125;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 125;

- the directors' statement on fair, balanced and understandable set out on page 127;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 126;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 117; and
- the section describing the work of the audit committee set out on page 115.

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

13.1 Adequacy of explanations received and accounting records

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

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

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1 Auditor tenure

Following the recommendation of the audit committee, we were appointed by the board of directors on 19 September 2013 to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 10 years, covering the years ending 31 December 2013 to 31 December 2022.

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

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

15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

21 February 2023

Hornsea One, England

06

Financial Statements

6.1
Income Statement

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000s	Year ended 31 December 2021 £'000s
Net gain on investments	6	433,960	68,775
Dividend income	6	–	4,900
Interest income from investments	6	121,247	101,121
Total operating income		555,207	174,796
Fund expenses	7	(2,290)	(1,904)
Operating profit		552,917	172,892
Finance and other (expense)/income	8	(32,207)	37,570
Profit before tax		520,710	210,462
Income tax	9	–	–
Profit after tax	10	520,710	210,462
Attributable to:			
Equity holders of the parent		520,710	210,462
		520,710	210,462
Earnings per share (pence)	10	21.5	10.0

All results are derived from continuing operations. The accompanying notes are an integral part of these financial statements.

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.

6.1
Balance Sheet

As at 31 December 2022

	Note	As at 31 December 2022 £'000s	As at 31 December 2021 £'000s
Non-current assets			
Investments at fair value through profit or loss	13	3,322,611	2,636,785
Fair value of FX forward contracts	18	1,622	13,219
Total non-current assets		3,324,233	2,650,004
Current assets			
Other receivables	14	12,913	14,232
Fair value of FX forward contracts	18	1,096	14,074
Cash and cash equivalents	15	24,469	28,229
Total current assets		38,478	56,535
Total assets		3,362,711	2,706,539
Non-current liabilities			
Fair value of FX forward contracts	18	(16,780)	–
Total non-current liabilities		(16,780)	–
Current liabilities			
Fair value of FX forward contracts	18	(2,753)	–
Other payables	16	(440)	(362)
Total current liabilities		(3,193)	(362)
Total liabilities		(19,973)	(362)
Net assets	12	3,342,738	2,706,177
Equity			
Share capital and share premium	17	2,770,050	2,488,594
Other reserves	17	1,008	1,008
Retained reserves	17	571,680	216,575
Total equity attributable to owners of the parent	12	3,342,738	2,706,177
Net assets per Ordinary Share (pence)	12	134.6	119.3

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 21 February 2023, and signed on its behalf by:

Director: John Whittle

Director: Richard Morse

6.1
Statement of Changes in Shareholders' Equity

For the year ended 31 December 2022

	Share capital and share premium £'000s	Other reserves £'000s	Retained reserves £'000s	Total equity £'000s
Shareholders' equity at beginning of year	2,488,594	1,008	216,575	2,706,177
Profit for the year	–	–	520,710	520,710
Dividends paid	–	–	(160,454)	(160,454)
Scrip shares issued in lieu of dividend	5,151	–	(5,151)	–
Ordinary Shares issued	277,338	–	–	277,338
Costs of Ordinary Shares issued	(3,033)	–	–	(3,033)
Ordinary Shares issued in year in lieu of Management Fees earned in H2 2021[1]	1,008	(1,008)	–	–
Ordinary Shares issued in year in lieu of Management Fees earned in H1 2022[2]	992	–	–	992
Ordinary Shares to be issued in lieu of Management Fees earned in H2 2022[3]	–	1,008	–	1,008
Shareholders' equity at end of year	2,770,050	1,008	571,680	3,342,738

For the year ended 31 December 2021

	Share capital and share premium £'000s	Other reserves £'000s	Retained reserves £'000s	Total equity £'000s
Shareholders' equity at beginning of year	2,046,237	1,005	147,629	2,194,871
Profit for the year	–	–	210,462	210,462
Dividends paid	–	–	(134,058)	(134,058)
Scrip shares issued in lieu of dividend	7,458	–	(7,458)	–
Ordinary Shares issued	439,850	–	–	439,850
Costs of Ordinary Shares issued	(6,948)	–	–	(6,948)
Ordinary Shares issued in year in lieu of Management Fees earned in H2 2020[4]	1,005	(1,005)	–	–
Ordinary Shares issued in year in lieu of Management Fees earned in H1 2021[5]	992	–	–	992
Ordinary Shares to be issued in lieu of Management Fees earned in H2 2021[1]	–	1,008	–	1,008
Shareholders' equity at end of year	2,488,594	1,008	216,575	2,706,177

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

1 The £1,008,219 transfer between reserves represents the 857,254 shares that relate to management fees earned in the six months to 31 December 2021 and were recognised in other reserves at 31 December 2021, and were issued to the Managers during the year, with the balance being transferred to share premium reserve on 31 March 2022.
2 The £991,779 addition to the share premium reserve represents the 748,569 shares that relate to management fees earned in the six months to 30 June 2022 and were issued to the Managers on 30 September 2022.
3 As at 31 December 2022, 758,686 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 132.89 pence per share (the Net Asset Value at 31 December 2022 of 134.6 pence per share less the interim dividend of 1.71 pence per share) were due but had not been issued. The Company intends to issue these shares to the Managers around 31 March 2023.
4 The £1,005,462 transfer between reserves represents the 885,012 shares that relate to management fees earned in the six months to 31 December 2020 and were recognised in other reserves at 31 December 2020, and were issued to the Managers during 2021, with the balance being transferred to share premium reserves on 31 March 2021.
5 The £991,778 addition to the share premium reserve represents the 880,719 shares that relate to management fees earned in the six months to 30 June 2021 and were issued to the Managers on 30 September 2021.

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

6.1
Cash Flow Statement

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000s	Year ended 31 December 2021 £'000s
Cash flows from operating activities			
Profit before tax	10	520,710	210,462
Adjustments for:			
Net gain on investments	6, 13	(433,960)	(68,775)
Dividend income		–	(4,900)
Investment income from investments	6	(121,247)	(101,121)
Acquisition costs	7	16	–
Movement in other reserves relating to Manager shares		0	3
Realised gains on settlement of FX forwards		9,689	7,643
Finance and other expense/(income)	8	32,207	(36,336)
Operating cash flow before changes in working capital		7,415	6,976
Changes in working capital:			
Increases in receivables		(2)	(4)
Decreases in payables		77	63
Cash flow from operations		7,490	7,035
Distributions from investments	13	184,763	149,522
Interest on bank deposits		120	1
Net cash from operating activities		192,373	156,558
Cash flows from investing activities			
Purchases of investments	13	(314,059)	(452,289)
Acquisition costs	7	(16)	–
Net cash used in investing activities		(314,075)	(452,289)
Cash flows from financing activities			
Proceeds from issue of share capital during year		279,338	441,847
Costs in relation to issue of shares	17	(3,033)	(6,948)
Dividends paid to shareholders	11	(160,454)	(134,058)
Net cash from financing activities		115,851	300,841
Net (decrease)/increase in cash and cash equivalents		(5,851)	5,110
Cash and cash equivalents at beginning of year	15	28,229	23,116
Exchange gains on cash		2,091	3
Cash and cash equivalents at end of year	15	24,469	28,229

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

6.2
Notes to the Financial Statements

1. General information

The Renewables Infrastructure Group Limited ("TRIG" or the "Company") is a closed-ended investment company incorporated in Guernsey under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. Through its subsidiaries, The Renewables Infrastructure Group (UK) Limited ("TRIG UK"), and The Renewables Infrastructure Group (UK) Investments Limited ("TRIG UK I"), TRIG invests in mainly operational renewable energy generation projects, predominantly in onshore and offshore wind and solar PV segments, across the UK and Europe. The Company, TRIG UK, TRIG UK I and its portfolio of investments are known as the "Group".

These financial statements are for the year ended 31 December 2022 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 21 February 2023.

The financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") using the historical cost basis, except that the financial instruments classified at fair value through profit or loss are stated at their fair values. All accounting policies have been applied consistently in these financial statements.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Foreign operations are included in accordance with the policies set out in this note.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Note 3 shows critical accounting judgements, estimates and assumptions.

(b) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and also commented on in the Viability Statement on page 82. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Results on pages 67 to 73. 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 the necessary financial resources to meet its obligations for the foreseeable future. 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.

On 3 February 2023, the revolving credit facility was renewed and extended from £600m to £750m with an expiry date of 31 December 2025. The revolving credit facility includes a working capital component of £45m and is limited to 30% of Portfolio Value.

The revolving credit facility is ESG-linked, resulting in a possible increase or reduction to future interest payments based on the company's performance against KPIs relating to ESG targets over time.

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.

At 31 December 2022, the Company's leverage was 11% for fund-level financing (2021: 3%) and 38% for project-level financing (2021: 40%).

The Company has sufficient headroom on its revolving credit facility covenants. These covenants have been tested and relate to interest cover ratios and group gearing limits and the Company does not expect these covenants to be breached. The Company and its direct subsidiaries have a number of guarantees, detailed in note 20 of these financial statements. These guarantees relate to certain obligations that may become due by the underlying investments over their useful economic lives. We do not anticipate these guarantees to be called in the next 12 months and in many cases the potential obligations are insured by the underlying investments.

A cash balance of £24.5m at 31 December 2022 is held by the Company, with further amounts held in the Company's direct and indirect subsidiaries. In addition, the Company has a working capital facility on its revised revolving credit facility of £45m, which remains undrawn at the date of signing this report.

Further to the above, the Company has a number of outstanding commitments which are detailed in Section 2.2 of this Annual Report and Note 20 of these financial statements. These commitments can be fully covered by the Company's revolving credit facility.

As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The directors do not believe that there is a significant risk to the business as a result of the Russian invasion of Ukraine but will continue to monitor any future developments.

The Company is affected by climate-related risks, as set out in the Company's TCFD reporting, and the Board consider these when they assess the Company's ability to continue as a going concern. The Company continues to assess, monitor and where necessary and possible, mitigate and manage these risks.

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment (including but not limited to the conflict in Ukraine and current upward inflationary pressures) and can continue operations for a period of at least 12 months from the date of these 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 owned by the Company. The Company has ownership of an investee, when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee as defined in IFRS 10 "Consolidated Financial Statements".

The Directors believe it is appropriate and relevant to the investor to account for the investment portfolio at fair value, where consolidating it would not be.

The Company's subsidiaries, TRIG UK and TRIG UK I, carry out investment activities and incur overheads and borrowings on behalf of the Group. The Directors therefore provide an alternative presentation of the Company's results in the Strategic Report on pages 67 to 73 prepared under the "Expanded basis", which includes the consolidation of TRIG UK and TRIG UK I.

An entity shall consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. Under the definition of an investment entity, as set out in paragraph 27 in the standard, the entity must satisfy all three of the following tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both (including having an exit strategy for investments); and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

In respect of the first criterion, TRIG is an investment company which enables shareholders to gain exposure to a diversified portfolio of renewable energy and related infrastructure investments coupled with the management of these investments.

In respect of the second criterion, the Company's purpose is to invest funds for returns from capital appreciation and investment income. The Company's exit of its investments in project companies may be at the time the existing turbines or other generation assets get to the end of their economic lives or planning or leasehold land interests expire, at which point the project companies may be considering redevelopment (referred to as a "repowering") of the site. The Company may remain invested in the event there is the opportunity to repower and undertake the repowering, subject to its investment limits on construction activity being met and depending on economic considerations at the time. The Company may also exit investments earlier for reasons of portfolio balance or profit, as there is an active secondary market for renewables projects in the countries in which we operate.

6.2
Notes to the Financial Statements (continued)

In respect of the third criterion, the board evaluates the performance of the assets on a fair market value basis throughout the year as part of the management accounts review, and the company undertakes a fair market valuation of its portfolio twice a year for inclusion in its report and accounts with the movement in the valuation taken to the Income Statement and thus measured within its earnings.

Taking these factors into consideration, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition in the standard.

(d) Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for derecognition in accordance with IFRS 9 “Financial Instruments”.

Financial derivatives are valued using a mark to market valuation based on the underlying derivative contracts that are executed with the banks. The movements in mark to market valuation are recognised in the profit and loss statement.

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 where these instruments are held at amortised cost). Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Investments in equity and debt securities

Investments in the equity, loan stock and mezzanine debt of entities engaged in renewable energy activities are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Income Statement at each valuation point.

Financial assets are recognised/derecognised at fair value at the date of the purchase/disposal. A financial asset (in whole or part) is derecognised either:

- when the group has transferred substantially all of the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all of the risks and rewards when it no longer has control over the asset or a portion of the asset; or
- when the contractual rights to receive cash flow have expired.

The initial difference between the transaction price and the fair value, derived from using the discounted cash flows methodology at the date of acquisition, is recognised only when observable market data indicates there is a change in a factor that market participants would consider in setting the price of that investment. For the years ended 31 December 2022 and 31 December 2021, there were no such differences.

The Group manages these investments and makes purchase and sale decisions based on their fair value.

The Directors consider the equity and loan stock to share the same investment characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes.

(e) Impairment

Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement. Expected credit losses are assessed and measured annually and where appropriate, recognised as a loss allowance.

(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 comprise cash balances, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(h) Investment income

Income from investments relates solely to returns from the Company's subsidiaries, TRIG UK and TRIG UK I. This is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable and dividends when these are received.

(i) Income tax

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

(j) Foreign exchange gains and losses

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

(k) Segmental reporting

The Chief Operating Decision Maker (the "CODM") is of the opinion that the Group is engaged in a single segment of business, being investment in renewable infrastructure to generate investment returns while preserving capital. The financial information used by the CODM to allocate resources and manage the Group presents the business as a single segment comprising a homogeneous portfolio.

(l) Fund expenses

All expenses are accounted for on an accruals basis. The Company's investment management and administration fees (refer to Note 7), finance costs and all other expenses are charged through the income statement.

(m) Acquisition costs

In line with IFRS 3 (Revised), acquisition costs are expensed to the income statement as incurred.

(n) Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. For scrip dividends, where the Company issues shares with an equal value to the cash dividend amount as an alternative to the cash dividend, a credit to equity is recognised when the shares are issued.

(o) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is a Registered Closed-Ended Investment Scheme. As an authorised scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission and meets its compliance requirements.

(p) Share-based payments

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at that date the entity obtains the goods or the counterparty renders the service.

6.2
Notes to the Financial Statements (continued)

(q) New and revised standards

The Company notes the following standards and interpretations which were in issue but not effective at the date of these financial statements. They are not expected to have a material impact.

- ▲ Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)
- ▲ Amendments to IAS 8 Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
- ▲ New IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023)

3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Key source of estimation uncertainty: Investments at fair value through profit or loss

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board base the fair value of the investments on information received from the Investment Manager. Fair value is calculated on a discounted cash flow basis.

Fair values for those investments for which a market quote is not available, in this instance being all investments, are determined using the income approach, which discounts the expected cash flows at the appropriate rate. In determining the discount rate, relevant long-term government bond yields, specific risks associated with the technology (onshore wind, offshore wind, battery storage and solar) and geographic location of the underlying investment, and the evidence of recent transactions have all been considered. 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 2022 valuation was 7.2% (2021: 6.6%). The discount rate is considered one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss, which are further discussed in Note 4 under sensitivities.

The other material impacts on the measurement of fair value are the forward-looking power price curve, energy yields, operating costs and macro economic assumptions (including rates of inflation) which are further discussed in Note 4 under sensitivities. The company considers climate-related risks such as power prices (including the impact of net zero curves), asset availability and maintenance costs when assessing these assumptions. Further information on these climate change risks is discussed in more detail in part 4 of Section 3.6 in of this Annual Report.

The Investment Manager, when considering the assumptions to apply to the valuation of the investments at 31 December 2022, considers several key assumptions.

Key judgements

By virtue of the Company's status as an investment fund, and in conjunction with IFRS 10 for investment entities, investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statement are approximately equal to their fair values.

4. Financial instruments

Financial risk management

The objective of the Group's financial risk management is to manage and control the risk exposures of its investment portfolio. The Board of Directors has overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the Investment Manager, which has documented procedures designed to identify, monitor and manage the financial risks to which the Group is exposed. Note 4 presents information about the Group's exposure to financial risks, its objectives, policies and processes for managing risk and the Group's management of its financial resources.

Through its subsidiaries, TRIG UK and TRIG UK I, the Company invests in a portfolio of investments predominantly in the subordinated loan stock and ordinary equity of renewable energy project companies. These companies are structured at the outset to minimise financial risks where possible, and the Investment Manager primarily focuses their risk management on the direct financial risks of acquiring and holding the portfolio but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies, and the receipt of regular financial and operational performance reports.

The Company has a diversified portfolio of assets which include investments with both higher and lower risks and returns. These risks and return differences relate, but are not limited to, qualification to receive government subsidies, exposure to fluctuations in future energy prices and levels of project finance debt.

Interest rate risk

The Group invests in subordinated loan stock of project companies, usually with fixed interest rate coupons. The portfolio's cash flows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments. The Group may use borrowings to finance the acquisition of investments and the forecasts are used to monitor the impact of changes in borrowing rates against cash flow returns from investments as increases in borrowing rates will reduce net interest margins.

The Group's policy is to ensure that interest rates are sufficiently hedged to protect the Group's net interest margins from significant fluctuations when entering into material medium-long-term borrowings. This includes engaging in interest rate swaps or other interest rate derivative contracts.

The Company has an indirect exposure to changes in interest rates through its investment in project companies, many of which are financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt, fixed rate bonds or index-linked bonds. Where senior debt is floating rate, the projects typically have similar length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of directors.

The revolving credit facility is ESG-linked, resulting in a possible increase or reduction to future interest payments based on the Group's performance against KPIs relating to ESG targets over time. More details can be found in part 11 of Section 3.6 of this annual report.

Inflation risk

The Group's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Group's overall cash flows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Group's cash flows, particularly where a project's loan stock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future years. Inflation is managed through the use of inflation-linked swaps where the Group deems it to be appropriate. The sensitivity of the portfolio valuation is shown further on in Note 4.

Market risk

Returns from the Group's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, *inter alia*, movements in interest rates, market prices and the competition for such assets. The Investment Manager carries out a full valuation semi-annually and this valuation exercise considers changes described above.

Currency risk

The projects in which the Group invests all conduct their business and pay interest, dividends and principal in sterling, with the exception of the euro-denominated investments which at 31 December 2022 comprised 41% (2021: 37%) of the portfolio by value on an invested basis and 41% (2021: 42%) of the portfolio by value on a committed basis. The sensitivity of the portfolio valuation is shown in this note.

The Group monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection to the level of sterling distributions that the Company aims to pay over the medium term, where considered appropriate. This may involve the use of forward exchange.

Credit risk

Credit risk is the risk that a counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. Key credit ratings for the Company's counterparties are detailed in Note 18.

The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is ongoing, and year-end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project

6.2
Notes to the Financial Statements (continued)

at 31 December 2022 was to the Hornsea One project, representing 9% (2021: Beatrice project, representing 10%) of the invested portfolio value.

The largest subcontractor counterparty risk exposure (O&M or OEM whereby the maintenance provider is not always the original equipment manufacturer) was to Vestas who provided turbine maintenance services in respect of 21% (2021: Vestas 24%) of the invested portfolio by value. The largest exposure to any equipment manufacturer was to Siemens who provided turbines in respect of 46% of the invested portfolio value (2021: Siemens 46%).

The Group's investments enter into Power Price Agreements ("PPA") with a range of providers through which electricity is sold; the PPAs are priced into the fair value of the investments. The largest PPA provider to the portfolio at 31 December 2022 was Statkraft, who provided PPAs to projects in respect of 17% (2021: Statkraft 19%) of the invested portfolio value.

At 31 December 2022, there were no loans and other receivables considered impaired for the Group.

The Group's maximum exposure to credit risk over financial assets is the carrying value of those assets in the balance sheet. The Group does not hold any collateral as security.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet 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.

The Group's revolving credit facility, which was £398.5m drawn at 31 December 2022 (31 December 2021: £72.8m), is held by TRIG UK and TRIG UK I, and is guaranteed by the Company. The renewed facility is in place until December 2025 and contains an option to extend.

Capital management

At the date of this report, the Group has a £750m revolving credit facility with Royal Bank of Scotland International Limited, National Australia Bank Limited, ING Bank N.V, Barclays Bank PLC, Sumitomo Mitsui Banking Corporation, Lloyds Bank PLC, SanPaolo S.P.A., BNP Paribas, Skandinaviska Enskilda Banken AB and ABN Amro. The facility was sized at £600m as at 31 December 2022, it has been renewed and extended to £750m since then and expires on 31 December 2025. The facility was £398.5m drawn as at 31 December 2022 and has been included in the fair value of investments.

The Group makes prudent use of its leverage. Under the investment policy, borrowings, including any financial guarantees to support outstanding subscription obligations but excluding internal Group borrowings of the Group's underlying investments, are limited to 30% of the portfolio value.

From time to time, the Company issues its own shares to the market; the timing of these purchases depends on market prices.

In order to assist in the narrowing of any discount to the Net Asset Value at which the Ordinary Shares may trade, from time to time the Company may, at the sole discretion of the Directors:

- make market purchases of up to 14.99% per annum of its issued Ordinary Shares; and
- make tender offers for the Ordinary Shares.

There were no changes in the Group's approach to capital management during the year.

Fair value estimation

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions are taken into account.

Derivative financial instruments

The fair value of financial instrument 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 2022 £'000s	31 December 2021 £'000s
Financial assets		
Designated at fair value through profit or loss:		
Investments	3,322,611	2,636,785
FX forward contracts	2,718	27,293
Financial assets at fair value	3,325,329	2,160,946
At amortised cost:		
Other receivables	12,913	14,232
Cash and cash equivalents	24,469	28,229
Financial assets at amortised cost	37,382	42,461
Financial liabilities		
Designated at fair value through profit or loss:		
FX forward contracts	19,533	–
Financial liabilities at fair value	19,533	–
At amortised cost:		
Other payables	440	362
Financial liabilities at amortised cost	440	362

The Directors believe that the carrying values of all financial instruments are not materially different to their fair values.

The fair value of FX forward contracts is discussed in more detail in Note 18 of these financial statements.

6.2
Notes to the Financial Statements (continued)

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 2022
	Level 1 £'000s	**Level 2 £'000s**	**Level 3 £'000s**	**Total £'000s**
Investments at fair value through profit or loss	–	–	3,322,611	3,322,611
	–	–	3,322,611	3,322,611
FX forward contracts – assets	–	2,718	–	2,718
FX forward contracts – liabilities	–	(19,533)	–	(19,533)
	–	(16,815)	–	(16,815)

				As at 31 December 2021
	Level 1 £'000s	**Level 2 £'000s**	**Level 3 £'000s**	**Total £'000s**
Investments at fair value through profit or loss	–	–	2,636,785	2,636,785
	–	–	2,636,785	2,636,785
FX forward contracts – assets	–	27,293	–	27,293
	–	27,293	–	27,293

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 2022 £'000s	**31 December 2021 £'000s**
Portfolio value	3,737,045	2,725,805
TRIG UK and TRIG UK I		
Cash	809	225
Working capital	(18,342)	(19,345)
Debt[1]	(396,901)	(69,900)
	(414,434)	(89,020)
Investments at fair value through profit or loss	3,322,611	2,636,785

1 Debt arrangement costs of £1,602k (2021: £2,927k) have been netted off the £398.5m (2021: £72.8m) debt drawn by TRIG UK and TRIG UK I.

The debt figure of £396.9m above is held in TRIG UK and TRIG UK I, the Company's subsidiaries, and represents the revolving credit facility (less debt arrangement costs). The revolving credit facility is included within the fair value of the Company's subsidiaries.

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 at least 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 2022 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All investments are at fair value through profit or loss and are valued using a discounted cash flow methodology.

The fair value of investments has been calculated using a bifurcated methodology, whereby cash flows are discounted on the basis of the risk and return profile of the underlying cash flows.

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

	31 December 2022	31 December 2021
Inflation assumed as measured by the UK Retail Prices Index (applies to UK ROC Income)*	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.00% thereafter	3.75% (2022), 3.50% (2023), 2.75% until 2030, 2.00% thereafter
Inflation assumed as measured by the UK Consumer Prices Index (applies to UK CfD Income)*	Actual inflation applied to Nov-22, 5.25% (Dec-22), 4.25% (2023), 2.00% thereafter	3% (2022), 2.75% (2023), 2.00% thereafter
Inflation assumed to apply to UK Power Prices*	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.25% thereafter	3.75% (2022), 3.50% (2023), 2.75% thereafter
Inflation assumed to apply in Ireland, France, Sweden, Germany and Spain*	Actual inflation applied to Nov-22, 3.00% (2023), 2.00% thereafter	2.00%
UK deposit interest rates	3.00% to 2023, 2.50% thereafter	0.25% to 2025, 1.25% thereafter
Ireland, France, Sweden, Germany and Spain deposit interest rates	2.00% to 2023, 1.50% thereafter	0.0% to 2025, 0.25% thereafter
UK corporation tax rate	19% to April 2023, 25% thereafter	19% to April 2023, 25% thereafter
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
France corporation tax rate	25%	25%
Sweden corporation tax rate	20.6%	20.6%
Germany corporation tax rate	15.8%	15.8%
Spain corporation tax rate	25%	25%
Euro/sterling exchange rate	1.1304	1.1899
Energy yield assumptions	P50 case	P50 case

* The stated inflation assumptions apply the stated (annualised) rate on a monthly basis to the previous month's index.

The table below highlights the power price averages for GB and the EU markets:

Region		Average 2023-2027	Average 2028-2050	Average 2023-2050
GB (Real, £/MWh)	Before EGL	121	41	56
	After EGL	100	41	52
Average of 5 euro jurisdictions* (Real EUR/MWh)	After intervention	89	48	55

A blended curve is provided on page 58 of section 3.1.

6.2
Notes to the Financial Statements (continued)

As identified in Section 2.5, as of the balance sheet date legislation was enacted or in the process of being enacted within each of the jurisdictions in which the Group has invested, which would impact generating assets under specific conditions in relation to the revenue received from the sale of electricity at elevated prices.

Within the UK the Electricity Generator Levy ("EGL") (published as draft legislation in December) is expected to be incorporated within the Spring Finance Bill 2023. It will have effect from 1 January 2023 to 31 March 2028 and applies a levy of 45% (which is not deductible for corporation tax, resulting in an effective tax rate (when considering levy and tax) of 70%) to revenues received for the sale of wholesale above a threshold level. The threshold level for revenues is £75 per MWh (indexed by the Consumer Prices Index on 1 April each year from 2024) +£10m per annum per group allowance (with the UK assets the Group holds considered one group). The EGL has been reflected within the valuation and the valuation sensitivities for the legislated period (beyond which the prices assumed would be below the threshold level).

The European Union had introduced a legislative framework to apply Inframarginal Caps, under which each of the national governments can introduce legislation within specified parameters. This would seek to apply a tax in respect of revenues received in excess of a threshold price (typically the applicable tax rate is between 90% to 100%). The threshold price is determined by the national governments and can vary by technology. In general, the legislation as enacted or planned to be enacted is for a relatively limited duration with an expectation that this would be extended as required – as such the valuation and sensitivities assume that the legislation will apply until the prices drop below the applicable threshold level, with the threshold level expected to remain constant in real terms.

Within Iberia, specific legislation applies (which would have a more significant impact than the inframarginal cap) to both cap the price of gas used for electricity generation and to clawback prices received by generators over a level based upon an assumed gas price where they do not incur the cost of purchasing gas. The valuation and sensitivities assume these pieces of legislation will be extended until the prices fall below the threshold level, with the threshold level expected to remain constant in real terms.

A summary of the intervention measures is included within the table below:

Tax Measure	Market	Applies above	Effective rate applicable	Reliefs	Legislated period
Electricity Generator Levy	UK	£75/MWh indexed by CPI	70% (45% levy + 25% corporate tax)	First £10m p.a. per group	1 Jan 2023 to 31 Mar 2028
Inframarginal Revenue Cap	Ireland	EUR 120/MWh	100%	None stated	1 Jan 2023 to 30 Jun 2023
	France	EUR 100/MWh	90%	Excludes FiT's and CfD's	1 Jul 2022 to 31 Dec 2023
	Germany	Feed in Tariff + EUR 30/MWh	90%	Allowance for PPA costs	1 Dec 2022 to 30 Jun 2023
	Sweden	EUR 180/MWh	90%	None stated	1 Jan 2023 to 30 Jun 2023
Gas Clawback	Spain and Portugal	A calculated level based on assumed gas price	85%	Formula includes an allowance to reflect some costs	Enacted in 2021, applicable to 31 Dec 2023

Valuation sensitivities

Sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the valuation. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 31 December 2022 (£3,737m) and the outstanding investment commitments (£204.5m), being £3,942m.

Accordingly, the NAV per share impacts shown below assume the issue of further shares to fund these commitments.

The analysis below shows the sensitivity of the portfolio value (and its impact on NAV) to changes in key assumptions as follows:

Discount rates

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

The weighted average valuation discount rate applied to calculate the portfolio valuation is 7.2% at 31 December 2022 (2021: 6.6%). An increase or decrease in this rate by 0.5% has the following effect on valuation.

Discount rate	NAV/share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/share impact
Directors' valuation – December 2022	**+4.6p**	**+£134.4m**	**£3,941.6m**	**(£125.4m)**	**(4.3p)**
Directors' valuation – December 2021	+4.4p	+£111.7m	£2,957.0m	(£103.9m)	(4.1p)

Power price

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

The sensitivity incorporates the impact of the EGL and other similar legislation across each jurisdiction, with the forecast power price for the jurisdiction before the legislation is applied sensitised by 10% and the resulting forecast price is then subject to the legislation. As such the movement in the applied price (after the legislation is considered may differ from +/- 10%.

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

Power price	NAV/share impact	-10% change	Total Portfolio Value	+10% change	NAV/share impact
Directors' valuation – Dec 2022	**(9.2p)**	**(£270.9m)**	**£3,941.6m**	**+£258.2m**	**8.8p**
Directors' valuation – Dec 2021	(8.1p)	(£202.7m)	£2,957.0m	+£200.8m	8.0p

Energy yield

The base case assumes a "P50" level of output. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being underachieved. Hence the P50 is the expected level of generation over the long term.

The sensitivity illustrates the effect of assuming "P90 10-year" (a downside case) and "P10 10-year" (an upside case) energy production scenarios. A P90 10-year downside case assumes the average annual level of electricity generation that has a 90% probability of being exceeded over a 10-year period. A P10 10-year upside case assumes the average annual level of electricity generation that has a 10% probability of being exceeded over a 10-year period. This means that the portfolio aggregate production outcome for any given 10-year period would be expected to fall somewhere between these P90 and P10 levels with an 80% confidence level, with a 10% probability of it falling below that range of outcomes and a 10% probability of it exceeding that range. The sensitivity includes the portfolio effect which reduces the variability because of the diversification of the portfolio. The sensitivity is applied throughout the life of each asset in the portfolio (even where this exceeds 10 years).

The sensitivity incorporates the impact of the EGL and other similar legislation across each jurisdiction.

The table below shows the sensitivity of the portfolio value to changes in the energy yield applied to cash flows from project companies in the portfolio as per the terms P90, P50 and P10 explained above.

Energy yield	NAV/share impact	P90 10 year exceedance	Total Portfolio Value	P10 10 year exceedance	NAV/share impact
Directors' valuation – Dec 2022	**(15.4p)**	**(£451.7m)**	**£3,941.6m**	**+£490.5m**	**16.7p**
Directors' valuation – Dec 2021	(13.9p)	(£348.6m)	£2,957.0m	+£381.3m	15.2p

Inflation rates

The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' management, maintenance and tax expenses typically move with inflation, but the majority of the portfolio debt payments are fixed, with a proportion of these fixed payments covered by derivatives, either held at project level or in a holding company. This results in the portfolio returns and valuation being positively correlated to inflation.

The assumptions for inflation incorporated in the portfolio valuation are stated below. The differences in forecast result from differences in market, in the calculation methodology of the index or in the basket of goods considered within the index, or specific good in the case of UK power prices. The sensitivity is applied to all forecast inflation assumptions (actual inflation assumptions remain unchanged).

	31 December 2022	31 December 2021
Inflation assumed as measured by the UK Retail Prices Index (applies to UK ROC Income)	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.00% thereafter	3.75% (2022), 3.50% (2023), 2.75% until 2030, 2.00% thereafter
Inflation assumed as measured by the UK Consumer Prices Index (applies to UK CfD Income)	Actual inflation applied to Nov-22, 5.25% (Dec-22), 4.25% (2023), 2.00% thereafter	3% (2022), 2.75% (2023), 2.00% thereafter
Inflation assumed to apply to UK power prices	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.25% thereafter	3.75% (2022), 3.50% (2023), 2.75% thereafter
Inflation measured by national Consumer Price Indices assumed to apply in Ireland, France, Sweden, Germany and Spain	Actual inflation applied to Nov-22, 3.00% (2023), 2.00% thereafter	2.00%

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from all of the assumed annual inflation rates as stated above in the financial model for each year throughout the operating life of the portfolio, and including the impact upon inflation derivatives held at project or holding company level.

The sensitivity incorporates the impact of the EGL and other similar legislation as modelled across each jurisdiction.

Inflation assumption	NAV/share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/share impact
Directors' valuation – December 2022	**(5.1p)**	**(£149.8m)**	**£3,941.6m**	**+£177.7m**	**6.1p**
Directors' valuation – December 2021	(4.3p)	(£107.7m)	£2,957.0m	+£115.4m	4.6p

Operating costs

The sensitivity shows the effect of a 10% decrease and a 10% increase to the base case for annual operating costs for the portfolio, in each case assuming that the change to the base case for operating costs occurs with effect from 1 January 2023 and that change to the base case remains reflected consistently thereafter during the life of the projects.

Operating costs	NAV/share impact	-10% change	Total Portfolio Value	+10% change	NAV/share impact
Directors' valuation – December 2022	**5.6p**	**+£163.4m**	**£3,941.6m**	**(£162.6m)**	**(5.5p)**
Directors' valuation – December 2021	5.2p	+£129.5m	£2,957.0m	(£130.7m)	(5.2p)

Taxation rates

The profits of each project company are subject to corporation tax in their home jurisdictions at the applicable rates (the tax rates adopted in the valuation are set out in Note 4 to the financial statements). The tax sensitivity looks at the effect on the Directors' valuation of changing the tax rates by +/- 2% each year in each jurisdiction and is provided to show that tax can be a material variable in the valuation of investments. The sensitivities incorporate the impact of portfolio-level reliefs.

Taxation rates	NAV/share impact	-2% change	Total Portfolio Value	+2% change	NAV/share impact
Directors' valuation – December 2022	**2.3p**	**+£66.9m**	**£3,941.6m**	**(£67.0m)**	**(2.3p)**
Directors' valuation – December 2021	1.7p	+£43.5m	£2,957.0m	(£43.8m)	(1.7p)

Interest rates

This shows the sensitivity of the portfolio valuation to the effects of a reduction of 2% and an increase of 2% in interest rates. The change is assumed with effect from 1 January 2023 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 rates	NAV/share impact	-2% change	Total Portfolio Value	+2% change	NAV/share impact
Directors' valuation – December 2022	**(0.0p)**	**(£1.5m)**	**£3,941.6m**	**+£3.3m**	**0.1p**
Directors' valuation – December 2021	(0.2p)	(£5.0m)	£2,957.0m	+£0.8m	0.0p

Currency rates

The sensitivity shows the effect of a 10% decrease (euro weakens relative to sterling) and a 10% increase (euro strengthens relative to sterling) in the value of the euro relative to sterling used for the 31 December 2022 valuation (based on a 31 December 2022 exchange rate of €1.1304 to £1). In each case it is assumed that the change in exchange rate occurs from 1 January 2023 and thereafter remains constant at the new level throughout the life of the projects.

At the year end, 41% of the committed portfolio was located in Sweden, France, Germany, Ireland and Spain comprising euro-denominated assets.

The Group has entered into forward hedging of the expected euro distributions for up to 48 months ahead, and in addition placed further hedges to reach a position where at least 60% of the valuation of euro-denominated assets is hedged. The hedge reduces the sensitivity of the portfolio value to foreign exchange movements and accordingly the impact is shown net of the benefit of the foreign exchange hedge in place. The value of the outstanding commitments on Grönhult, Ranasjö, Salsjö, the Cadiz solar projects (Arenosas, El Yarte, La Guita and Malabrigo), Ryton and Drakelow are included in this sensitivity. A 60% hedge is assumed for the sensitivity below and during 2022, typical hedge levels have been between approximately 60-80%.

Currency rates	NAV/share impact	-10% change	Total Portfolio Value	+10% change	NAV/share impact
Directors' valuation – December 2022	**(1.7p)**	**(£49.5m)**	**£3,941.6m**	**+£49.5m**	**1.7p**
Directors' valuation – December 2021	(1.8p)	(£44.0m)	£2,957.0m	+£44.0m	1.8p

The euro/sterling exchange rate sensitivity does not attempt to illustrate the indirect influences of currencies on UK power prices which are interrelated with other influences on power prices.

Asset lives

Assumptions adopted in the year-end valuation typically range from 25 to 40 years from the date of commissioning, with an average 31 years for the wind portfolio and 39 years for the solar portfolio. The overall average across the portfolio at 31 December 2022 is 31 years (31 December 2021: 30 years).

The sensitivity below shows the impact on the valuation of assuming all assets within the portfolio have a year longer and a year shorter asset life assumed.

Asset Lives	NAV/share impact	-1 year change	Total Portfolio Value	+1 year change	NAV/share impact
Directors' valuation – December 2022	**(1.0p)**	**(£28.7m)**	**£3,941.6m**	**+£25.8m**	**0.9p**
Directors' valuation – December 2021	(1.0p)	(£25.6m)	£2,957.0m	+£23.3m	0.9p

Additional sensitivities

Given the current macroeconomic environment, in addition to the sensitivities representing the changes in the long-term assumptions impacting the portfolio valuation, additional sensitivities representing short-term one-off reasonably possible changes in assumptions have also been considered for two key assumptions which have experienced significant changes in short-term forecasts over the period.

For inflation, an increase of 3% in annual inflation applied over the next 12 months would be expected to increase the portfolio valuation by £86.9m (equivalent to 3.5 pence per share); a 3% decrease over the next 12 months would be expected to reduce the portfolio valuation by £87.6m (equivalent to 3.5 pence per share).

For power prices, a reduction of short-term pricing in GB to £120/MWh in 2023 and 2024 and to £100/MWh in 2025 (and the forecasters, curve thereafter) is expected to result in a valuation reduction of £56.2m. This level represents an average discount of 24% to the assumptions incorporated in the valuation and an average discount of 10% to the forward prices as of 17 February 2023.

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 2022 £'000s	For year ended 31 December 2021 £'000s
Gain on investments	433,960	68,775
Dividend income	–	4,900
Interest income from investments	121,247	101,121
Total operating income	555,207	174,796

Interest income from investments is the long-term loan stock interest owed to the Company by TRIG UK and TRIG UK I; further details can be found in Note 19 of these financial statements.

7. Fund expenses

	For year ended 31 December 2022 £'000s	For year ended 31 December 2021 £'000s
Fees payable to the Company's Auditor:		
For audit of the Company's financial statements	232	171
For the other audit-related assurance services	53	45
For additional fees in respect to the prior period	–	15
Investment and management fees (Note 19)	200	200
Directors' fees (Note 19)	361	339
Acquisition costs	16	–
Other costs	1,428	1,134
Fund expenses	2,290	1,904

On the Expanded basis, fund expenses are £29,376k (2021: £23,759k); the difference being the costs incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. A further £31k of audit fees relating to the 2021 audits of unconsolidated subsidiaries were also agreed in the current year. The reconciliation from the IFRS basis to the Expanded basis is shown in Section 3.2 of the Strategic Report on page 67.

The fees to the Company's Auditor include £53k (2021: £45k) payable in relation to audit-related assurance services in respect of the interim review of the half-yearly financial statements.

In addition to the above, £657k (2021: £508k) was paid to Deloitte LLP (the Company's auditor) in respect of audit services provided for the 2022 audit to unconsolidated subsidiaries. Please refer to the Independent Auditor's Report on pages 129 to 137.

The Company had no employees during the current or prior year. The Company has appointed the Investment Manager and the Operations Manager to manage the portfolio, the Company and its subsidiaries, on its behalf.

8. Finance and other (expense)/income

	For year ended 31 December 2022 £'000s	For year ended 31 December 2021 £'000s
Interest income:		
Interest on bank deposits	120	1
Total finance income	120	1
Gain on foreign exchange:		
Realised gains on settlement of FX forwards	9,689	7,643
Fair value (loss)/gain of FX forward contracts	(44,107)	28,693
Other foreign exchange gains	2,091	1,233
Total (loss)/gain on foreign exchange	(32,327)	37,569
Finance and other (expense)/income	(32,207)	37,570

On the Expanded basis, finance income is £120k (2021: £1k) and finance costs are £9,584k (2021: £5,793k); the difference being the Group's credit facility costs which are incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. These costs are shown in Section 3.2 of the Strategic Report on page 68.

9. Income tax

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profits or capital gains. Therefore, income from investments is not subject to any further tax in Guernsey, although these investments will bear tax in the individual jurisdictions in which they operate.

10. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	31 December 2022	31 December 2021
Profit attributable to equity holders of the Company ('000)	£520,710	£210,462
Weighted average number of Ordinary Shares in issue ('000)	2,424,010	2,103,869
Earnings per Ordinary Share (pence)	21.5p	10.0p

There are no shares in issue that have a dilutive effect and therefore the diluted EPS is the same as the basic EPS disclosed. Further details of shares issued in the year are set out in Note 17.

6.2
Notes to the Financial Statements (continued)

11. Dividends

	31 December 2022 £'000s	31 December 2021 £'000s
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the quarter ended 31 December 2020 of 1.69p		32,167
Interim dividend for the quarter ended 31 March 2021 of 1.69p		35,508
Interim dividend for the quarter ended 30 June 2021 of 1.69p		35,548
Interim dividend for the quarter ended 30 September 2021 of 1.69p		38,293
Interim dividend for the quarter ended 31 December 2021 of 1.69p	38,316	
Interim dividend for the quarter ended 31 March 2022 of 1.71p	42,407	
Interim dividend for the quarter ended 30 June 2022 of 1.71p	42,425	
Interim dividend for the quarter ended 30 September 2022 of 1.71p	42,456	
	165,604[1]	141,516
Dividends settled as a scrip dividend alternative	5,151	7,458
Dividends settled in cash	160,454	134,058
	165,605[1]	141,516

[1] Balances do not reconcile due to rounding.

On 2 February 2023, the Company declared an interim dividend of 1.71 pence per share for the period 1 October 2022 to 31 December 2022. The total dividend, £42,456,300, payable on 31 March 2023, is based on a record date of 10 February 2023 and the number of shares in issue at that time being 2,482,824,562.

	31 December 2022 Pence	31 December 2021 Pence
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the quarter ended December 2020		1.69
Interim dividend for the quarter ended March 2021		1.69
Interim dividend for the quarter ended June 2021		1.69
Interim dividend for the quarter ended September 2021		1.69
Interim dividend for the quarter ended December 2021	1.69	
Interim dividend for the quarter ended March 2022	1.71	
Interim dividend for the quarter ended June 2022	1.71	
Interim dividend for the quarter ended September 2022	1.71	
Total dividend per share	6.82	6.76

12. Net assets per Ordinary Share

	31 December 2022	31 December 2021
Shareholders' equity at balance sheet date ('000)	£3,342,738	£2,706,177
Number of shares at balance sheet date, including management shares accrued but not yet issued ('000)	2,483,583	2,268,104
Net Assets per Ordinary Share at balance sheet date (pence)	**134.6p**	**119.3p**

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.

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 2022, 758,686 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 132.89 pence per share (the Net Asset Value at 31 December 2022 of 134.6 pence per share less the interim dividend of 1.71 pence per share) were due but had not been issued. The Company intends to issue these shares around 31 March 2023.

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

	31 December 2022 '000s	31 December 2021 '000s
Ordinary Shares in issue at balance sheet date	2,482,825	2,267,246
Number of shares to be issued in lieu of management fees	759	857
Total number of shares used in Net assets per Ordinary Share calculation	**2,483,583**[1]	**2,268,104**[1]

[1] Balance does not cast due to rounding

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 2022 £'000s	31 December 2021 £'000s
Brought forward	2,636,785	2,160,946
Investments in the year	314,059	452,289
Distributions paid to the Company	(184,763)	(149,522)
Dividend income	–	4,900
Interest income from investments	122,570	99,397
Gain on valuation	433,960	68,775
Carried forward	**3,322,611**	**2,636,785**

6.2
Notes to the Financial Statements (continued)

The following information in this note 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.

	31 December 2022 £'000s	31 December 2021 £'000s
Fair value of investment portfolio		
Brought forward value of investment portfolio	2,725,805	2,213,030
Investments in the year	693,810	478,928
Distributions paid to TRIG UK & TRIG UK I	(280,497)	(169,447)
Interest income	85,020	75,167
Dividend income	57,785	33,928
Gain on valuation	455,122	94,199
Carried forward value of investment portfolio	**3,737,045**	**2,725,805**
Fair value of TRIG UK & TRIG UK I		
Brought forward value of TRIG UK & TRIG UK I	(89,020)	(52,083)
Cash movement	583	(512)
Working capital movement	1,005	(2,135)
Debt movement[1]	(327,002)	(34,290)
Carried forward value of TRIG UK & TRIG UK I	(414,434)	(89,020)
Total investments at fair value through profit or loss	**3,322,611**	**2,636,785**

[1] Debt arrangement costs of £1,602k (2021: £2,927k) have been netted off the £398.5m (2021: £72.8m) debt drawn by TRIG UK and TRIG UK I.

The gains on investment valuation are unrealised.

The SPVs (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 2022		31 December 2021	
Investments (project name)	Country	Equity	Subordinated loan stock	Equity	Subordinated loan stock
TRIG UK	UK	100%	100%	100%	100%
TRIG UK I	UK	100%	100%	100%	100%
Roos	UK	100%	100%	100%	100%
The Grange	UK	100%	100%	100%	100%
Hill of Towie	UK	100%	100%	100%	100%
Green Hill	UK	100%	100%	100%	100%
Forss	UK	100%	100%	100%	100%
Altahullion	UK	100%	100%	100%	100%
Lendrums Bridge	UK	100%	100%	100%	100%
Lough Hill	UK	100%	100%	100%	100%
Milane Hill	Republic of Ireland	100%	100%	100%	100%
Beennageeha	Republic of Ireland	100%	100%	100%	100%
Haut Languedoc	France	100%	100%	100%	100%
Haut Cabardes	France	100%	100%	100%	100%
Cuxac Cabardes	France	100%	100%	100%	100%
Roussas-Claves	France	100%	100%	100%	100%
Puits Castan	France	100%	100%	100%	100%
Churchtown	UK	100%	100%	100%	100%
East Langford	UK	100%	100%	100%	100%
Manor Farm	UK	100%	100%	100%	100%
Parsonage	UK	100%	100%	100%	100%
Marvel Farms	UK	100%	100%	100%	100%
Tamar Heights	UK	100%	100%	100%	100%
Stour Fields	UK	100%	100%	100%	100%
Meikle Carewe	UK	100%	100%	100%	100%
Tallentire	UK	100%	100%	100%	100%
Parley	UK	100%	100%	100%	100%
Egmere	UK	100%	100%	100%	100%

6.2
Notes to the Financial Statements (continued)

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%	49%	49%	49%
Mid Hill	UK	49%	49%	49%	49%
Paul's Hill	UK	49%	49%	49%	49%
Rothes 1	UK	49%	49%	49%	49%
Crystal Rig 1	UK	49%	49%	49%	49%
Crystal Rig 2	UK	49%	49%	49%	49%
Broussan	France	48.9%	100%	48.9%	100%
Plateau	France	48.9%	100%	48.9%	100%
Borgo	France	48.9%	100%	48.9%	100%
Olmo 2	France	48.9%	100%	48.9%	100%
Chateau	France	48.9%	100%	48.9%	100%
Pascialone	France	48.9%	100%	48.9%	100%
Santa Lucia	France	48.9%	100%	48.9%	100%
Agrinergie 1&3	France	48.9%	100%	48.9%	100%
Agrinergie 5	France	48.9%	100%	48.9%	100%
Agrisol	France	48.9%	100%	48.9%	100%
Chemin Canal	France	48.9%	100%	48.9%	100%
Ligne des 400	France	48.9%	100%	48.9%	100%
Logistisud	France	48.9%	100%	48.9%	100%
Marie Galante	France	48.9%	100%	48.9%	100%
Sainte Marguerite	France	48.9%	100%	48.9%	100%
Freasdail	UK	100%	100%	100%	100%
FVP du Midi	France	51.0%	100%	51.0%	100%
Neilston	UK	100%	100%	100%	100%
Garreg Lwyd	UK	100%	100%	100%	100%
Broxburn	UK	100%	100%	100%	100%
Sheringham Shoal	UK	14.7%	14.7%	14.7%	14.7%
Pallas	Republic of Ireland	100%	100%	100%	100%
Solwaybank	UK	100%	100%	100%	100%
Montigny	France	100%	100%	100%	100%
Rosieres	France	100%	100%	100%	100%
Jadraas	Sweden	100%	100%	100%	100%
Venelle	France	100%	100%	100%	100%
Fujin	France	41.9%	100%	34.6%	100%
Epine	France	100%	100%	100%	100%
Little Raith	UK	100%	100%	100%	100%
Gode Wind 1	Germany	25%	25%	25%	25%

Blary Hill	UK	100%	100%	100%	100%
Merkur	Germany	35.7%	35.7%	24.6%	24.6%
Haut Vannier	France	100%	100%	100%	100%
East Anglia 1	UK	14.3%	14.3%	14.3%	14.3%
Beatrice	UK	17.5%	17.5%	17.5%	17.5%
Grönhult	Sweden	100%	100%	100%	100%
Ranasjö	Sweden	50%	50%	50%	50%
Salsjö	Sweden	50%	50%	50%	50%
Arenosas	Spain	100%	100%	100%	100%
El Yarte	Spain	100%	100%	100%	100%
Guita	Spain	100%	100%	100%	100%
Malabrigo	Spain	100%	100%	100%	100%
Arcos	Spain	100%	100%	–	–
Valdesolar	Spain	100%	100%	–	–
Hornsea One	UK	10.2%	10.2%	–	–
Ryton	UK	100%	100%	–	–
Drakelow	UK	100%	100%	–	–
Drax	UK	100%	100%	–	–
Spennymoor	UK	100%	100%	–	–

		31 December 2022		31 December 2021	
Investments (project name)	**Country**	**Ownership**	**Mezzanine debt**	**Ownership**	**Mezzanine debt**
Phoenix	France	–	100%	–	100%

In March 2022, the Company exchanged contracts to acquire a 7.8% equity interest in the Hornsea One offshore wind farm in the UK from Global Infrastructure Partners. The transaction subsequently completed on 21 July 2022.

On 19 July 2022, the Company exchanged contracts to acquire a further 2.4% equity interest in the Hornsea One offshore wind farm from Global Infrastructure Partners (from whom the Company announced the acquisition of its original stake on 17 March 2022). The incremental acquisition brings the total stake to 10.2% and was completed on 27 October 2022.

Also, in March 2022, the Company acquired a 49% equity interest in Project Valdesolar, an operating solar park in the province of Badajoz, Spain from Repsol, a Spanish-listed global energy company. Together with the Cadiz solar projects, this acquisition further enhances TRIG's technological and geographical diversification.

On 8 September 2022, the Company exchanged contracts to acquire the rights to develop three battery storage sites (Ryton, Drakelow and Draw) in the North of England. Two of the projects (Ryton and Drakelow), when built are scheduled for grid connection and commencement of operations in 2024 and 2025. The third site (Drax) will be built later in line with its grid connection date, which is in 2029, although it may be possible to bring this date forward. The transaction subsequently completed on 9 September 2022 and is in line with TRIG's strategy to complement the renewable generation assets in the portfolio with flexible capacity.

On 19 December 2022, the Company exchanged contracts to acquire a further 11.1% equity interest in the Merkur offshore wind farm, located in the German North Sea. This incremental investment is approximately 2% of TRIG's portfolio value. The project completed shortly before year end and brings TRIG's total equity interest in Merkur to 35.7%.

During December 2022, the Company also acquired 100% equity interest in Project Spennymoor, a battery storage development project which will have a total capacity of 100MW / 200MWh when completed, from RES. The project is located in County Durham, and is in the late-stage development stage.

6.2
Notes to the Financial Statements (continued)

In the year, TRIG made additional investments in the Cadiz solar projects and Grönhult, Ranasjö and Salsjö wind farms to fund their respective construction programmes, in line with outstanding commitments.

Further detail of acquisitions made in the year can be found in Section 2.5 of the Strategic Report.

14. Other receivables

	31 December 2022 £'000s	31 December 2021 £'000s
Other receivables	12,913	14,232
Total other receivables	12,913	14,232

15. Cash and cash equivalents

	31 December 2022 £'000s	31 December 2021 £'000s
Bank balances	24,469	28,229
Cash and cash equivalents	24,469	28,229

On the Expanded basis, which includes balances carried in TRIG UK and TRIG UK I, cash is £25,278k (2021: £28,454k). The reconciliation from the IFRS basis to the Expanded basis is shown in Section 3.2 of the Strategic Report on page 67.

As at the year end, cash and cash equivalents on the Expanded basis consisted of £20,000k held with Sumitomo Mitsui Banking Corporation Europe Limited and £5,278k held with Royal Bank of Scotland International Limited. At 31 December 2022 Sumitomo Mitsui Banking Corporation Europe Limited had an S&P credit rating of A-/Stable and Royal Bank of Scotland International Limited had an S&P credit rating of A-/Stable.

16. Other payables

	31 December 2022 £'000s	31 December 2021 £'000s
Management fees[1]	50	50
Other payables	390	312
Total current payables	440	362

[1] For related party and key advisor transactions see Note 19.

17. Share capital and reserves

	Ordinary shares 31 December 2022 '000s	Ordinary shares 31 December 2021 '000s
Opening balance	2,267,246	1,903,403
Issued for cash	210,105	356,289
Issued as a scrip dividend alternative	3,868	5,788
Issued in lieu of management fees	1,606	1,766
Issued at 31 December – fully paid	2,482,824[1]	2,267,246

[1] Balance may not cast due to rounding

On 28 March 2022, the Company issued 210,104,535 shares, raising £277,337,986 before costs.

The Company used the funds to repay the revolving credit facility and to fund the acquisition of Hornsea One.

The Company issued 3,867,789 shares in relation to scrip take-up as an alternative to dividend payments in relation to the dividends paid in the year.

The holders of the 2,482,824,562 (2021: 2,267,246,415) 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 capital and share premium

	31 December 2022 £'000s	31 December 2021 £'000s
Opening balance	2,488,594	2,046,237
Ordinary Shares issued	284,489	449,305
Cost of Ordinary Shares issued	(3,033)	(6,948)
Closing balance	2,770,050	2,488,594

Other reserves

	31 December 2022 £'000s	31 December 2021 £'000s
Opening balance	1,008	1,005
Shares to be issued in lieu of management fees incurred in H1 2021 (Note 19)	–	992
Shares to be issued in lieu of management fees incurred in H2 2021 (Note 19)	–	1,008
Shares to be issued in lieu of management fees incurred in H1 2022 (Note 19)	992	
Shares to be issued in lieu of management fees incurred in H2 2022 (Note 19)	1,008	
Shares issued in the year, transferred to share premium	(2,000)	(1,997)
Closing balance	1,008	1,008

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

18. Foreign exchange forward contracts

The Company has entered into forward foreign currency contracts to hedge the expected euro distributions up to a maximum of 48 months. In addition, the Company has placed further hedges and aims to reach a position where 60%–80% of the valuation of euro denominated assets is hedged, providing a partial offset to foreign exchange movements in the portfolio value relating to such assets.

The following table details the forward foreign currency contracts outstanding as at 31 December 2022. The total euro balance hedged at 31 December 2022 was €1,056.9m (2021: €747.5m).

6.2
Notes to the Financial Statements (continued)

	31 December 2022			
	Average exchange rate (GBP:EUR)	Foreign currency €'000s	Notional value £'000s	Fair value £'000s
Less than 3 months	–	–	–	–
3 to 6 months	1.1447	95,600	83,515	(1,754)
6 to 12 months	1.1119	73,000	65,652	97
12 to 24 months	1.1094	269,400	242,835	(1,194)
Greater than 24 months	1.1164	618,900	554,374	(13,965)
	1.1168	1,056,900	946,377	(16,815)

As at the year end, the valuation on the foreign exchange derivatives consisted of:

Bank	Payable amount (£'000)	S&P credit rating at 31 December 2022
NatWest Markets Plc	4,675	A-/Stable
National Australia Bank Limited	5,714	AA-/Negative
Santander UK Plc	4,482	A+/Stable
Barclays Bank Plc	1,944	A/Stable
Total fair value of FX forward hedges	16,815	

The fair value of the derivative trades have been split in the following table. At year end, the Company was in a net payable position of £16.8m (£2.7m receivable netted off with £19.5m payable).

	31 December 2022 £'000s	31 December 2021 £'000s
Assets		
FX forward contracts expiring within 12 months	1,096	14,074
FX forward contracts expiring after 12 months	1,622	13,219
Total assets	2,718	27,293
Liabilities		
FX forward contracts expiring within 12 months	(2,753)	–
FX forward contracts expiring after 12 months	(16,780)	–
Total liabilities	(19,533)	–

19. Related party and key advisor transactions

Loans to related parties:

	31 December 2022 £'000s	31 December 2021 £'000s
Short-term balance outstanding on accrued interest receivable[1]	11,826	13,147
Short-term balance outstanding from TRIG UK, in relation to management fees to be settled in shares[1]	1,008	1,008
Long-term loan stock to TRIG UK and TRIG UK I[2]	1,853,493	1,671,894
	1,866,327	1,686,049

1 Included within Other receivables on the Balance Sheet
2 Included within Investments at fair value through profit or loss on the Balance Sheet

During the year, interest totalling £121,247k (2021: £101,121k) 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 £11,826k (2021: £13,147k) was receivable at the balance sheet date.

Key advisor transactions

The Group's Investment Manager (InfraRed Capital Partners Limited) and Operations Manager (Renewable Energy Systems Limited) are entitled to 65 per cent and 35 per cent, respectively, of the aggregate management fee (see below), payable quarterly in arrears.

The aggregate management fee payable to the Investment Manager and the Operations Manager is 1 per cent of the Adjusted Portfolio Value in respect of the first £1 billion of the Adjusted Portfolio Value, 0.8 per cent in respect of the Adjusted Portfolio Value between £1 billion and £2 billion, 0.75 per cent in respect of the Adjusted Portfolio Value between £2 billion and £3 billion and 0.70 per cent in respect of the Adjusted Portfolio Value in excess of £3 billion. These fees are payable by TRIG UK, less the proportion that relates solely to the Company (the advisory fees) which are payable by the Company.

The advisory fees payable to the Investment Manager and the Operations Manager in respect of the advisory services they provide to the Company are £130k per annum and £70k per annum, respectively. The advisory fees charged to the Company are included within the total fee amount charged to the Company and its subsidiary, TRIG UK, as set out above. The Investment Manager advisory fee charged to the income statement for the year was £130k (2021: £130k), of which £33k (2021: £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 (2021: £70k), of which £18k (2021: £18k) remained payable in cash at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the year was £17,183k (2021: £13,858k), of which £4,538k (2021: £3,290k) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the year was £9,257k (2021: £7,462k), of which £2,444k (2021: £1,772k) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £12,493k (2021: £13,070k) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £25k (2021: £79k) for additional advisory services provided to TRIG UK, neither of which are consolidated in these financial statements.

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's aggregate management fees up to an Adjusted Portfolio Value of £1 billion are to be settled in Ordinary Shares. The shares issued to the Managers by the Company relate to amounts due to the Managers by TRIG UK. Accordingly, TRIG UK reimburses the Company for the shares issued.

As at 31 December 2021, 857,254 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 117.61 pence per share (the Net Asset Value at 31 December 2021 of 119.3 pence per share less the interim dividend of 1.69 pence per share) were due, in respect of management fees earned in H2 2021, but had not been issued. The Company issued these shares on 31 March 2022.

On 30 September 2022, the Company issued 748,569 shares, equating to £991,779, based on a Net Asset Value ex dividend of 132.49 pence per share (the Net Asset Value at 30 June 2022 of 134.2 pence per share less the interim dividend of 1.71 pence per share), in respect of management fees earned in H1 2022.

As at 31 December 2022, 760,976 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 132.89 pence per share (the Net Asset Value at 31 December 2022 of 134.6 pence per share less the interim dividend of 1.71 pence per share) were due, in respect of management fees earned in H2 2022, but had not been issued. The Company intends to issue these shares on 31 March 2023.

The Company is governed by a Board of Directors (the "Board"), all of whom are independent and non-executive. During the year, the Board received fees for their services. Further details are provided in the Directors' Remuneration Report on page 121. Total fees for the Directors for the year were £361,044 (2021: £338,500). Directors' expenses of £11,477 (2021: £3,510) were also paid in the year. There are no other Key Management personnel within the Company.

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

20. Guarantees and other commitments

As at 31 December 2022, the Company and its subsidiaries had provided £164.0m (2021: £177.0m) in guarantees in relation to projects in the TRIG portfolio.

The Company also guarantees the revolving credit facility, entered into by TRIG UK and TRIG UK I, which it may use to acquire further investments.

As at 31 December 2022 the Company has £204.5m of future investment obligations (2021: £231.2m).

More details on timing and amounts can be found in Section 2.2 of the Strategic Report.

The Company and its subsidiaries have issued decommissioning and other similar guarantee bonds with a total value of £44.4m (2021: £22.8m).

21. Contingent consideration

The Group has performance-related contingent consideration obligations of up to £0.4m (2021: £1.8m) relating to acquisitions completed prior to 31 December 2022. These payments depend on the performance of certain wind farms and other contracted enhancements. 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.

22. Events after the balance sheet date

On 2 February 2023, the Company declared an interim dividend of 1.71 pence per share for the period 1 October 2022 to 31 December 2022. The total dividend, £42,456,300, payable on 31 March 2023, is based on a record date of 10 February 2023 and the number of shares in issue at that time being 2,482,824,562.

On 3 February 2023, the Company renewed and increased its revolving credit facility from £600m to £750m with a £45m working capital element.

23. Subsidiaries, joint ventures and associates

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 (including Associates and Joint Ventures) are held at fair value based on the Company's ownership interest as opposed to being consolidated on a line-by-line basis. The following entities 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%
European Investments (SCEL) Limited	UK	100%
European Investments (Cornwall) Limited	UK	100%
European Investments (Cornwall) Holdings 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%
Freasdail Energy Limited	UK	100%
Neilston Community Wind Farm LLP	UK	100%
Carbon Free Limited	UK	100%
NDT Trading Limited	UK	100%
Carbon Free Neilston Limited	UK	100%
Garreg Lwyd Energy Limited	UK	100%
UK Energy Storage Services Limited	UK	100%
Solwaybank Energy Limited	UK	100%
European Wind Investments Group Limited	UK	100%
European Wind Investments Group 2 Limited	UK	100%
Irish Wind Investments Group Limited	UK	100%
Offshore Wind Investments Group Limited	UK	100%
Scandinavian Wind Investments Group Limited	UK	100%
European Storage Investments Group Limited	UK	100%
Trafalgar Wind Holdings Limited	UK	100%
European Investments Tulip Limited	UK	100%
Little Raith Wind Farm Limited	UK	100%
Blary Hill Energy Limited	UK	100%

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Notes to the Financial Statements (continued)

Offshore Wind Investments Group 2 Limited	UK	100%
Offshore Wind Investments Group 3 Limited	UK	100%
Offshore Wind Investments Group 4 Limited	UK	100%
Offshore Wind Investments Group 5 Limited	UK	100%
Offshore Wind Investments Group 6 Limited	UK	100%
Offshore Wind Investments Group 7 Limited	UK	100%
Offshore Wind Investments Group 8 Limited	UK	100%
Scandinavian Wind Investments Group 2 Limited	UK	100%
Iberian Solar Investment Group Limited	UK	100%
Iberian Solar Investment Group 2 Limited	UK	100%
European Storage Investments Group 2 Limited	UK	100%
Verneuil Holdings Limited	UK	72%
Merkur Offshore Wind Farm Holdings Limited	UK	69%
Fred. Olsen Wind Limited	UK	49%
Fred. Olsen Wind Holdings Limited	UK	49%
Fred Olsen Wind 2 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%
Equitix Offshore 3 Limited (MidCo 1)	UK	37%
Equitix Offshore 4 Limited (MidCo 2)	UK	37%
Equitix Offshore 5 Limited (BidCo)	UK	37%
Bilbao Offshore Investment Limited	UK	36%
Bilbao Offshore Holding Limited	UK	36%
Beatrice Offshore Windfarm holdco Ltd	UK	18%
Beatrice Offshore Windfarm Ltd (ProjectCo)	UK	18%
Scira Offshore Energy Limited	UK	15%
East Anglia One Limited	UK	14%
Horizon Offshore Wind Limited	UK	40.6%
Jupiter Investor TopCo Limited	UK	20.3%
Jupiter Investor MidCo Limited	UK	20.3%
Jupiter Investor HoldCo Limited	UK	20.3%
Jupiter Offshore Wind Limited	UK	20.3%
Hornsea 1 Holdings Limited	UK	10.2%
Hornsea 1 Limited	UK	10.2%
European Storage Investments Holdings 1 Limited	UK	100%
European Storage Investments Holdings 2 Limited	UK	100%
European Storage Investments Holdings 3 Limited	UK	100%

Capella BESS Limited	UK	100%
Aludra BESS Limited	UK	100%
Botein BESS Limited	UK	100%
Spennymoor Energy Storage Limited	UK	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%
Verrerie Photovoltaique SAS	France	100%
Parc Eollen Nordex XXI SAS	France	100%
CEPE Rosieres	France	100%
CEPE Montigny La Cour SARL	France	100%
Energies TIlle et Venelle Holdings SAS	France	100%
Energies Entre Tille et Venelle SAS	France	100%
Haut Vannier Holding SAS	France	100%
Haut Vannier SAS	France	100%
FPV du Midi	France	51%
FPV Chateau	France	49.1%
FPV du Plateau	France	49.1%
SECP Bongo	France	49.1%
SECP Olmo 2	France	49.1%
FPV Pascialone	France	49.1%
FPV Santa Lucia	France	49.1%
FPV Agrinergie	France	49.1%
FPV d'Export	France	49.1%
Agrisol 1A Services	France	49.1%
SECP Chemin Canal	France	49.1%
FPV Ligne des Quatre Cents	France	49.1%
FPV Ligne des Bambous	France	49.1%
Heliade Bellevue	France	49.1%
SECP Creuilly	France	49.1%
Akuo Tulip Assets SAS	France	49.1%
FPV Broussan	France	49.1%
Fujin SAS	France	41.9%
Eolienne de Rully	France	41.9%
Parc Eollen de Fontaine Macon	France	41.9%
Parc Eollen de Vignes	France	41.9%
Val De Gronde	France	37.3%
Energie du Porcin	France	33.5%

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Notes to the Financial Statements (continued)

German Offshore Wind Investments Group (Holdings) Limited	Germany	100%
German Offshore Wind Investments Group Limited	Germany	100%
Gode Wind 1 Investor Holding GmbH	Germany	50%
Gode Wind 1 Offshore Wind Farm GmbH	Germany	25%
Merkur Offshore GP GmbH	Germany	35.7%
Merkur Offshore Investment Holdings GmbH & Co KG	Germany	35.7%
Merkur Offshore Holdings GmbH	Germany	35.7%
PG Merkur Holding GmbH	Germany	35.7%
Merkur Offshore GmbH	Germany	35.7%
Merkur Offshore Service GmbH	Germany	35.7%
Malabrigo Solar SLU	Spain	100%
Arenosas Solar SLU	Spain	100%
El Yarte Solar SLU	Spain	100%
Pisa Solar Holdings SL	Spain	100%
Evacuacion Solar Arcos SL	Spain	100%
Valdesolar SL	Spain	49%
MHB Wind Farms Limited	Republic of Ireland	100%
MHB Wind Farms (Holdings) Limited	Republic of Ireland	100%
Taurbeg Limited	Republic of Ireland	100%
Pallas Energy Supply Limited	Republic of Ireland	100%
Pallas Windfarm Limited	Republic of Ireland	100%
Sirocco Wind Holding AB	Sweden	100%
Jadraas Vindkraft AB	Sweden	100%
Gronhult Wind AB	Sweden	100%
Hallasen Kraft AB	Sweden	100%
Krange Wind AB	Sweden	50%
GOW01 Investor LuxCo SARL	Luxembourg	50%

Alternative Performance Measures ("APMs")

We assess our performance using a variety of measures that are not specifically defined under IFRS. These alternative performance measures are termed "APMs". The APMs that we use may not be directly comparable with those used by other companies.

These APMs are used to present an alternative view of how the Company has performed over the year and are all financial measures of historical performance.

The table below defines our APMs and how they relate to the Company's subsidiaries, The Renewables Infrastructure Group UK Limited ("TRIG UK") and The Renewables Infrastructure Group UK Investments Limited ("TRIG UK I").

Performance Measure	Definition
Investments made	This is a measure of amounts invested into the portfolio of investments less any amounts relating to refinance proceeds or sell-downs. The IFRS measure of investments made consists of funding into TRIG UK and TRIG UK I, which is shown in more detail in Note 13 of these financial statements. TRIG invests in its portfolio through its subsidiaries, TRIG UK and TRIG UK I. This is a measure of the valuation of the portfolio of investments only. It is exclusive of cash, working capital and debt balances in TRIG UK and TRIG UK I.
Directors' Portfolio Valuation	TRIG invests in its portfolio through its subsidiaries, TRIG UK and TRIG UK I. This is a measure of the valuation of the portfolio of investments only. It is exclusive of cash, working capital and debt balances in TRIG UK and TRIG UK I. The IFRS measure of investments at fair value through profit or loss is the Directors' Portfolio Value plus the fair value of net assets including cash, working capital and debt held in TRIG UK and TRIG UK I. Directors' Portfolio Value (or Portfolio Value) is reconciled to investments at fair value through profit or loss in Note 13 of these financial statements.
NAV per share	This is a measure of Net Asset Value ("NAV") per ordinary share in the Company and is calculated as the NAV divided by the total number of shares in issue at the balance sheet date. The calculation uses IFRS measures and is explained further in Note 12 of these financial statements.
Total shareholders' return for the year (share price appreciation plus dividends paid)	The Internal Rate of Return upon the share price at 31 December 2021 (134.4p) of dividends (quarterly as paid totalling 6.82p as detailed in note 11 of these financial statements) plus the share price at 31 December 2022 (130.0p).
Total NAV return for the year (NAV per share appreciation plus dividends paid)	The Internal Rate of Return upon the NAV at 31 December 2021 (119.3p) of dividends (quarterly as paid totalling 6.82p as detailed in note 11 of these financial statements) plus the NAV at 31 December 2022 (134.6p).
Dividend Cover	Dividend Cover is calculated as Cashflow from Operations (which is an Expanded Basis measure explained in section 3.2 and reconciled to the IFRS measure) divided by Dividends paid in the year. Dividend Cover, when expressed on a cash basis, has cash dividends paid as the denominator and is calculated as 1.55 times for 2022. Dividend Cover, when expressed as being without the benefit of scrip dividends, has the scrip dividends allocated to shareholders in lieu of cash dividends added to the cash dividends paid for the calculation. This slightly increases the denominator and hence this measure has a slightly smaller value, which was 1.5 times for 2022.

Sustainability Terminology Glossary

Term	Definition
Renewable electricity generated	The amount of renewable electricity generated by the portfolio during the year, net of the Company's ownership share.
Tonnes of CO_2 avoided per annum	The estimate of the portfolio's annual CO_2 emission reductions, based on the portfolio's estimated generation as at the relevant reporting date prepared on the International Financial Institution's ("IFI") approach to greenhouse gas ("GHG") Accounting.
Lost Time Accident Frequency Rate (LTAFR)	A safety at work metric for every 100,000 hours worked. Calculated as the number of accidents which occurred in the given period divided by number of hours worked times 100,000. Whilst all accidents are recorded, only accidents that have resulted in the 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. UK HSE RIDDOR is defined as the UK Health and Safety Executive Reporting of Injuries, Diseases and Dangerous Occurrences Regulation.

SFDR Periodic Disclosures

Pursuant to the Regulation (EU) 2019/2088 Sustainable Finance Disclosure Regulation (the "SFDR"), the Company has set out below the periodic disclosures based on the criteria and definitions set out in the SFDR relating to sustainability risks in respect of the Company.

ANNEX

Product name: The Renewables Infrastructure Group Limited
Legal entity identifier: 213800NO6Q7Q7HMOMT20

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
●● ☐ Yes	●○ ☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Renewables Infrastructure Group Limited's (the "**Company**" or "**TRIG**") investment proposition is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net-zero carbon future. The Company's E/S Characteristics were met by focusing on the following sustainability themes:

- **Mitigating climate change**

  By owning and operating renewable energy assets, TRIG helps to provide clean energy across the UK and Europe. Providing investment funding for new greenfield infrastructure and acquiring operational assets allows developers to recycle capital into the build-out of more renewables assets. This recycling of capital contributes to a reduction in the cost of deploying renewables. TRIG's current operational portfolio is capable of powering the equivalent of 1.8m homes with clean energy[1].

In addition, climate change measures are integrated into TRIG's policies and planning. This includes the assessment and reporting of climate-related risks and opportunities associated with our portfolio, as well as taking steps to reduce our carbon footprint. TRIG's operational portfolio contributes towards a net-zero carbon future and is currently capable of offsetting more than 2.2m tonnes of CO_2 emissions annually, generating 5,376GWh of renewable electricity during 2022[2].

Due to the nature of TRIG's investment proposition this means that, primarily, the Company's portfolio contributed towards United Nations (UN) Sustainable Development Goals (SDGs) of SDG 7 Affordable and clean energy, and SDG 13 Climate action.

- **Preserving the natural environment**

  TRIG's Investment Manager, InfraRed Capital Partners (the "**Investment Manager**" or "**InfraRed**") and Renewable Energy Systems (the **"Operations Manager**" or "**RES**") worked with the Company's individual project asset managers to preserve the natural environment. This includes execution of environmental management projects agreed with the authorities during the project consenting process, undertaking vegetation surveys, preventing biodiversity loss, reducing waste and recycling where possible and careful usage of materials.

  Specifically, during the period, RES conducted a trial of sustainability-focused workshops to identify further enhancement and mitigation strategies for the solar and wind assets in the UK and Ireland. These workshop have resulted in the production of specialised biodiversity enhancement plans. Further information can be found in the case study set out on page 41.

- **Positively impacting the communities in which the Company works**

  With renewable energy assets often located in rural areas where communities may experience limited employment options and limited social or health facilities, TRIG is sensitive to the impact that a project can have on its local community. Through local initiatives and direct engagement with communities, tangible benefits can be created. TRIG has no direct employees, but actively engaged with its Managers in respect of their employee engagement programmes.

  During 2022, TRIG distributed £1.23m of community funding across 38 community funds.

- **Maintaining ethics and integrity in governance**

  Responsible business practices are key to long-term success. This includes health & safety, managing conflicts of interest and maintaining policies. Both TRIG and RES work together to ensure that sustainability considerations are also prioritised in the ongoing management and reporting of the assets throughout the ownership period. This includes the completion of an annual ESG survey to assess the performance of the portfolio companies against 70+ KPIs. The results of this survey will be provided in

[1] Once the projects in construction are operational, the portfolio will be capable of powering the equivalent of 1.9m homes with clean energy.

[2] Once the projects in construction are operational, the portfolio will be capable of offsetting 2.4m tonnes of CO_2 emissions annually. Calculated in accordance with the IFI Approach to GHG Accounting for Renewable Energy.

TRIG's Sustainability Report.

A core component of good governance is promoting thought leadership and best practice in the wider industry. InfraRed and RES are actively engaged in public policy debates, engaging directly with policymakers and through trade bodies such as the Global Infrastructure Investor Association (GIIA), The Infrastructure Forum, the Association of Investment Companies, Renewables UK, Energy UK, IREG and the Swedish Wind Energy Association.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

InfraRed has used the following sustainability indicators to measure the attainment of the E/S Characteristics

- Environmental: Renewable electricity generated, homes (equivalent) powered, carbon emissions avoided, percentage of UK portfolio sourcing electricity under Renewable Electricity Supply Contracts and scope 1, 2, 3 emissions; and
- Social: Number of community funds within the TRIG portfolio, community contributions per annum in £, and number of sites that have any outstanding issues with the local community.

Information regarding the performance of TRIG's investments against all sustainability indicators besides scope 1, 2 and 3 emissions is provided in the table on page 39 of this Annual Report. Information regarding the Company's investments' performance against scope 1, 2 and 3 emissions is provided in the table on page 94 of this Annual Report.

…and compared to previous periods?

A comparison to the previous period's results can be found in the tables contained on pages 39 and 94.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Prior to acquisition of an investment, the Investment Manager considers the mandatory principal adverse impact indicators in Table 1 Annex 1 of the SFDR RTS, to the extent that relevant data is available from each potential investee company. Post-acquisition, the Investment Manager and Operations Manager (together, the "Managers") ensured assessment of the mandatory principal adverse impacts on an ongoing basis through an annual ESG Survey which portfolio companies are asked to complete, the results of which are published in TRIG's Sustainability Report in calendar Q2 each year. Information regarding InfraRed's consideration of the principal adverse impacts in respect of TRIG's investments will be provided in TRIG's Sustainability Report due to be published during 2023.

What were the top investments of this financial product?

The information shown in the table below has also been provided on page 63 of this Annual Report.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period, which is: **1 January to 31 December 2022**

Largest investments **Sector** **% Assets** **Country**

			Ten Largest Investments – Invested to date basis
Project	**Location**	**Type**	**% of portfolio by value at 31 December 2022**
Hornsea One	England	Offshore Wind	9%
Merkur	Germany	Offshore Wind	7%
Jädraås	Sweden	Onshore Wind	7%
Beatrice	England	Offshore Wind	6%
East Anglia 1	England	Offshore Wind	6%
Gode Wind 1	Germany	Offshore Wind	4%
Garreg Lwyd	Wales	Onshore wind	4%
Crystal Rig II	Scotland	Onshore wind	3%
Valdesolar	Spain	Solar PV	3%
Sheringham Shoal	England	Offshore Wind	3%

What was the proportion of sustainability-related investments?

N/A

SFDR Periodic Disclosures

(continued)

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

What was the asset allocation?

100% of TRIG's investments were made to attain the E/S Characteristics in the reporting period.

To confirm, the Company's asset allocation has been calculated based on market values in respect of "#1 Aligned with E/S Characteristics" investments and mark-to-market value in respect of the "#2 Other" assets (as detailed further below).

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

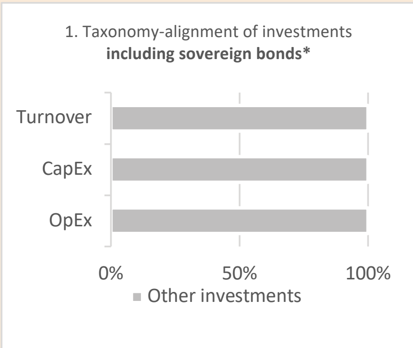
The Company's investments were in infrastructure assets, in the following sectors: onshore and offshore wind farms, solar parks and flexible capacity infrastructure.

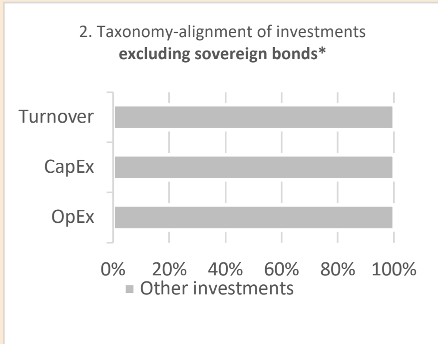
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Managers are currently in the process of reviewing and assessing the Company's investments against the EU Taxonomy technical screening criteria contained in the Taxonomy Climate Delegated Act. This assessment is being conducted as part of the annual ESG Survey, the results of which will be published in TRIG's annual Sustainability Report. As such, TRIG is not currently in a position to disclose how and to what extent the investments underlying the Company are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the EU Taxonomy). As a result, and in accordance with the European Commission's Decision Notice of 13 May 2022 (C(2022) 3051), the Managers confirm that the Company's investments are 0% EU Taxonomy-aligned until such a time as the Managers will be in a position to publish the results of their ongoing review in TRIG's annual Sustainability Report. Given the inherent nature of the Company's investments in renewables infrastructure that are contributing towards a net-zero carbon future, the Managers expect that a proportion of the Company will be EU Taxonomy-aligned in due course.

sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

As noted above, the Company is not currently in a position to disclose how and to what extent the investments underlying the Company align with the EU Taxonomy. Therefore, the Company is not in a position to disclose the minimum share of investments in transitional and enabling activities. Each of these measures will be disclosed in line with TRIG's normal reporting cycle in its annual Sustainability Report.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

What was the share of socially sustainable investments?

N/A

SFDR Periodic Disclosures

(continued)

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Currency, interest rate and power price hedging is carried out to seek to provide protection against foreign exchange risk and increasing costs of servicing Group Debt (as defined in the Prospectus) drawn down to finance investments. However, currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes. In respect of this reporting period, the value of investments in "other" was 0.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Company took several actions during the period to meet its E/S Characteristics, as outlined below.

- **Mitigating Climate Change**

The Company made 7 new investments during the period, renewable energy generated in the period increased from 4,125GWh to 5,376GWh. The corresponding benefits in respect of carbon emissions avoided and homes powered is reported in the table above and set out on page 39 of the Annual Report.

In addition to investing in renewable and flexibility capacity infrastructure, the Company also took a number of steps to reduce the GHG emission impacts of its portfolio. This includes increasing the proportion of the UK portfolio sourcing on-site electricity under Renewable Electricity Supply Contracts from 72% to 75% respectively. As outlined on page 40 of the Annual Report, the Company is currently developing net zero targets which will be submitted and validated with the SBTi during 2023.

- **Preserving the natural environment**

During the period, the Company increased the number of environmental management projects from 14 to 20. This was due to a combination of the acquisition of additional construction projects during the period, which had environmental management plans in place, as well as initiatives which were implemented as a result of the sustainability-focused workshops completed by RES (refer to the Case Study on page 41 of the Annual Report).

The nature of the environmental projects vary between projects, but include activities such as forestry management, installing beehives on site, planting wild flowers and creating insect environments to provide food sources for hen harriers.

- **Positively impacting the communities in which the Company works**

As highlighted above, during 2022 TRIG distributed £1.23m of community funding across 38 community funds. In addition to community funding, TRIG also looks to identify opportunities to engage with schools in the local communities to educate students on renewable energy and facilitate site visits to the projects where possible.

Further information about specific case studies for TRIG's and the Manager's community-related initiatives are provided on page 42 of this Annual Report.

- **Maintaining Ethics and Integrity in Governance**

During the period several initiatives were taken to support this E/S Characteristic, including:

  - The Investment Manager continued to undertake detailed due diligence on its supply chain, particularly in relation to new flexible capacity investments.
  - The Operations Manager increased engagement with the portfolio companies to improve participation in the annual ESG survey. The results of the ESG survey will be published in TRIG's Sustainability Report.

Both Managers engaged directly with policymakers and through trade bodies in relation to public policy issues as outlined on page 45.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

N/A

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

Directors and Advisers

DIRECTORS
Richard Morse (Chairman) (appointed 18 July 2022)
John Whittle
Tove Feld
Klaus Hammer
Erna-Maria Trixl (appointed 1 March 2022)
Selina Sagayam (to be appointed 1 March 2023)
Shelagh Mason (resigned 28 February 2022)
Jonathan (Jon) Bridel (resigned 27 May 2022)
Helen Mahy (resigned 31 October 2022)

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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
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
Net assets	£3,343m as at 31 December 2022
Market capitalisation	£3,228m as at 31 December 2022
Management Fees	1.0% per annum of the Adjusted Portfolio Value[72] of the investments up to £1.0bn (with 0.2% of this paid in shares), falling to (with no further elements paid in shares) 0.8% per annum for the Adjusted Portfolio Value above £1.0bn, 0.75% per annum for the Adjusted Portfolio Value above £2.0bn and 0.7% per annum the Adjusted Portfolio Value above £3.0bn. Fees are split between the Investment Manager (65%) and the Operations Manager (35%). No performance or acquisition fees
ISA, PEP and SIPP status	The Ordinary Shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been purchased in the market. The shares 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 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 the UK PRIIPs regulation and this can be found on the Company's website
Investment policy	The Company's investment policy can be found on the Company's website
Website	www.TRIG-Ltd.com

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

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