



Generating Sustainable Value

TRIG H1 2023 Interim Report

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Generating Sustainable Value

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

Summary Financial Results

For the six months to 30 June 2023

1.1p

Earnings per share ("EPS")

30 June 2022: 17.9p

-2.4p

NAV growth

30 June 2022: 14.9p

1.7x

Dividend cover

30 June 2022: 1.4x

As at 30 June 2023

£3,284m

Net assets

31 December 2022: £3,343m

132.2p

NAV per share

31 December 2022: 134.6p

£3,671m

Directors' Portfolio Valuation

31 December 2022: £3,737m



Interim Highlights

For the six months ended 30 June 2023

Resilient earnings and Net Asset Value (“NAV”):

- Earnings per ordinary share of 1.1p (30 June 2022: 17.9p)
- NAV per ordinary share of 132.2p as at 30 June 2023 (31 December 2022: 134.6p)
- Portfolio Valuation of £3,671m as at 30 June 2023 (31 December 2022: £3,737m)

Healthy cash generation from underlying projects:

- Dividend cover of 1.7 times in the period (30 June 2022: 1.4 times), or 3.0 times before the repayment of project level debt*
- Strong inflation linkage, with over 50% of revenues directly linked to inflation over the next ten years
- Fixed interest rate borrowings across the project companies
- £119m of project level debt principal repaid. Project level gearing reduced from 38% to 37%, future surplus earnings will enable the reduction of Revolving Credit Facility (“RCF”) borrowings
- £65m reinvested in construction projects using £54m of surplus cash generated during the period
- The Company’s £750m RCF as at 30 June 2023 was £410m drawn

A technologically and geographically diversified portfolio of 2.8GW of renewable energy assets:

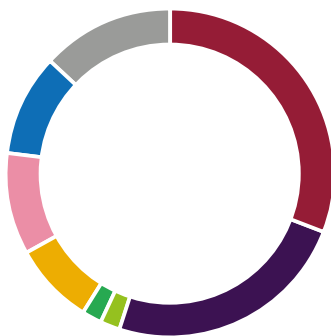
- 1,040,000 tonnes of CO₂ avoided during the period (30 June 2022: 960,000)
- 2,919GWh of clean energy generated during the period (30 June 2022: 2,747GWh)
- Completion of five construction projects in H1, including solar projects in Spain and an onshore wind farm in Sweden, commissioning 301MW of new capacity
- Below budget generation in the period, predominantly driven by low wind resource in the UK, partially moderated by portfolio diversification with the solar portion of the portfolio ahead of budget
- 1.7m homes (equivalent) powered with renewable electricity (30 June 2022: 1.6m)

* Dividend cover reported on an expanded basis, being net operational cash (£145.2m) over dividends during the period (£87.0m). Project-level debt repaid in the period was £119.1m. Please refer to the ‘Financial Review’ section for an explanation of the Expanded Basis

Investment Portfolio

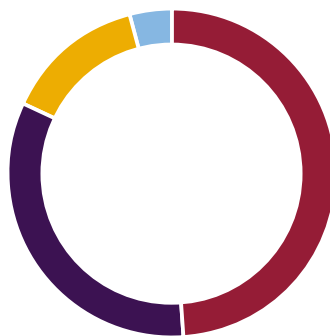
TRIG owns the largest diversified portfolio of renewable energy investments within the UK Investment Company sector.

DIVERSIFICATION ACROSS MULTIPLE COUNTRIES^{1,2,3}



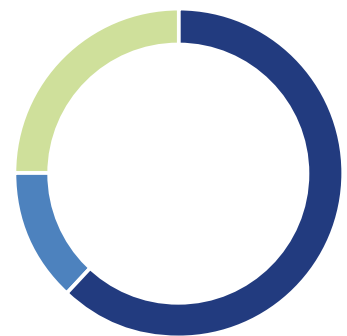
▲ England & Wales	31%
▲ Scotland	24%
▲ Northern Ireland	2%
▲ Republic of Ireland	2%
▲ Spain	8%
▲ Germany	10%
▲ France	10%
▲ Sweden	13%

FOUR ESTABLISHED RENEWABLE TECHNOLOGIES²



▲ Onshore Wind	49%
▲ Offshore Wind	33%
▲ Solar PV	14%
▲ Flexible Capacity	4%

62% OF REVENUES DIRECTLY LINKED TO INFLATION⁴



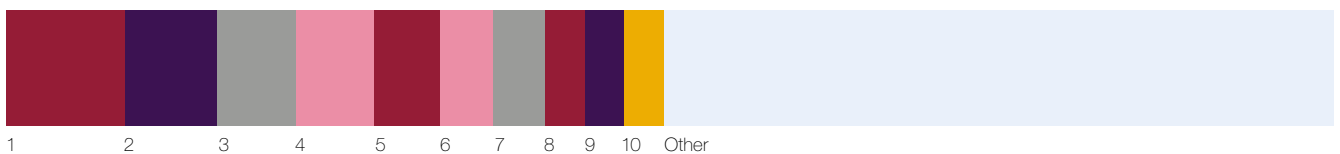
▲ Subsidised (inflation linked)	62%
▲ Subsidised (non-inflation linked)	13%
▲ Wholesale power price	25%

LOW SINGLE ASSET CONCENTRATION^{2,5}

49%

Top 10 assets less than half of portfolio value

1. Hornsea One	9%	6. Gode Wind One	4%
2. Beatrice	7%	7. Grönhult	4%
3. Jädraås	6%	8. Garreg Lwyd	3%
4. Merkur	6%	9. Solwaybank	3%
5. East Anglia One	5%	10. Valdesolar	3%



1 Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain
 2 Segmentation by portfolio value as at 30 June 2023 on a fully committed basis
 3 Scottish ROC projects represent half of the 24% of the portfolio in Scotland
 4 Over the next 12 months to 30 June 2024
 5 Colours indicate jurisdiction / power market

Chair's Statement

TRIG's portfolio demonstrates its resilience through the economic cycle, underpinned by the positive inflation correlation of its revenues and low exposure of its cash flows to rising interest rates.

Over the next ten years, more than 50% of forecast revenues are directly linked to inflation through subsidy support mechanisms providing a natural hedge to increasing return expectations. Despite these characteristics, we have not been immune to the sustained trading of share prices at discounts to Net Asset Values, as seen across the real assets investment company sector. In a changing macroeconomic environment, we maintain our focus on capital allocation together with active operational and financial management.

Earnings in the six months to 30 June 2023 were 1.1p per share. Underlying portfolio performance remains strong, with cash flows benefitting from increases in index-linked subsidies as well as the exposure to wholesale power prices, despite lower than expected wind resource. Portfolio Valuation has slightly declined as valuation discount rates have been increased, reflecting the higher returns environment which is significantly offset by the strong inflation linkage in the portfolio. As at 30 June 2023, the portfolio discount rate was 7.9% and the Company's NAV was 132.2p per share. Further explanation of the Company's financial results is provided in the Investment Report.

Net cash flows from the Company's projects are very healthy, covering the cash dividend 1.7 times. Operational cash flow generated in the period before repayment of project-level debt in the period was £264m, representing 3.0 times cover of the dividend. We are pleased to reconfirm the 2023 dividend target of 7.18p per share (2022: 6.84p per share).

We have applied surplus cash flows from the portfolio to fund existing construction commitments and in time, as construction commitments are met, we expect surplus cash flows to reduce short-term debt. Beyond this, the Investment Manager adopts a disciplined approach to further capital outlay, where, together with the Board, it also considers share buybacks alongside potential new investments as well as disposals to generate cash for such allocations in seeking the best return for shareholders.

Balance sheet discipline is reflected across the portfolio with project debt almost entirely fixed rate and fully amortising over the remaining subsidy periods without refinancing risk. This protects the portfolio's cash flows from interest rate movements.

Diversification remains core to TRIG's strategy, and our operational portfolio continues to expand with the commissioning of five projects constructed in Sweden and Spain. The development of our two near-term battery storage projects in the UK continues to progress well.

TRIG's Managers work both to preserve and enhance the portfolio's value. This work encompasses both technical enhancements such as improvements to blade aerodynamics that increase energy output, and commercial enhancements like the long-term corporate Power Purchase Agreement TRIG entered into during the period that helps manage variable power price exposure. We expect another opportunity to enhance shareholder value will come from the repowering potential of our older assets beyond that recognised in the Company's Portfolio Valuation.

Energy policy evolution remains an area of attention. Reviews of electricity market arrangements are ongoing in the UK and the EU, including the consideration of wholesale pricing mechanisms, as expanded upon in the Investment Report.

Klaus Hammer retired from TRIG's Board of Directors in May 2023. On behalf of the Board, I would like to thank him for his nine years of service to TRIG's shareholders and broader stakeholders. I also welcome Selina Sagayam who was appointed to the Board in March 2023. Selina has extensive legal and ESG experience, and she chairs our newly established ESG Committee. TRIG published its fourth annual Sustainability Report in May, underscoring our commitment to responsible investment, which this new committee will oversee.

During the period, Jaz Bains stepped down from the leadership of the Operations Manager's team. I extend the Board's thanks to Jaz for his significant contributions to TRIG since its launch in 2013. He hands over to Chris Sweetman, who has been leading the day-to-day management as a senior member of the RES team alongside Jaz since TRIG's IPO. Jaz remains on TRIG's Advisory Committee.

In the ten years since TRIG's IPO, the Company has delivered shareholders a return of 8.8% p.a.¹, grown the dividend by 20% and created the largest diversified portfolio of renewables infrastructure projects of its peers, spanning six European countries and four technologies. Looking forward, as countries across Europe decarbonise to reach net zero emissions by 2050, renewables remain at the heart of public policy and the opportunity set is greater than ever. I firmly believe that TRIG's priorities of diversification, value enhancement and effective capital allocation will continue to generate resilient returns for our shareholders.



Richard Morse
Chairman
3 August 2023

Investment Report

Financial highlights

The Company's portfolio generated strong cash flows in the first half of 2023. Operational cash flow of £264m² represents 3 times cover of the £87m cash dividend paid to shareholders. Operational cash flows were used to repay £119m portfolio-level debt. After operating and finance costs, the Company's net cash flow of £145m (H1 2022: £107 million) during the period covered the cash dividend 1.7 times.

Looking forward, cash flows are expected to continue to be supported by the portfolio's strong inflation linkage and power price levels above historical averages. This has provided resilience to valuations in the face of marked increases in nominal return requirements, with valuations softening only slightly in the first half of the year as the higher returns required by investors have been mitigated by higher forecast cash flows. This resilience can be further demonstrated by looking back over the last 18 months where valuations have increased due to increases in forecast cash flows, despite the Company's 1.0% increase in valuation discount rate applied over this period.

The Company's Net Asset Value as at 30 June 2023 was 132.2p per share (31 December 2022: 134.6p per share) and the Company's Portfolio Valuation was £3,671 million. Earnings for the period were 1.1p per share (H1 2022: 17.9p).

This resilient underlying financial performance has been the result of:

- Continued active financial and operational management of TRIG's portfolio, including:
 - The delivery through construction into operations of four solar projects in Spain and one onshore wind farm in Sweden.
 - Fixing power prices for several projects at attractive prices, including the signing of a ten-year corporate power purchase agreement, which secured an attractive fixed tariff for Blary Hill onshore wind farm.
- Reintroduction of historical feed-in tariffs on older solar projects thereby reversing the retroactive changes introduced by the French Government.
- Increases in index-linked subsidies and strong wholesale power prices flowing through to revenues.
- Fixed interest rate borrowings across the project companies and limited refinancing risk across the project debt in the portfolio, largely removing sensitivity to recent increases in interest rates.
- Strong pricing performance of Renewable Energy Guarantees of Origin certificates ("REGOs") in the UK and Guarantees of Origin certificates ("GoOs") in the EU, resulting in increased forecast revenues.

This has been partly offset by below budget generation, predominantly driven by low wind resource in the UK relative to long-term forecasts.

² Operational cash flow generated is reconciled to the cash flow statements as follows: Cash flow from investments £171.3m less Company (including its immediate subsidiaries TRIG UK and TRIG UK I) expenses £26.1m plus project level debt repayments £119.1m

Macroeconomic movements included:

- Decreases in short- and medium-term power price forecasts across the markets where TRIG has investments, which reduced the Portfolio Valuation by 3.5p per share. However, relative to historical norms, power prices remain elevated following the substantial increases seen in 2022. The decreases in 2023 significantly reduce the impact of the windfall taxes introduced in 2022 on the Company's NAV.
- The portfolio's weighted average discount rate has increased by 0.7% to 7.9%. This is mostly due to the Investment Manager increasing valuation discount rates for projects, by an average of 0.5% (UK +0.8%, EU +0.3%). This increase of 0.5% has reduced the Portfolio Valuation by 5.7p per share in the period. This reflects the increased return expectations for the portfolio whilst recognising the movement in government bond yields, particularly in the UK where there have been fewer renewables transactions on which to base valuations.
- The valuation impact of the higher discount rate was substantially mitigated by increased near-term and longer-term inflation assumptions, which have increased the Portfolio Valuation by 3.9p per share as these inflation assumptions flow into revenue forecasts through index-linked subsidies and indirectly increase power price forecasts. Over 50% of the Company's forecasted revenues over the next ten years benefit from subsidy regimes with a direct link to inflation indices.

Greater detail on these movements can be found in the 'Valuation of the portfolio' section.

Responsible management of the balance sheet is a key focus for the Company's Board and Managers, informing their approach to capital allocation in consideration of the current macroeconomic environment. In the current market context, managing short-term borrowings on its RCF (see overleaf) and meeting the Company's construction commitments are the primary uses of excess cash flows from the portfolio.

The Company's underlying gearing at asset level continues to amortise and will be repaid debt during the remaining period of government subsidy and revenue support mechanisms.

TRIG utilises a RCF, which is used to make new investments and is repaid from surplus cash flows, equity fund raises or disposal proceeds. The RCF which was refinanced in February 2023, has total funding capacity of £750m and matures in December 2025. As at 30 June 2023, the RCF was drawn £410m, remaining broadly level over the period. Surplus investment cash flows have been used to fund the Company's construction activities during the period.

In H1 2023 construction spend of £65m was largely met by surplus operational cash flows generated of £54m. Committed spend on construction is reducing as projects come out of build, so it is expected that the construction commitments which are £150m over the next three years will be exceeded by surplus operational cash flows.

Investment Report continued

Investment highlights

TRIG consistently benefits from a large and diversified portfolio with investments spread across different geographies, technologies and revenue types to mitigate risk.

The Investment Manager takes a careful and considered approach to portfolio composition. New investments are appraised alongside alternative uses of the Company's surplus cash flows, in particular reducing RCF borrowings and the consideration of share buybacks.

The Managers' successful delivery of development and construction projects through to operations is a key driver to create value for shareholders. Several significant milestones were reached during the period, including the commissioning of the four Cadiz solar projects in Spain and the Grönhult onshore wind farm in Sweden. Adding 301MW of operational capacity to the portfolio, these projects strengthen and further diversify the Company's revenues. Approximately half of the construction risk premia across these investments has been released and reflected in an increase in the valuation of these investments. The remaining construction risk premia will be released as the energy yield and operational performance is further evidenced in steady state operations.

TRIG's ongoing construction projects also continued to progress well during the period. The first turbines were erected at Ranasjö and Salsjö (Twin Peaks) onshore wind farms in Sweden where operational take-over is scheduled for 2024.

Works are also being progressed to maximise the value of TRIG's existing assets. Repowering development works have commenced for the 38MW Altahullion wind farm in Northern Ireland. An agreement was also reached during the period to commence development work which leverages the grid connection and land space at the Cadiz solar projects through the addition of onshore wind, a process known as 'co-location'.

The development of the four two-hour duration battery storage projects acquired in late 2022 has also progressed well. The 74MW Ryton project, is expected to reach the Final Investment Decision ("FID") stage post period end. Additionally, a follow-on loan was added to the Phoenix mezzanine debt investment to enable our partner, Akuo, to build 25MW of new battery storage capacity at sites on Corsica and La Reunion.

The Investment Manager also considers opportunities to secure greater value for shareholders through divestments where a third party may attribute greater value to a project than recognised in the Portfolio Valuation. There may be selective opportunities to adjust the portfolio's composition by rotating out of certain assets and into diversifying, and potentially higher returning, opportunities.

Current outstanding commitments

The Company has outstanding investment commitments (for construction activities) of £146m relating to the Swedish onshore wind construction projects (Ranasjö and Salsjö), and two of the UK battery storage projects (Ryton and Drakelow), set out in the table below by expected due date. Further information is detailed on page 18. The Company's £750m committed RCF was drawn £410m as at 30 June 2023.

	H2 2023	2024	2025	Total
Outstanding commitments (£m)	44	72	30	146

Revenue profile

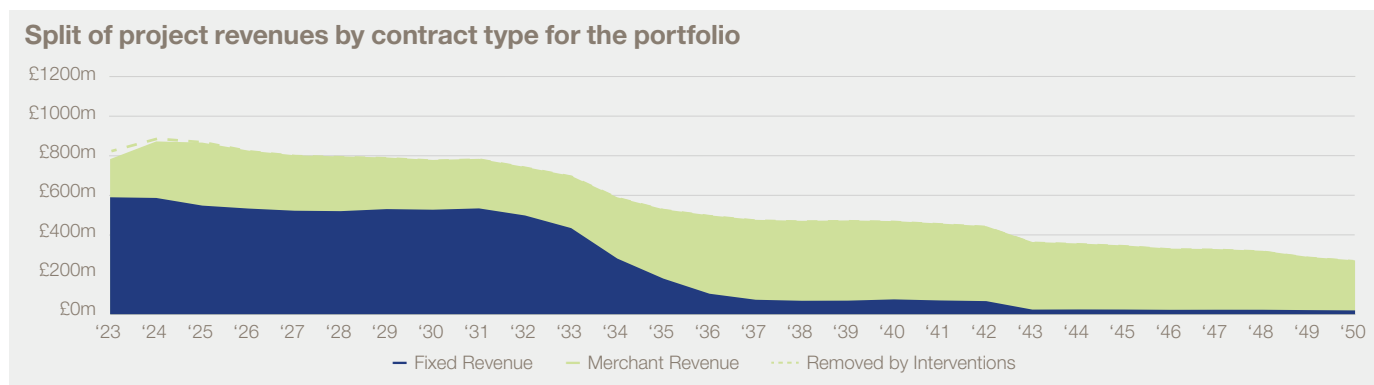
TRIG benefits from diversification across several power markets, with projects in Great Britain, the Single Electricity Market (Northern Ireland and the Republic of Ireland), the main continental European power market (France and Germany), the Nordic market (Sweden) and the Iberian market (Spain).

TRIG's portfolio cash revenues, as well as benefitting from wholesale power prices, have substantial medium-term protection from movements in power prices as the portfolio receives a high proportion of its revenue from government subsidies such as Feed-in-Tariffs ("FITs"), Contracts for Difference ("CfDs"), Renewable Obligation Certificates ("ROCs") or from selling electricity generated via Power Purchase Agreements ("PPAs") with fixed prices or from other hedges, together referred to as fixed revenues.

The Group³ receives a portion of its revenues in Euros; 42% of the portfolio by value is invested in Euro-denominated assets. The Group employs foreign exchange hedging to significantly mitigate the cash flow and valuation exposure to this risk, as expanded upon in the 'Valuation of the portfolio' section.

The Investment Manager implements the Company's foreign exchange hedging policy through Sterling-Euro swaps for up to four years forward. As a result of the interest rate differential between UK and the Eurozone, forward foreign exchange contracts over the next four years have been struck at levels better, in Sterling terms, compared to the foreign exchange rate as at 30 June 2023 and used in the Portfolio Valuation.

The chart below reflects the portfolio's forecast revenues (including the impact of government interventions).



Principal risks and uncertainties

TRIG's principal risks, approach to risk management and counterparty exposures are unchanged to those set out in section 3.4 of the Company's 2022 Annual Report – Risks and Risk Management. Updates against the principal risks are summarised below.

In addition, in a macroeconomic environment with elevated inflation and rising interest rates, the correlation of portfolio returns to inflation and the Company's approach to long-term, fixed-rate and amortising structural debt are key risk mitigants.

Regulation and taxation

The risk of government or regulatory support for renewables changing adversely.

In 2022, prolonged high power prices saw governments across Europe intervening in energy markets, including through the introduction of 'windfall' taxes and levies on generators to, in the first instance, help fund financial support to ease the cost of electricity to end users. In the UK, the Electricity Generator Levy is in place until 2028. In the EU, many of these levies expired on 30 June 2023, with several countries not extending the period of application, including Germany. There remains a risk that further intervention may result if electricity prices were to increase significantly again; however, the price levels that have historically triggered intervention are not taken into account in the valuation of the Company's portfolio.

As detailed on this page under Market Developments, the UK and EU governments are also assessing options to reform electricity markets, including how the wholesale electricity price is set and whether new long-term revenue support contracts should be made available to existing generators. TRIG's approach to diversify political and regulatory risk across jurisdictions helps to reduce the impact on the portfolio from individual risks at the national level.

Power prices

The risk of electricity prices falling or not increasing as expected.

Power prices have been particularly volatile since 2020, with periods of very low pricing experienced during the Covid pandemic and very high prices since the outbreak of the conflict in Ukraine.

Power prices trended lower during the first half of 2023 but remain elevated compared to historical levels. A combination of infra-marginal power price caps implemented in Europe and the Electricity Generator Levy in the UK reduced sensitivity to this change. Near-term forwards are now at levels consistent with, or below, government intervention thresholds.

There has been little change in the long-term fundamentals of power prices in the period, leading to limited movements in long-term power price forecasts compared to those as at 31 December 2022 in most geographies. We are yet to see the increase in supply chain costs and cost of capital flow through into forecasters' renewables deployment and electricity demand assumptions.

The valuation of the Company's portfolio overlays market derived forward prices to a blend of cannibalised power price forecast curves produced by three independent forecasters.

Production performance

The risk that portfolio electricity production falls short of expectations.

Weather resource was below budget in the period, particularly wind in the UK and Ireland. The overall shortfall against budget was moderated by portfolio diversification, particularly the solar portion of the portfolio which was ahead of budget for the period. Portfolio diversification has been enhanced in the period with the commissioning of the Cadiz

solar projects in Spain and the Grönhult onshore wind farm in Sweden. Further, operational partners across the portfolio, including RES, continue to develop energy yield value enhancements to improve energy output.

Market developments

UK

In February 2023, the UK government published a summary of responses to the Autumn 2022 Review of Electricity Market Arrangements consultation, and at the same time reinforced the current pay-as-clear price setting mechanism as the most appropriate. One of the key areas which is subject to ongoing debate is the market structure and whether there remains one price across the whole of Great Britain, or there is a move to locational pricing with the island split into either several price zones or hundreds of price nodes.

A move to locational pricing may result in merchant power price revenues received by projects nearer demand centres increasing; but projects further from demand centres may see electricity offtake pricing fall. Should locational pricing be adopted, it is unlikely to be beneficial for most wind farms which tend to be in remote areas, although transitional arrangements may be adopted which could mitigate this risk.

A number of studies are currently underway in relation to the different market structures being considered. One such study has indicated that a move to locational pricing might result in savings for consumers; another indicates that locational pricing would be more expensive. In both cases, each study highlights significant unquantified risks with overhauling the market structure. It is also important to continue to appeal to wind farm developers and financiers, with signs already that wind farm development is reducing due to economic pressures. Further studies are expected to be published during the summer and a second industry consultation is expected in the autumn.

EU

Shortly following their consultation in February 2023, the European Commission proposed a number of possible reforms to power markets. Discussion of the reforms remains ongoing. These reforms indicate a desire to improve electricity pricing visibility for generators and customers through greater use of power purchase agreements with government guarantees, by strengthening power markets through grid infrastructure investment, by increasing the use of two-way Contracts for Difference for new build renewable projects, and in doing so protecting retail consumers.

Outlook

During a period of continued geopolitical and macroeconomic uncertainty, the Company's portfolio has again demonstrated its inherent resilience through strong cash generation. The strength of the Company's prudent capital structure, the inflation correlation within its revenue streams, and distinct investment strategy continues to be underscored in the current volatile market.

The opportunity to deliver higher returns from progressing late-stage development and construction assets means that the Company is well positioned to continue its track record of delivering income and capital growth. The active management of the portfolio includes the consideration of disposals where complementary to the Company's overall strategy.

The Managers' implementation of the Company's strategy through their approach to portfolio diversification, value enhancement and capital allocation seeks to maximise returns for shareholders. InfraRed's differentiated investment capabilities combined with RES' operational excellence, stand the Company in good stead to deliver a real value proposition to shareholders.

Operations Report

Operational performance

		H1 2023 Electricity Production (GWh)*	H1 2023 Variance to budget
Onshore	GB	583	(21%)
	Ireland	131	(18%)
	France	329	(6%)
	Scandinavia	353	(7%)
Offshore	GB	703	(7%)
	Germany	400	(7%)
Solar	GB, France, Spain	455	2%
Total		2,954	(9.3%)

* Includes compensated production due to grid curtailments, and other availability warranties and insurance

Overall, wind resource in most of the jurisdictions in which TRIG invests across Europe has been below budget in the period. The impact of a particularly poor wind resource period in the UK and Ireland has been moderated by the diversification of the portfolio in regions such as France, Germany and Sweden, where the negative variance to budget has been less, and the inclusion of solar in the portfolio, which outperformed budget.

Onshore wind

GB

Production in the GB region was adversely affected across the region by very low wind in the half year period. During this time a number of major component exchanges were undertaken so to minimise the lost production during the associated downtime compared to undertaking works when wind levels are more normal.

New Operations & Maintenance (“O&M”) contracts were signed for three more of the seven UK and Ireland projects which were competitively tendered in 2022. These contracts leverage TRIG’s portfolio size and purchasing power whilst capturing site-specific technical requirements.

A ten-year corporate PPA was signed to secure fixed revenue at an attractive price at TRIG’s first subsidy-free wind farm in the GB region, Blary Hill.



NORTHERN IRELAND & REPUBLIC OF IRELAND

Generation in the region, which constitutes 4% of the portfolio, was below budget due to a mixture of low wind and major component replacements at older sites.

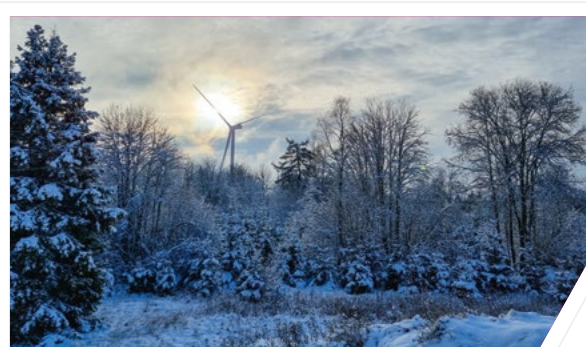
FRANCE

Sites in the north of France performed well, driven by strong wind resource and high availability. This was offset by below-budget production at the southern sites, which experienced a significant number of high wind events requiring preventative shut downs during Q1. Vannier, which completed construction in H2 2022, performed on budget.

Repowering activities on the four older southern sites continue, with grid connection secured for Claves in the period. Major components continue to be replaced to enable the projects to maximise the benefit from current high power pricing ahead of decommissioning and repowering. Dismantling of the first site is expected to commence in late 2024.

SWEDEN

Production was 7% under budget, due to low wind compared to long-term averages. Jädraås and the newly constructed Grönhult are located in different regions of Sweden, adding diversification to the production within the country.



Offshore wind

GB

Production was 9% below budget again due to low wind resource relative to long-term averages. Production was also adversely impacted at Beatrice by array cable issues which required some curtailment. Additional monitoring is planned to gather the required data to support the removal of this curtailment.

Improved terms were secured on a major O&M contract for one asset in the region, which will amount to significant savings over a period of ten years.

Proactive end of warranty inspections and negotiations across TRIG's offshore wind portfolio continue to maximise the long-term performance and value of these assets.



GERMANY

Production was 7% below budget, largely due to low wind resource and a grid outage at Merkur in Q1.

Leading edge protection works are being progressed at Merkur over the summer to protect the long-term integrity of the blades. These works are being conducted under warranty by the turbine provider and include protection against lost revenue.

At Gode 1, the grid operator has constructed and commissioned a new offshore substation for future neighbouring windfarms. In the years leading up to project completion, this will provide an alternative export route for Gode 1 in the event of an outage on its main substation, thereby reducing the risk of future grid losses. It also provides an alternative import route, which can be used to reduce downtime following grid outages.



Solar

GB, FRANCE & SPAIN

The solar portfolio outperformed budget, reinforcing the benefits of a diverse portfolio.

Within Spain, generating ahead of their takeover date in Q1, the four solar projects in Cadiz performed well, resulting in above-budget production in the period. The other Spanish solar project Valdesolar maintained very high availability and its production was on budget in the period.

Within GB, a major panel replacement programme is underway at Parsonage following a successful warranty claim. The newer, more efficient modules are expected to improve future performance.



Operations report continued

MANUFACTURER EXPOSURE

It is important to work with a range of suppliers, and TRIG's portfolio is well diversified across a range of different models and vintages of wind and solar technology. TRIG has exposure to many different equipment manufacturers, with Siemens Gamesa Renewable Energy (SGRE) being the largest of these on a Portfolio Valuation basis.

Issues with equipment inevitably occur from time to time across different manufacturers. The Company has not been materially impacted by these due to contractual protections in place and repairs / correction works being carried out. This includes a range of different contract types, some of which are long-term and all-inclusive, providing protection against expenditure and downtime. End-of-Warranty inspections are also pro-actively conducted, providing time for any issues to be rectified ahead of expiry.

The combination of visibility across the TRIG portfolio, and RES's market awareness allows the Operations Manager to identify potential issues in advance and focus in on monitoring the areas with the greatest potential risks.

CONSTRUCTION

Arenosas, Malabrigo, El Yarte and Guita, the four Spanish solar projects located in Cadiz, successfully reached operations in Q1 2023. These projects significantly increase the size of TRIG's operational solar portfolio and strengthen its technological and geographical diversification. The independent Owner's Engineer will continue to be closely involved in the projects until the end of the construction warranty period, to ensure any defects are captured under the warranty and thereby protect long-term quality.

Following first export in October 2022, commissioning activities at the Swedish onshore windfarm Grönhult were completed in the period. The site achieved operational takeover in Q2 2023, culminating with a well-attended inauguration ceremony in June.

Swedish windfarms Ranasjö and Salsjö remain on target to take over in 2024. Turbine component deliveries are ongoing with the first turbines now erected. On- and off-site electrical works are progressing with energisation expected later this year.

DEVELOPMENT

Design and procurement works on the first of the four storage development projects are well advanced with contracts expected to be placed and ground works commenced later this year. Activities on the latter projects will ramp up in line with their grid connection dates.

HEALTH & SAFETY

Delivering high quality health and safety within the construction and operational portfolio is the top priority. The portfolio's asset managers promote a strong safety culture through a pro-active approach utilizing safety drills, training days, internal and external audits and other activities which complement core safety frameworks. The Operations Manager continues to engage with the asset managers to ensure sharing of best practice and lessons learned across the portfolio.

In H1 2023 a very low incident rate was achieved, with two Lost Time Accidents.

A selection of proactive health & safety measures from the period are included below:

- Members of the Board visited Broxburn storage project in Scotland. Alongside the Managers they met with the site Operations & Maintenance and Asset Management teams, and reviewed the measures taken to mitigate inherent safety risks of a storage project
- Project company directors continued to visit and undertake safety walks at both operational and construction projects, including the Cadiz and Ranasjö & Salsjö construction sites, where they met with the on-site teams
- Welfare facilities were installed at four GB solar sites, providing improved workplaces for technicians. A full roll-out is planned following good feedback
- One of TRIG's offshore wind projects provided assistance when a crew member on a local fishing vessel became critically ill. The wind farm's medic responded to the emergency call and attended to the patient until the coastguard arrived
- In recognition of the additional risks relating to major, non-standard works on offshore wind projects, 24-hour enhanced safety supervision has been put in place for the ongoing Merkur blade protection works
- Safety drills and emergency response exercises were undertaken at several assets both on and offshore, with bad weather days used as opportunities for further training and familiarisation with vessel cranes, lifting procedures, use of gangways and fire and first aid procedures

Enhancements

As Operations Manager, RES is dedicated to enhancing the operational performance to increase the 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 the individual project and portfolio levels.

Enhancements secured during the first half of 2023 included:

Commercial enhancements:

- TRIG entered into a corporate Power Purchase Agreement at Blary Hill onshore wind farm for a ten-year period on pay-as-produced terms. This provides TRIG with long-term price security and improves value on a risk-adjusted basis.
- Two GB Solar sites qualified for UKPN Flexibility Regime, to enable voluntary compensated curtailment at times of excess generation relative to demand.
- A significant reduction in the cost of a core operations maintenance contract for an offshore wind farm was achieved following extensive negotiations alongside investment partners, improving upon the investment case. There were no material changes to contract scope.
- A framework agreement for inverter spares has been signed across eight GB solar projects that will reduce downtime for long-lead time items and enables TRIG to leverage the portfolio effect. Avoided downtime estimated at £500k over the 15-year contract term.
- FID reached for the installation of additional battery storage at a hybrid solar and battery project within the Phoenix portfolio. TRIG provided financing through the addition of a follow-on loan.

Blade improvements:

- Following trials at two GB wind farms of aerodynamic improvements to turbine blades, a package is being rolled out across four more sites in the GB wind portfolio, totalling 59MW of generation capacity. The package also includes a suite of software upgrades to maximise the additional energy yield gained from equipment installations and will be initially implemented at one of the trial sites with the upgrades already installed.
- Across the wider portfolio, application is being investigated, with technical due diligence for aerodynamic blade upgrades being progressed at two joint venture projects.

Wind turbine software enhancements:

- The wake steering and collective control trial at Altahullion in Northern Ireland has been completed, with testing concluded on three of the four elements. This enhancement is an innovative retrofitted upgrade to increase production and reduce turbine loads. The reduction in loads has been verified by an independent assessment demonstrating an increase in the remaining life of turbine components.
- Validation of a suite of yield-enhancing software upgrades at Garreg Lwyd wind farm in Wales has been completed following implementation in 2021, confirming a >1% increase in the energy yield.
- Results from implementation of a pitch and yaw optimization tool at Gode demonstrated an 0.2% yield uplift.
- Life extension work also continues across TRIG's onshore wind and solar projects in the UK and Ireland. Key milestones in the period include extensions to planning consents at Meikle Carewe and Earlseat onshore wind farms.

Sustainability

TRIG’s core business of generating renewable electricity is central to a positive sustainability contribution.

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

TRIG has four sustainability objectives:

CLIMATE

Mitigate adverse Climate Change



COMMITMENTS

- Investing in the energy transition
- Supporting climate resilience

H1 2023 SUSTAINABILITY PERFORMANCE

	H1 2023	H1 2022
Tonnes of carbon emissions avoided ⁴	1,040,000	960,000
Homes (equivalent) powered with renewable electricity ⁵	1.7m homes	1.6m homes
Renewable electricity generated in the period	2,919 GWh	2,747 GWh



ENVIRONMENT

Preserve the Natural Environment



COMMITMENTS

- Reducing resource consumption
- Minimising biodiversity loss

H1 2023 SUSTAINABILITY PERFORMANCE

	H1 2023	H1 2022
Number of active Environmental Management Projects within the portfolio ⁶	20	17



TRIG continues to progress its sustainability workstreams. The Managers collect data annually through TRIG’s ESG Survey to guide the Company’s sustainability workstreams and are seeking to improve subsequent EU Taxonomy alignment. The Company has also voluntarily submitted SBTi targets, as detailed on page 22 of the TRIG 2023 Sustainability Report.

Full details on the sustainability strategies of TRIG and the Company’s Managers can be found in the latest TRIG Sustainability Report published in May 2023, InfraRed’s 2023 Sustainability Report and RES’s 2023 Power for Good Report.



[Read TRIG's 2023 Sustainability report](#)



[Read RES's Power for Good Report](#)



[Read InfraRed's 2023 Sustainability Report](#)

COMMUNITIES

Positively impact the communities we work in



COMMITMENTS

- Community engagement and support
- Promoting responsible supply chains

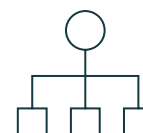
H1 2023 SUSTAINABILITY PERFORMANCE

	H1 2023	H1 2022
Number of community funds within the TRIG Portfolio, where there is a formal agreement to provide funding to a specific community	38	36
Amount budgeted for Community Fund contributions during the year	£1.3m	£1.2m



GOVERNANCE

Maintain ethics and integrity in governance



COMMITMENTS

- Fostering Diversity, Equity & Inclusion (“DE&I”)
- Maintaining health and safety

H1 2023 SUSTAINABILITY PERFORMANCE

	H1 2023	H1 2022
Lost Time Accident Frequency Rate (LTAFR) ⁷	0.22	0.52
Percentage of female board members	60%	60%
Percentage of female directors that the Managers provide to the 95 ⁸ project companies	52%	31%



4 Actual values calculated in accordance with the IFRS Approach to GHG Accounting for Renewable Energy
 5 Based on the portfolio's actual generation as at H1 2023 and country-specific household consumption values available from relevant national statistics agencies
 6 Number of ongoing pro-active habitat management plans that exceed standard environmental maintenance
 7 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
 8 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

Valuation of the Portfolio

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

For non-market traded investments (being all the investments in the current portfolio), the valuation principles used are based on a discounted cash flow methodology and adjusted in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines adjusted where appropriate to comply with IFRS 13 and IFRS 9, given the special nature of infrastructure investments. Where an investment is traded, a market quote is used.

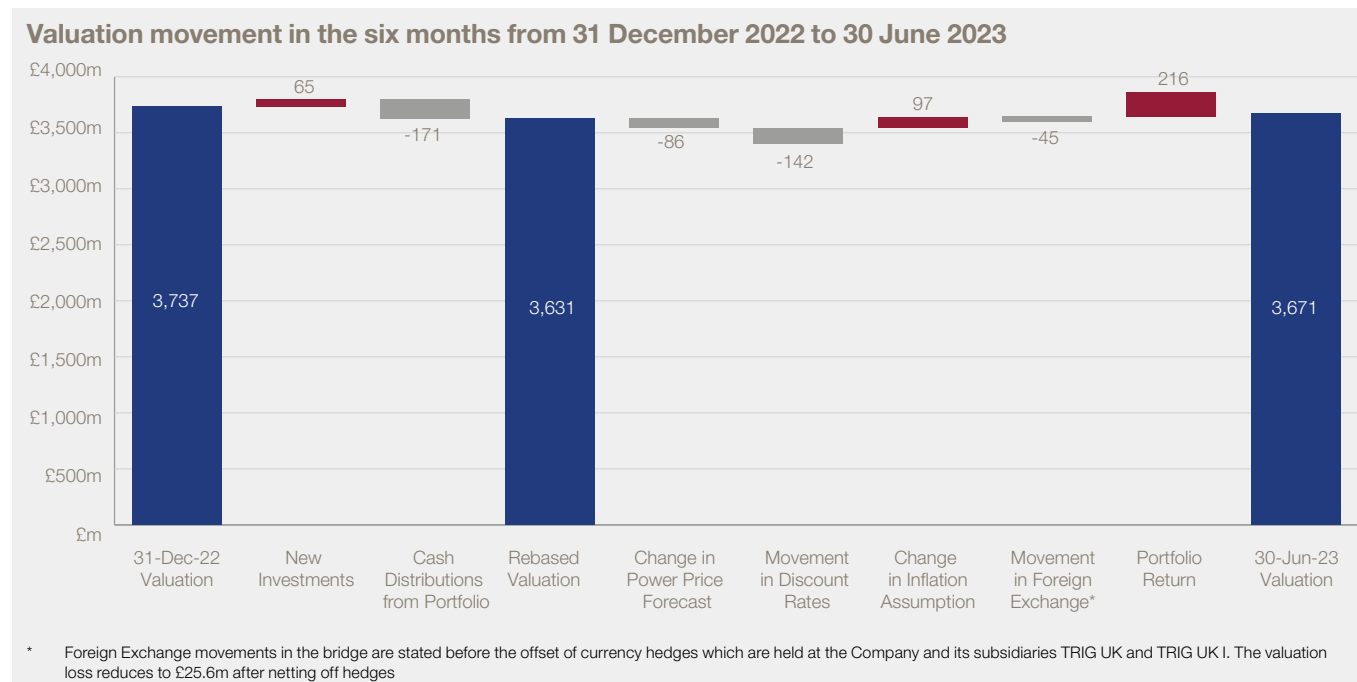
The valuation for each investment in the portfolio is derived from the application of an appropriate discount rate to reflect the perceived risk to the investment's future cash flows to give the present value of those cash flows. The Investment Manager exercises its judgement in assessing the expected 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, to determine the appropriate blended rate for the investment.

The Directors' valuation⁹ of the portfolio as at 30 June 2023 was £3,671.1m (31 December 2022: £3,737.0m). The Board regularly engages an independent third-party expert to review the Manager's valuation, and accordingly the Board commissioned an independent valuation from the accountants BDO as at 30 June 2023. BDO's work included a review of the key valuation assumptions including discount rates, power price and cannibalisation, inflation and other macroeconomic assumptions, operating costs and asset lives. BDO's work corroborated the TRIG June 2023 valuation and the key underlying assumptions as adopted by the Board and used within the preparation of these accounts.

Valuation Movement

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



9 Directors' Valuation is an Alternative Performance Measure ("APM"). See page 43 for details of APMs. Further, the reconciliation from the expanded basis financial results is provided in the 'Financial Review' section, and a reconciliation of the Directors' Portfolio Value (APM) to Investments at Fair Value is provided in Note 2 to the Financial Statements on page 33

Valuation movement during the period to 30 June 2023

	£m	£m
Valuation of portfolio at 31 December 2022		3,737.0
Cash investments	65.3	
Cash distributions from portfolio	(171.3)	
Rebased valuation of portfolio		3,631.0
Change in power price forecast	(86.2)	
Movement in valuation discount rates	(141.7)	
Change in inflation assumption	96.9	
Movement in foreign exchange*	(44.8)	
Portfolio return	215.8	
Valuation of portfolio at 30 June 2023		3,671.1**

* A net loss of £25.6m after the impact of foreign exchange hedges held at Company level

** Table does not cast due to rounding

The opening valuation at 31 December 2022 was £3,737.0m. Allowing for cash investments of £65.3m and cash receipts from investments of £171.3m, the rebased valuation as at 30 June 2023 was £3,631.0m.

Investments in the period were predominately made in the three construction phase investments: Twin Peaks (Ranasjö and Salsjö projects); Grönhult and Cadiz Solar (four projects) of which the latter two are now operational.

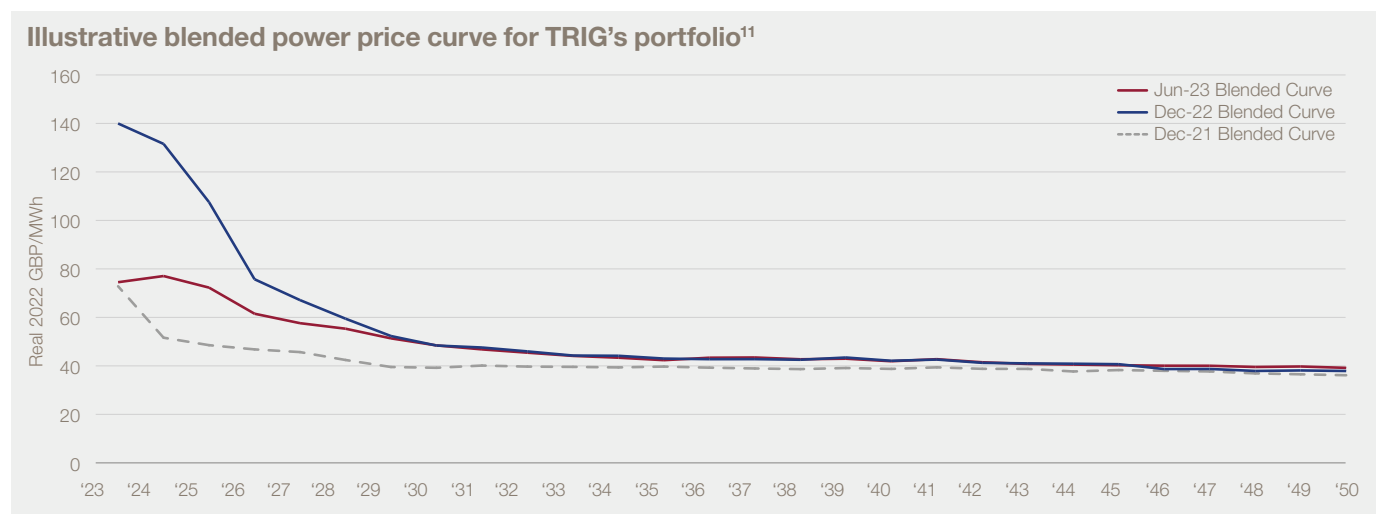
Each movement between the rebased valuation of £3,631.0m and the 30 June 2023 valuation of £3,671.1m is considered in turn below:

Change in power price forecast:

The valuation at 30 June 2023 is based on current updated power price forecasts for each of the markets in which TRIG invests and overlaid with the lower prices indicated by the forward markets over the next c. 2 years. The forecast prices are materially lower in the short to medium term, but with the longer term broadly unchanged in real terms, resulting in an overall decrease in valuation of the portfolio by £86.2m. The reductions in the initial years of the forecast mostly correspond to the periods covered by government interventions / windfall taxes, payments under which are forecast now to be at a considerably lower level than previously, which mitigates the valuation impact of the power price reductions.

The principal driver of the short-to-medium term reductions is a forecast reduction in gas prices, a relatively mild winter in 2022/23 which reduced demand and corresponding increased storage levels, reducing the forecast need. Longer-term forecasts remain broadly unchanged, with the additional demand from electrification and forecast use of hydrogen, generally counterbalancing some increases in the assumed build out of intermittent renewables though the relative impact of these forces vary by market.

The weighted average power price forecast used to determine the Portfolio Valuation is shown below in real terms. This is comprised of a blend of forecasts for each of the power markets in which TRIG is invested after applying expected PPA power sales discounts and reflecting cannibalisation¹⁰.



10 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

11 Power price forecasts used in the Directors' valuation for each of GB, SEM (Northern Ireland & Republic of Ireland), France, Germany, Sweden and Spain are based on analysis by the Investment Manager using data from forward prices available in the market and leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by P50 estimates of production for each of the projects in the Company's portfolio as at 30 June 2023

Valuation of the Portfolio continued

Forecast prices by region (real)		Average 2023-2027	Average 2028-2032	Average 2033-50*
Great Britain	Pre-EGL	74	51	42
(GBP per MWh)	Post-EGL	72	51	42
Average of five Euro denominated markets (EUR per MWh)		75	56	47

* The average forecast price for 2051-2060 is 40 GBP per MWh in Great Britain and 43 EUR per MWh in Europe

Wholesale power price assumptions shown above are after allowing for cannibalisation and before allowing for PPA discounts which vary by project and are typically in a range of 2% to 10%.

EGL is the Electricity Generator Levy, a 'windfall' tax which is levied onto renewables generators. 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.

Movement in valuation discount rates:

The weighted average Portfolio Valuation discount rate as at 30 June 2023 was 7.9% as compared to 7.2% at 31 December 2022. 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.

The 0.7% increase in the weighted average discount rates reflects:

- the increase in market discount rates (increase of c. 0.5%) – discussed below,
- recognition of the late-stage development battery assets¹², previously excluded (increase of c. 0.2%),
- impact of moving through time increasing merchant exposure (increase of c. 0.1%) – discussed below, and
- the reduction of construction premia, and updating of other assumptions (net decrease of c. 0.1%)

During the year, we observed a slowing in the market for renewables infrastructure transactions with fewer concluded amid a reduction in the available capital to purchase new projects. We consider that this environment has increased expected return requirements. Furthermore, the yield of long-term government bonds has increased since 31 December 2022 (considerably more in the UK than in the EU).

To reflect the higher return environment, 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 2022.

Alongside the discount rate increases applied to the 31 December 2022 valuation, this leads to overall increases in applicable discount rates of 1.6% in the UK and 0.6% in Europe over the last 12 months.

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 31 December 2022.

Increases in the discount rates applied have led to a reduction in the valuation of the investments of £141.7m. During the year, the Company commissioned an independent valuation of the portfolio which confirmed that the Portfolio Valuation and the discount rates applied were reasonable.

Change in inflation assumption:

Heightened levels of inflation have persisted across the period, with food and commodity prices (and in some markets broader based wage pressures) driving price increases with the reduction in energy prices (noted in (i) above) providing some mitigation across all the geographies TRIG invests in. The UK, in particular has seen more persistent and broader based inflation, with the European markets TRIG invests in generally seeing fewer indications of persistence. As such headline inflation figures are forecast to remain above central bank targets.

Inflation applied to cash flows has been uplifted for actual inflation in all geographies for the five months to May 2023, with the forecast for the remaining seven months of 2023 and subsequent years shown in the table below, as well as the effective annual rate for 2023. Higher inflation levels have been assumed for 2024 across all markets. The longer-term forecast inflation rates for the UK have been revised upwards by 0.25% to 0.5% (with no long-term changes to EU rates) reflecting the difference in the nature and causes of inflation within the UK.

Inflation assumptions used in the Portfolio Valuation (Dec 2022 figures shown in brackets)

Index	2023		2024	2025-2030	2030+
	Forecast (Jun to Dec)	Full-Year Equivalent*			
UK RPI	5.00%	7.1% (5.00%)	3.50% (2.75%)	3.25% (2.75%)	2.50% (2.00%)
UK CPI	4.25%	5.8% (4.25%)	2.75% (2.00%)	2.50% (2.00%)	
UK Power Price	5.00%	7.1% (5.00%)	3.50% (2.75%)	3.25% (2.75%)	2.50% (2.25%)
Eurozone	3.00%	4.0% (3.00%)	2.75% (2.00%)	2.00% (2.00%)	

* This represents the expected headline inflation figure for Dec 2023

The overall impact of changes in inflation assumptions increases the valuation by £96.9m. This is equivalent to an increase in TRIG's Net Asset Value of 3.9p per share.

The impact on TRIG's Net Asset Value of the long-term increases in inflation within the UK (equivalent to a weighted average increase of c. 0.35% in UK long term rates when considering wholesale power prices, RPI and CPI) is approximately +2.5p per share. The remainder of the movement relates to higher than forecast actual inflation during 2023 and the increase to forecast inflation across all markets for 2024.

Movement in foreign exchange:

Over the half-year, Sterling has appreciated 3% against the Euro compared to the rate at December 2022 (31 December 2022: EUR 1.1304; 30 June 2023: EUR 1.1637). In aggregate this has led to a reduction in the period of £44.8m in the valuation of the Euro-denominated investments located in France, the Republic of Ireland, Sweden¹³, Spain and Germany. After the impact of forward currency hedges held at Company level are taken into account, the foreign exchange loss is reduced to £25.6m.

Euro-denominated investments including Sweden comprised 42% of the portfolio at the period end.

The Company 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 Company 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 affected when making investments using the RCF by drawing in Euros for Euro acquisitions.

The Investment Manager continuously reviews 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.

Portfolio return:

This refers to the valuation movements in the period (excluding (i) to (iii) above) and represents an uplift of £215.8m and a 5.9% increase over the half-year in the rebased value of the portfolio. The portfolio return mostly reflects the net present value of the cash flows brought forward by six months at the prevailing portfolio discount rate (7.2% per annum, 3.6% for half a year).

In addition to the unwinding of the discount rate, portfolio return includes actual performance for the six months, with generation and prices being lower than forecast, which had a negative impact of c. 2p per share. Also reflected are 3 positive items of approximately equal size which collectively increased the valuation by 6p per share:

- Recent increases in REGO/GoO certificate prices have driven a corresponding uplift in forecast assumptions.
- Portfolio enhancing activities, including:
 - Release of discount rate premia in relation to successful construction resulting in the de-risking of these assets
 - Effective revenue management with several projects securing new fixed price arrangements, both through power purchase agreements and derivatives
- Reversal of provision: During 2020 and 2021, the Company made provisions against the valuation of French solar projects that benefit from relatively high FIT tariffs awarded before 2020 following French government announcements and legislation to materially reduce these tariffs. These provisions accounted for almost all of the value of the impacted French solar projects at December 2022. The French government has now terminated these actions which has allowed for the release of these provisions, reinstating the value of these projects.

Valuation of the Portfolio continued

Investment Obligations

At the balance sheet date, the Company had outstanding investment commitments in relation to the construction of the Ranasjö and Salsjö onshore wind farms.

The commitment amounts below include further development and subsequent construction spend on two battery storage projects (Ryton and Drakelow). These two projects have a combined size of 164MW/328MWh of flexible capacity and are expected to become operational in 2025, with the Final Investment Decision for Ryton expected to be made shortly post period end and Drakelow expected to follow by the end of 2023.

TRIG has 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
Ranasjö	Jul-21	43.4	Construction	2024
Salsjö	Jul-21	77.5	Construction	2024
Ryton	Sept-22	74.0	Late-Stage Development	2025
Drakelow	Sept-22	90.0	Late-Stage Development	2025

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

	H2 2023	2024	2025	Total
Outstanding Commitments (£m)	44	72	30	146

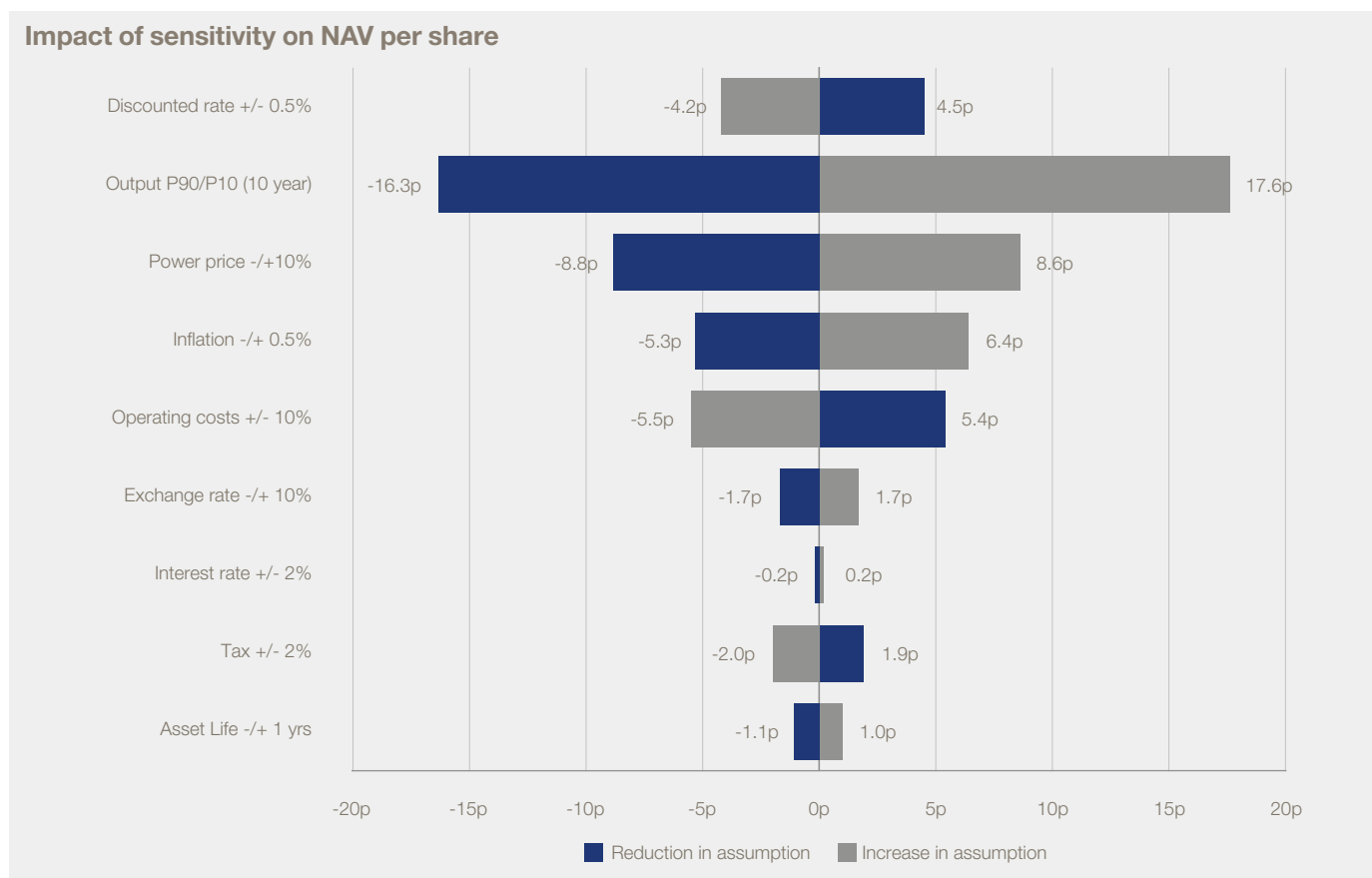
Fully Invested Portfolio Valuation

The valuation of the portfolio on a fully invested basis can be derived by adding the valuation at 30 June 2023 and the expected outstanding commitments as follows:

Valuation of portfolio at 30 June 2023	£3,671.1m
Future investment commitments	£145.6m
Portfolio Valuation once fully invested	£3,816.7m

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. As such the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 30 June 2023 (£3,671.1m) and the outstanding investment commitments as set out above, i.e. £3,816.7m.

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 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 £88m (equivalent to 3.0p per share), a 3% decrease for the next 12 months would be expected to reduce the Portfolio Valuation by £88m.

For power prices an increase of 10% applied to the applicable forecast curve for each market in which TRIG invests, applied for the next 5 years, is expected to increase the valuation by £74m (equivalent to 2.6p per share), a 10% decrease is expected to reduce the Portfolio Valuation by £76m. As noted on page 16, the average GB power price applicable over the period is £72/MWh and the average across the other European markets is EUR75/MWh.

Financial Review

At 30 June 2023 the Group had investments in 90 projects. As an investment entity for IFRS reporting purposes the Company carries these 90 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 below for further explanation.

Basis of Preparation

In accordance with IFRS 10, the Company 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 period ended 30 June 2023 and the prior period 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 does not include TRIG UK and TRIG UK I's costs, including overheads, management fees and acquisition costs. The Expanded basis includes the expenses incurred within TRIG UK and TRIG UK I to enable users of the accounts to fully understand the Group's costs. There is no difference in profit before tax or earnings per share between the two bases.

Balance Sheet

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

The majority of cash generated from investments had been passed up from TRIG UK and TRIG UK I to the Company at both 30 June 2023 and 31 December 2022.

At 30 June 2023, TRIG UK I was £410m drawn on its revolving acquisition facility (Dec 2022: £398.5m drawn).

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. 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.

Summary Income statement

	Six months to 30 June 2023			Six months to 30 June 2022		
	Statutory IFRS Basis	Adjustments ¹	Expanded Basis	Statutory IFRS Basis	Adjustments ¹	Expanded Basis
Operating income	12.9	27.5	40.4	444.1	16.6	460.7
Acquisition costs	–	(0.1)	(0.1)	–	(1.2)	(1.2)
Net operating income	12.9	27.4	40.3	444.1	15.4	459.5
Fund expenses	(1.9)	(15.7)	(17.7)	(1.1)	(12.1)	(13.2)
Foreign exchange gains/(losses)	16.9	2.4	19.3	(17.3)	(0.4)	(17.7)
Finance costs	(0.2)	(14.0)	(14.2)	–	(2.9)	(2.9)
Profit before tax	27.7	–	27.7	425.7	–	425.7
EPS ²	1.1p		1.1p	17.9p		17.9p

¹ The following were incurred within TRIG UK and TRIG UK I; acquisition costs, the majority of expenses and acquisition facility fees and interest. The income adjustment offsets these cost adjustments

² Calculated based on the weighted average number of shares during the period being approximately 2,483.2 million shares

Analysis of Expanded Basis financial results

Profit before tax for the six months to 30 June 2023 was £27.7m, generating earnings per share of 1.1p, which compares to £425.7m and earnings per share of 17.9p for the six months to 30 June 2022. The very high valuation growth experienced in H1 2022 was predominately driven by material increases in forecast power prices and inflation caused mostly by the war in Ukraine with some of the growth in power price forecasts having reduced this year. A year with on target generation and little changes to valuation assumptions could be expected to lead to an EPS in the range of 8 – 10p (or EPS of 4 to 5p for a half year).

The EPS of 1.1p for H1 2023 reflects a small valuation gain in the period in comparison to an abnormally high period of valuation growth in the comparative period. The valuation movement in the period to 30 June 2023 recognises valuation reductions arising from increases in valuation discount rates, reductions in forecast power prices and foreign exchange movements as Sterling weakened offset by items including the positive valuation impacts of increased inflation and value enhancements such as entering into value accretive power price fixes and Corporate PPAs as well as successfully taking construction projects into operations.

The portfolio discount rate increased in the period from 7.2% at December 2022 to 7.9%. This mostly reflects the increasing returns environment with long-term government borrowing rates (particularly in the UK) having increased during 2023 and the broader macroeconomic environment, as well as the impact of including higher returning UK battery projects and projects moving from construction to operations within the portfolio discount rate.

Operating Income reflects the portfolio value movement in the six months and is fully described in the 'Valuation of the Portfolio' section.

The increase in fund expenses as compared to H1 2022 reflects the increase in the size of the portfolio.

Fund expenses of £17.7m (2022: £13.2m) includes all operating expenses and £15.3m (2022: £11.9m) of fees paid to the Investment and Operations Managers. Management fees are charged at 1% of Adjusted Portfolio Value up to £1bn, 0.8% of Adjusted Portfolio Value in excess of £1bn, 0.75% of Adjusted Portfolio Value in excess of £2bn and 0.7% of Adjusted Portfolio Value in excess of £3bn as set out in more detail in the Related Party and Key Advisor Transactions note, Note 12 to the financial statements.

During the period, Sterling strengthened resulting in a foreign exchange valuation loss for non-UK assets of £44.8m (2022: £31.5m gain), partially offset by gains on foreign exchange hedges and cash and debt balances held at Company level of £19.2m (2022: £17.7m loss).

Finance costs relate to the interest and fees incurred relating to the Group's RCF. The finance costs in the period are higher than the comparative period due to higher drawings and interest rates on the RCF.

Ongoing Charges

Ongoing Charges (Expanded Basis)	Six months to 30 June 2023 £'000s	Six months to 30 June 2022 £'000s
Investment and Operations Management fees	15,341	11,861
Audit fees	256	192
Directors' fees and expenses	194	191
Other ongoing expenses	1,308	953
Total expenses ¹	17,101	13,198
Annualised equivalent	34,485	26,615
Average net asset value	3,313,561	3,018,107
Ongoing Charges Percentage ("OCP")	1.04%	0.88%

¹ Total expenses exclude £0.6m (2022: £0.3m) of lost bid and other abortive spend incurred during the period

The Ongoing Charges Percentage ("OCP") for the period is 1.04% (H1 2022: 0.88%). The ongoing charges have been calculated in accordance with guidance from the Association of Investment Companies (AIC) 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 period. 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 that of the Company.

The increase in OCP level reflects increased amounts being drawn on the RCF in the period versus the comparative period. The RCF tends to be used for acquisitions. The management fee (the main cost item in the charges half of the ratio) is a percentage of portfolio value. Accordingly, when the RCF is drawn, the Portfolio Value tends to exceed the NAV and as the NAV is the denominator for the calculation of the OCP this increases the OCP. For the comparative period, the RCF was undrawn, resulting in a higher relative OCP for H1 2023. There has been no change to the basis on which the managers' fees are calculated. There is no performance fee paid to the managers.

Financial Review continued

Summary Balance sheet

	As at 30 June 2023 £'m			As at 31 December 2022 £'m		
	Statutory IFRS Basis	Adjustments*	Expanded Basis	Statutory IFRS Basis	Adjustments*	Expanded Basis
Portfolio value	3,259.6	411.5	3,671.1	3,322.6	414.4	3,737.0
Working capital	0.4	(1.7)	(1.4)	12.4	(16.0)	(3.6)
Hedging Asset/(Liability)	1.0	–	1.0	(16.8)	(0.7)	(17.5)
Debt	–	(410.1)	(410.1)	–	(398.5)	(398.5)
Cash	23.4	0.4	23.8	24.5	0.8	25.3
Net assets	3,284.4	–	3,284.4	3,342.7	–	3,342.7
Net asset value per share	132.2p	–	132.2p	134.6p	–	134.6p

* Adjustments mostly relate to drawings on the RCF of £410.1m (prior period £398.5m) which is borne by TRIG UK I

Analysis of Expanded Basis financial results

Portfolio value decreased by £65.9m in the six months to £3,671.1m, as a result of the high levels of distributions made in the six months to 30 June 2023 and the small level of valuation gain in the period more fully in the 'Valuation of Portfolio' section of this report.

Cash at 30 June 2023 was £23.8m (Dec 2022: £25.3m) and acquisition facility debt drawings were £410.1m (Dec 2022: £398.5m).

Net assets decreased by £58.3m in the period to £3,284.4m. The Company did not raise new equity during the period and produced a £27.7m profit in the period, with net assets being stated after accounting for dividends paid in the period of £87.0m. Other movements in net assets totalled £1.0m, being Managers' shares accruing in H1 2023 and to be issued on or around 30 September 2023.

Net asset value ("NAV") per share as at 30 June 2023 was 132.2p compared to 134.6p at 31 December 2022.

Net Asset Value ("NAV") and Earnings Per Share ("EPS") reconciliation

	NAV per share	Shares in issue (million)	Net assets (£'m)
Net assets at 31 December 2022	134.6p	2,483.6	3,342.7
Dividends paid in H1 2023 ²	(3.5p)	–	(87.0)
Profit/EPS to 30 June 2023 ¹	1.1p	–	27.7
Scrip dividend take-up ³	–	–	–
Shares issued (net of costs)	–	–	–
H1 2023 Managers' shares to be issued	–	0.8	1.0
Net assets at 30 June 2023 ⁴	132.2p	2,484.3	3,284.4

1 Calculated based on the weighted average number of shares during the period being 2,483.2 million shares

2 1.71p dividend paid 31 March 2023 related to Q4 2022 (£42.5m) and 1.795p dividend paid 30 June 2023 related to Q1 2023 (£44.5m)

3 Scrip dividend alternative was cancelled in the period

4 Balance may not sum as a result of rounding differences

Summary Cash flow statement

	Six months to 30 June 2023 £'m			Six months to 30 June 2022 £'m		
	Statutory IFRS Basis	Adjustments*	Expanded Basis	Statutory IFRS Basis	Adjustments*	Expanded Basis
Cash received from investments	102.2	69.1	171.3	103.5	17.1	120.6
Operating and finance costs	(1.6)	(24.5)	(26.1)	(0.8)	(12.9)	(13.7)
Cash flow from operations	100.7	44.5	145.2	102.7	4.2	106.9
Debt arrangement costs	–	(6.4)	(6.4)	–	(0.3)	(0.3)
Foreign exchange gains/(losses)	(1.9)	2.5	0.6	4.2	(1.7)	2.5
Issue of share capital (net of costs)	1.0	(1.0)	–	275.3	(0.9)	274.4
Acquisition facility drawn	–	11.6	11.6	–	(72.8)	(72.8)
Purchase of new investments (including acquisition costs)	(13.8)	(51.7)	(65.5)	(240.7)	71.5	(169.2)
Distributions paid	(87.0)	–	(87.0)	(77.1)	–	(77.1)
Cash movement in period	(1.1)	(0.4)	(1.5)	64.4	–	64.4
Opening cash balance	24.5	0.8	25.3	28.2	0.3	28.5
Net cash at end of period	23.4	0.4	23.8	92.6	0.3	92.9

* The adjustments column shows income received up from the investments by TRIG UK and TRIG UK I which has been applied to reinvestment and expenses incurred by TRIG UK and TRIG UK I

Analysis of Expanded Basis financial results

Cash received from investments in the period was £171.3m (June 2022: £120.6m). The increase in cash received compared with the previous period reflects the increase in the size of the portfolio. In common with the comparator period cash flows generated were strong with higher than historically usual power prices achieved.

Dividends paid in the period totalled £87.0m. Dividends paid in the comparative period totalled £77.1m (net of £3.6 m scrip dividends).

Cash flow from operations in the period was £145.2m (June 2022: £106.9m) and covers dividends paid of £87.0m in the period by 1.7 times, or 3 times before factoring in amounts invested in the repayment in project-level debt. The Group repaid £119.1m of project-level debt (pro-rata to the Company's equity interest) in the period.

There were no equity fund raises in the period, (June 2022: 210,104,535 shares with proceeds of £275.3m, net of cost).

The Group's RCF was £398.5m drawn at year ended December 2022. During the period, the Group was drawn to fund some construction commitments resulting in a closing RCF balance of £410.1m at the reporting date.

In the period, £65.5m was invested in acquisitions. This was partially funded by the RCF but predominantly funded by reinvestment of cash flows.

Cash balances decreased slightly by £1.5m in the period.

Going Concern

The Group has the necessary financial resources to meet its obligations. The Group benefits from a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects. In addition, it maintains a working capital component of £45m as part of its revolving acquisition facility (increased in the period to £750m and limited to 30% of Portfolio Value). The Group's project-level external debt is non-recourse to the Company and is limited to 50% of Gross Portfolio Value.

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 Directors in section 4.6 of the 2022 Annual Report.

Related Parties

Related party transactions are disclosed in Note 12 to the condensed set of financial statements.

There have been no material changes in related party transactions described in the last annual report.

Financial Review continued

Financing

The Group's £750m RCF 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 (with bank consent) for up to an additional 24 months. Margins on the facility when drawn are 1.8% over the relevant reference rate. (The Group has agreed ESG KPIs with the RCF bank group that have been met and accordingly the margin charged has been reduced by 0.05% to 1.8%).

The facility can be drawn in Sterling or Euros. The RCF enables the Group to fund new acquisitions and development and construction activity 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 RCF 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 although amounts may also be borrowed for longer (including renewing the facility), repaid from excess cash flows from operations, repaid from disposal proceeds or repaid from new term debt.

The credit facility drawings at 30 June 2023 are £410m which is broadly level over the period. The facility was drawn to fund investments made by the Group during H2 2022. During 2023 strong investment cash flow surpluses have been applied to fund construction spend predominately at the Grönhult, Ranasjö and Salsjö wind farms in Sweden.

In addition to the RCF, 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 Group may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of portfolio companies.

The majority of the projects within the Company's investment portfolio have underlying long-term debt (by value 61% of the Group's investments have project finance raised against them and 39% are ungeared (including construction commitments)).

The project-level gearing at 30 June 2023 across the portfolio was 37% (December 2022: 38%). Principal repayments in the year totalled £119m, as the debt is retired over the project's subsidy periods and repayments in the period have reduced project level gearing.

The vast majority of the project debt is fixed and has an average cost of 3.5% (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.

Directors' Statement of Responsibilities

We confirm that to the best of our knowledge:

1. The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting; and
2. The Chairman's Statement and the Managers' Report meets the requirements of an Interim Managers' Report, and includes a fair review of the information required by
 - a. DTR 4.2.7R, being an indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and
 - b. DTR 4.2.8R, being the disclosure of related parties' transactions and changes therein.

By order of the Board



Richard Morse
Chairman
3 August 2023

Independent Review Report To The Renewables Infrastructure Group Limited

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Company income statement, the Company balance sheet, the Company statement of changes in shareholders' equity, the Company cash flow statement and related notes 1 to 15.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with European Union ("EU") adopted International Accounting Standard 34 and Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with EU adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with EU adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.



Deloitte LLP
Statutory Auditor
Guernsey, Channel Islands
03 August 2023

Company Income statement

For the six months ended 30 June 2023

	Note	Six months ended 30 June 2023 (unaudited) £'m	Six months ended 30 June 2022 (unaudited) £'m
Net (loss)/gain on investments		(42.7)	386.0
Interest income from investments		55.6	58.1
Total operating income		12.9	444.1
Fund expenses		(1.9)	(1.1)
Finance and other income/(expense)	3	16.8	(17.3)
Operating profit and Profit before tax		27.7	425.7
Income tax	4	—	—
Profit after tax		27.7	425.7
Earnings per share (pence)	5	1.1p	17.9p

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.

Company Balance sheet

As at 30 June 2023

	Note	As at 30 June 2023 (unaudited) £'m	As at 31 December 2022 (audited) £'m
Non-current assets			
Investments at fair value through profit or loss	8	3,259.6	3,322.6
Fair value of FX forward contracts	10	4.3	1.6
Total non-current assets		3,263.9	3,324.2
Current assets			
Trade and other receivables	9	1.0	12.9
Fair value of FX forward contracts	10	6.5	1.1
Cash and cash equivalents		23.4	24.5
Total current assets		30.9	38.5
Total assets		3,294.8	3,362.7
Non-current liabilities			
Fair value of FX forward contracts	10	(9.6)	(16.8)
Total non-current liabilities		(9.6)	(16.8)
Current liabilities			
Trade and other payables		(0.6)	(0.4)
Fair value of FX forward contracts	10	(0.2)	(2.8)
Total current liabilities		(0.8)	(3.2)
Total liabilities		(10.4)	(20.0)
Net assets	7	3,284.4	3,342.7
Equity			
Share capital and share premium		2,771.1	2,770.1
Other reserves		1.0	1.0
Retained reserves		512.3	571.7
Total equity attributable to owners of the parent	7	3,284.4	3,342.7
Net assets per Ordinary Share (pence)	7	132.2	134.6

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 03 August 2023, and signed on its behalf by:



Director: John Whittle



Director: Richard Morse

Company Statement of changes in shareholders' equity

For the six months ended 30 June 2023

	Share capital and share premium (unaudited) £'m	Other reserves (unaudited) £'m	Retained reserves (unaudited) £'m	Total equity (unaudited) £'m
Shareholders' equity at beginning of period	2,770.1	1.0	571.7	3,342.7
Profit for the period	—	—	27.7	27.7
Dividends paid	—	—	(87.0)	(87.0)
Scrip shares issued in lieu of dividend	—	—	—	—
Ordinary Shares issued	—	—	—	—
Costs of Ordinary Shares issued	—	—	—	—
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2022 ¹	1.0	(1.0)	—	—
Ordinary Shares to be issued in lieu of Management Fees, earned in H1 2023 ²	—	1.0	—	1.0
Shareholders' equity at 30 June 2023³	2,771.1	1.0	512.3	3,284.4

For the year ended 31 December 2022

	Share capital and share premium (audited) £'m	Other reserves (audited) £'m	Retained reserves (audited) £'m	Total equity (audited) £'m
Shareholders' equity at beginning of year	2,488.6	1.0	216.6	2,706.2
Profit for the year	—	—	520.7	520.7
Dividends paid	—	—	(160.5)	(160.5)
Scrip shares issued in lieu of dividend	5.2	—	(5.2)	—
Ordinary Shares issued	277.3	—	—	277.3
Costs of Ordinary Shares issued	(3.0)	—	—	(3.0)
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2021 ⁴	1.0	(1.0)	—	—
Ordinary Shares issued in year in lieu of Management Fees, earned in H1 2022 ⁵	1.0	—	—	1.0
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2022	—	1.0	—	1.0
Shareholders' equity at end of year	2,770.1	1.0	571.7	3,342.7

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 758,686 shares that relate to management fees earned in the six months to 31 December 2022 and were recognised in other reserves at 31 December 2022, and were issued to the Managers during 2023, with the balance being transferred to share premium reserves on 31 March 2023
- 2 The £991,781 addition to the share premium reserve represents the 760,536 shares that relate to management fees earned in the six months to 30 June 2023 and are to be issued to the Managers on 29 September 2023
- 3 Amount may not cast due to rounding
- 4 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 2022, with the balance being transferred to share premium reserve on 31 March 2022
- 5 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

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

Company Cash flow statement

For the six months ended 30 June 2023

	Note	Six months ended 30 June 2023 (unaudited) £'m	Six months ended 30 June 2022 (unaudited) £'m
Cash flows from operating activities			
Profit before tax		27.7	425.6
Adjustments for:			
Loss/(gain) on investments	8	42.7	(386.0)
Interest income from investments		(55.6)	(58.1)
Movement in other reserves relating to Managers shares		(0.0)	(0.0)
Realised exchange gain on FX forwards	3	(1.9)	—
Finance and other income/(expense)	3	(16.8)	17.3
Operating cash flow before changes in working capital		(3.9)	(1.2)
Changes in working capital:			
(increase)/decrease in receivables		(0.0)	0.0
Increase in payables		0.3	0.2
Cash flow from operations		(3.6)	(1.0)
Interest received from investments		67.2	67.5
Loan stock and equity repayments received		35.0	34.5
Interest income from cash on deposit		0.2	0.1
Net cash from operating activities		98.8	101.1
Cash flows from investing activities			
Funding of investments	8	(13.8)	(240.7)
Net cash used in investing activities		(13.8)	(240.7)
Cash flows from financing activities			
Proceeds from issue of share capital during period		1.0	278.3
Costs in relation to issue of shares		—	(3.0)
Dividends paid to shareholders	6	(87.0)	(77.1)
Net cash from financing activities		(86.0)	198.2
Net (decrease)/increase in cash and cash equivalents		(1.1)	58.7
Cash and cash equivalents at beginning of period		24.5	28.2
Exchange (loss)/gain on cash		(0.0)	5.7
Cash and cash equivalents at end of period		23.4	92.6

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

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”.

The interim condensed unaudited financial statements of the Company (the “interim financial statements”) as at and for the six months ended 30 June 2023 comprise only the results of the Company, as all of its subsidiaries are measured at fair value following the amendment to IFRS 10 as explained below in Note 2.

The condensed interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in the notes to the Company’s annual financial statements for the year ended 31 December 2022.

The annual financial statements of the Company for the year ended 31 December 2022 were approved by the Directors on 21 February 2023 and are available from the Company’s Administrator and on the Company’s website <http://trig-ltd.com/>.

2. Key accounting policies

Basis of preparation

The interim financial statements were approved and authorised for issue by the Board of Directors on 3 August 2023.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”), as adopted by the European Union (“EU”) and in compliance with the Companies (Guernsey) Law, 2008. They should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2022, which are prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the EU and using the historical cost basis, except that the financial instruments classified at fair value through profit or loss are stated at their fair values and that the Company has applied the amendment to IFRS 10, as adopted by the EU and as described below.

The interim financial statements are presented in Sterling, which is the Company’s functional currency.

IFRS 10 states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value. Being investment entities, TRIG UK and TRIG UK I are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash, debt and working capital balances are included in the fair value of investments rather than the Group’s current assets.

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 energy assets 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. The CODM has been identified as the Board of Directors of the Company acting collectively.

The Company’s financial performance does not suffer materially from seasonal fluctuations.

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 period ended 30 June 2023 and the year ended 31 December 2022, there were no such differences. In addition, the Company did not make any investments into new acquisitions in the period. It only invested into existing projects in line with funding commitments, therefore there was no material change in applying fair values.

Going concern

The Company has the necessary financial resources to meet its obligations for at least the next 12 months following the date of this report. It is more beneficial to consider going concern from the Group perspective as the Company has access to funding via the revolving credit facility (“RCF”) which is borne within its subsidiaries as well as receiving distributions and cash flows from the underlying group companies which are passed up to the Company as required as part of the intercompany funding arrangements. The Group also 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.

The Group maintains a working capital component of £45m as part of its RCF. The facility was renewed and increased from £600m to £750m in February 2023. It is limited to 30% of Portfolio Value and is available until 31 December 2025 with the option to extend. The facility is £410m drawn as at 30 June 2023. The facility is ESG-linked, resulting in a possible increase or reduction to future interest payments based on the Group’s performance against KPI’s relating to ESG targets over time.

The Group has sufficient headroom on its RCF 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 13. 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 from the date of signing these financial statements and in many cases the potential obligations are insured by the underlying investments.

The project-level gearing (aggregate project debt over aggregate enterprise value) across the portfolio was 37% as at 30 June 2023 on an invested basis.

A cash balance of £23.4m at 30 June 2023 is held by the Company, with further amounts held in the Company’s direct and indirect subsidiaries.

Further to the above, the Company has a number of outstanding commitments of £145.6m as at 30 June 2023, further details can be found in Note 13. These commitments can be fully covered by the Group’s RCF.

Notes to the Financial Statements continued

The Company is affected by climate related risks, as set out in the Company's TCFD reporting in Section 3.6 of 2022 Annual Report, which can be accessed through the TRIG website, 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.

Classification of financial instruments

	30 June 2023 £'m	31 December 2022 £'m
Financial assets		
Designated at fair value through profit or loss:		
Investments at fair value through profit or loss	3,259.6	3,322.6
FX forward contracts	10.8	2.7
Financial assets at fair value	3,270.4	3,325.3
At amortised cost:		
Other receivables	1.0	12.9
Cash and cash equivalents	23.4	24.5
Financial assets at amortised cost	24.4	37.4
Financial liabilities		
Designated at fair value through profit or loss:		
FX forward contracts	9.8	19.6
Financial liabilities at fair value	9.8	19.6
At amortised cost:		
Other payables	0.6	0.4
Financial liabilities at amortised cost	0.6	0.4

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 10 of these financial statements.

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 30 June 2023			
	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Investments at fair value through profit or loss	—	—	3,259.6	3,259.6
FX forward contracts – assets	—	10.8	—	10.8
FX forward contracts – liabilities	—	(9.8)	—	(9.8)
	—	1.0	—	1.0

	As at 31 December 2022			
	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Investments at fair value through profit or loss	—	—	3,322.6	3,322.6
	—	—	3,322.6	3,322.6
FX forward contracts – assets	—	2.7	—	2.7
FX forward contracts – liabilities	—	(19.6)	—	(19.6)
	—	(16.9)	—	(16.9)

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 their cash, working capital and debt balances.

	30 June 2023 £'m	31 December 2022 £'m
Portfolio value	3,671.1	3,737.0
TRIG UK and TRIG UK I		
Cash	0.4	0.8
Working capital	(7.3)	(18.3)
Debt ¹	(404.6)	(396.9)
	(411.5)	(414.4)
Investments at fair value through profit or loss	3,259.6	3,322.6

¹ Debt arrangement costs of £5.6m (2022: £1.6m) have been netted off the £410.2m (2022: £398.5m) debt drawn by TRIG UK and TRIG UK I

Level 2

Valuation methodology

Fair value is based on price quotations from financial institutions active in the relevant market. The key inputs to the discounted cash flow methodology used to derive fair value include foreign currency exchange rates and foreign currency forward curves. Valuations are performed on a six-monthly basis every June and December for all financial assets and all financial liabilities.

Level 3

Valuation methodology

The Investment Manager has carried out fair market valuations of the investments as at 30 June 2023 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.

For non-market traded investments (being all the investments in the current portfolio), the valuation principles used are based on a discounted cash flow methodology and adjusted in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines adjusted where appropriate to comply with IFRS 13 and IFRS 9, given the special nature of infrastructure investments. Where an investment is traded, a market quote is used.

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.

Notes to the Financial Statements continued

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

	30 June 2023	31 December 2022
Inflation assumed as measured by the UK Retail Prices Index (applies to UK ROC Income)*	Actual inflation applied to May 2023, 5.00% (2023), 3.50% (2024), 3.25% until 2030, 2.50% thereafter	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (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 May 2023, 4.25% (2023), 2.75% (2024), 2.50% thereafter	Actual inflation applied to Nov-22, 5.25% (Dec-22), 4.25% (2023), 2.00% thereafter
Inflation assumed to apply to UK Power Prices*	Actual inflation applied to May 2023, 5.00% (2023), 3.50% (2024), 3.25% until 2030, 2.50% thereafter	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.25% thereafter
Inflation measured by national Consumer Price Indices assumed to apply in Ireland, France, Sweden, Germany and Spain*	Actual inflation applied to May 2023, 3.00% until 2030, 2.75% (2024), 2.00% thereafter	Actual inflation applied to Nov-22, 3.00% (2023), 2.00% thereafter
UK deposit interest rates	3.00% (2023), 2.50% thereafter	3.00% to 2023, 2.50% thereafter
Ireland, France, Sweden, Germany and Spain deposit interest rates	2.00% to 2023, 1.50% thereafter	2.00% to 2023, 1.50% thereafter
UK corporation tax rate	25%	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	1.1637	1.1304
Energy yield assumptions	P50 case	P50 case

* The stated inflation assumption apply the stated (annualised) rate on a monthly basis to the previous month's index

Forecast prices by region (real)

		Average 2023-2027	Average 2028-2032	Average 2033-50*
Great Britain	Pre-EGL	74	51	42
(GBP per MWh)	Post-EGL	72	51	42
Average of five Euro denominated markets (EUR per MWh)		75	56	47

* The average forecast price for 2051-2060 is 40 GBP per MWh in Great Britain and 43 EUR per MWh in Europe

Valuation sensitivities

Sensitivity analysis for key sources of estimation and uncertainty 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 30 June 2023 (£3,671.1m), the outstanding investment commitments (£145.6m) brings the portfolio value on a committed basis to £3,816.7m.

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 7.9% at 30 June 2023 (Dec 2022: 7.2%). 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		NAV/share impact
			Value	+0.5% change	
Directors' valuation – June 2023	+4.5p	±£130.4m	£3,816.7m	(£121.8m)	(4.2p)
Directors' valuation – December 2022	+4.6p	±£134.4m	£3,941.6m	(£125.4m)	(4.3p)

Power prices

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

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

Power Price	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation – June 2023	(8.8p)	(£255.9m)	£3,816.7m	+£249.5m	8.6p
Directors' valuation – December 2022	(9.2p)	(£270.9m)	£3,941.6m	+£258.2m	8.8p

Energy yield

The base case assumes a "P50" level of output. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being under achieved. Hence the P50 is the expected level of generation over the long term.

The sensitivity illustrates the effect of assuming "P90 10-year" (a downside case) and "P10 10-year" (an upside case) energy production scenarios. A P90 10-year downside case assumes the average annual level of electricity generation that has a 90% probability of being exceeded over a 10-year period. A P10 10-year upside case assumes the average annual level of electricity generation that has a 10% probability of being exceeded over a 10-year period.

This means that the portfolio aggregate production outcome for any given 10-year period would be expected to fall somewhere between these P90 and P10 levels with an 80% confidence level, with a 10% probability of it falling below that range of outcomes and a 10% probability of it exceeding that range. The sensitivity includes the portfolio effect which reduces the variability because of the diversification of the portfolio.

The portfolio effect reflects that the generation of different assets will be different and will not be perfectly correlated with one another. This is particularly the case where years of low / high wind speed are unlikely to align with low or high irradiance and therefore the generation of wind and solar assets are likely to be negatively correlated, but also where wind patterns are likely to differ between different regions such that there will be different performance in different regions. The sensitivity is applied throughout the life of each asset in the portfolio (even where this exceeds 10 years).

The table below shows the sensitivity of the portfolio value to changes in the energy yield applied to cash flows from project companies in the portfolio as per the terms P90, P50 and P10 explained above.

Energy Yield	NAV/share impact	P90 10 year exceedance	Total Portfolio Value	P10 10 year exceedance	NAV/share impact
Directors' valuation – June 2023	(16.3p)	(£471.7m)	£3,816.7m	+£509.1m	17.6p
Directors' valuation – December 2022	(15.4p)	(£451.7m)	£3,941.6m	+£490.5m	16.7p

Inflation rates

The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' management, maintenance and tax expenses typically move with inflation, but debt payments are generally fixed. 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).

	30 June 2023	31 December 2022
Inflation assumed as measured by the UK Retail Prices Index (applies to UK ROC Income)	Actual inflation applied to May 2023, 5.00% (2023), 3.50% (2024), 3.25% until 2030, 2.50% thereafter	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (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 May 2023, 4.25% (2023), 2.75% (2024), 2.50% thereafter	Actual inflation applied to Nov-22, 5.25% (Dec-22), 4.25% (2023), 2.00% thereafter
Inflation assumed to apply to UK Power Prices	Actual inflation applied to May 2023, 5.00% (2023), 3.50% (2024), 3.25% until 2030, 2.50% thereafter	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023),
Inflation measured by national Consumer Price Indices assumed to apply in Ireland, France, Sweden, Germany and Spain.	Actual inflation applied to May 2023, 3.00% until 2030, 2.75% (2024), 2.00% thereafter	Actual inflation applied to Nov-22, 3.00% (2023), 2.00% thereafter

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Notes to the Financial Statements continued

Inflation assumption	NAV/share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/share impact
Directors' valuation – June 2023	(5.3p)	(£154.6m)	£3,816.7m	+£184.7m	6.4p
Directors' valuation – December 2022	(5.1p)	(£149.8m)	£3,941.6m	+£177.7m	6.1p

Operating costs

The sensitivity shows the effect of an illustrative 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 July 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 – June 2023	5.4p	+£157.2m	£3,816.7m	(£158.5m)	(5.5p)
Directors' valuation – December 2022	5.6p	+£163.4m	£3,941.6m	(£162.6m)	(5.5p)

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 the valuation methodology above). 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 – June 2023	+1.9p	+£54.6m	£3,816.7m	(£57.0m)	(2.0p)
Directors' valuation – December 2022	2.3p	+£66.9m	£3,941.6m	(£67.0m)	(2.3p)

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 July 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 – June 2023	(0.2p)	(£6.1m)	£3,816.7m	+£4.4m	0.2p
Directors' valuation – December 2022	(0.0p)	(£1.5m)	£3,941.6m	+£3.3m	0.1p

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 30 June 2023 valuation (based on a 30 June 2023 exchange rate of €1.1637 to £1). In each case it is assumed that the change in exchange rate occurs from 1 July 2023 and thereafter remains constant at the new level throughout the life of the projects.

At the period end, 43% of the committed portfolio was located in Sweden, France, Germany, Ireland and Spain comprising Euro-denominated assets.

The Group enters 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. A 60% hedge is assumed for the sensitivity below. Typical hedge levels for the Company are between approximately 60-80%.

Currency rates	NAV/share impact	-10% change	Total Portfolio Value	+10% change	NAV/share impact
Directors' valuation – June 2023	(1.7p)	(£49.8m)	£3,816.7m	+£49.8m	1.7p
Directors' valuation – December 2022	(1.7p)	(£49.5m)	£3,941.6m	+£49.5m	1.7p

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 40 years for solar portfolio. The overall average across the portfolio at 30 June 2023 is 31 years (31 December 2022: 31 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 – June 2023	(1.1p)	(£32.7m)	£3,816.7m	+£28.0m	1.0p
Directors' valuation – December 2022	(1.0p)	(£28.7m)	£3,941.6m	+£25.8m	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 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 £88m (equivalent to 3.0p per share), a 3% decrease for the next 12 months would be expected to reduce the Portfolio Valuation by £88m.

For power prices an increase of 10% applied to the applicable forecast curve for each market in which TRIG invests, applied for the next five years, is expected to increase the valuation by £74m (equivalent to 2.6p per share), a 10% decrease is expected to reduce the Portfolio Valuation by £76m. As noted on page 16, the average GB power price applicable over the period is £72/MWh and the average across the other European markets is EUR75/MWh.

3. Finance and other income/(expense)

	For period ended 30 June 2023 £'m	For period ended 30 June 2022 £'m
Interest income:		
Interest on bank deposits	0.1	0.1
Total finance income	0.1	0.1
Gain/(loss) on foreign exchange:		
Realised (loss)/gain on settlement of FX forwards	(1.9)	3.6
Fair value gain/(loss) of FX forward contracts	18.5	(21.0)
Other foreign exchange gain/(loss)	0.1	(1.0)
Total gain/(loss) foreign exchange	16.7	(17.4)
Finance and other income/(expense)	16.8	(17.3)

On the Expanded basis, finance income is £0.2m (June 2022: £0.1m) and finance costs are £14.2m (June 2022: £2.9m); the difference being the Group's RCF costs which are incurred within TRIG UK and TRIG UK I, the Company's subsidiaries.

The gain on foreign exchange on the Expanded basis is £19.3m (June 2022: loss of £17.7m). The reconciliation from the Statutory IFRS basis to the Expanded basis, is shown in the Financial Review section on page 20.

4. 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.

Notes to the Financial Statements continued

5. Earnings per share

Earnings per share ("EPS") is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	30 June 2023	30 June 2022
Profit attributable to equity holders of the Company (£'m)	27.7	425.6
Weighted average number of Ordinary Shares in issue ('m)	2,483.2	2,378.9
Earnings per Ordinary Share (Pence)	1.1p	17.9p

Further details of shares issued in the period are set out in Note 7.

6. Dividends

	30 June 2023 £'m	30 June 2022 £'m
Amounts recognised as distributions to equity holders during the period:		
Interim dividend for the 3 months ended 31 December 2021 of 1.69p – paid 31 March 2022		38.3
Interim dividend for the 3 months ended 31 March 2022 of 1.71p – paid 30 June 2022		42.4
Interim dividend for the 3 months ended 31 December 2022 of 1.71p – paid 31 March 2023	42.5	
Interim dividend for the 3 months ended 31 March 2023 of 1.795p – paid 30 June 2023	44.5	
	87.0	80.7
Dividends settled as a scrip dividend alternative	–	3.6
Dividends settled in cash	87.0	77.1
	87.0	80.7

On 1 August 2023, the Company declared an interim dividend of 1.795p per share for the three-month period ended 30 June 2023. The dividend, which is payable on 29 September 2023, is expected to total £44,580,319, based on a record date of 11 August 2023 and the number of shares in issue being 2,483,583,248.

7. Net assets per Ordinary Share

	30 June 2023	31 December 2022
Shareholders' equity at balance sheet date (£'m)	3,284.4	3,342.7
Number of shares at balance sheet date, including management shares accrued but not yet issued ('m)	2,484.3	2,483.6
Net Assets per Ordinary Share at balance sheet date (Pence)	132.2p	134.6p

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 £1bn.

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 132.89p per share (the Net Asset Value at 31 December 2022 of 134.6p per share less the interim dividend of 1.71 p per share) were due but had not been issued. The Company issued these shares on 31 March 2023.

As at 30 June 2023, 760,536 shares equating to £991,781, based on a Net Asset Value ex dividend of 130.4p per share (the Net Asset Value at 30 June 2023 of 132.2p per share less the interim dividend of 1.795p per share) were due but had not been issued. The Company intends to issue these shares around 29 September 2023.

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

	30 June 2023 £'m	31 December 2022 £'m
Ordinary Shares in issue at balance sheet date	2,483.6	2,482.8
Number of shares to be issued in lieu of Management fees	0.8	0.8
Total number of shares used in Net Assets per Ordinary Share calculation¹	2,484.3	2,483.6

¹ Balance may not cast due to rounding

The total number of ordinary shares in issue, including shares to be issued in lieu of Management fees, as at 30 June 2023 is 2,484,343,784.

8. 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.

	30 June 2023 £'m	31 December 2022 £'m
Brought forward	3,322.6	2,636.8
Investments in the period	13.8	314.1
Distributions paid to the Company	(102.2)	(184.8)
Interest income from investments	68.3	122.6
(Loss)/gain on valuation	(42.8)	434.0
Carried forward	3,259.6	3,322.6

The following information is supplementary but are based on statutory numbers. 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.

	30 June 2023 £'m	31 December 2022 £'m
Fair value of investment portfolio		
Brought forward value of investment portfolio	3,737.0	2,725.8
Investments in the period	65.3	693.8
Distributions paid to the Group	(171.3)	(280.5)
Interest income	50.0	85.0
Dividend income	25.7	57.8
(Loss)/gain on valuation	(35.5)	455.1
Carried forward value of investment portfolio	3,671.1	3,737.0

	30 June 2023 £'m	31 December 2022 £'m
Fair value of TRIG UK & TRIG UK I		
Brought forward value of TRIG UK & TRIG UK I	(414.4)	(89.0)
Cash movement	(0.4)	0.6
Working capital movement	11.0	1.0
Debt movement ¹	(7.7)	(327.0)
Carried forward value of TRIG UK & TRIG UK I	(411.5)	(414.4)
Total investments at fair value through profit or loss	3,259.6	3,322.6

¹ Debt arrangement costs of £5.6m (Dec 2022: £1.6m) have been netted off the £410.2m (Dec 2022: £398.5m) debt drawn by TRIG UK and TRIG UK I

Notes to the Financial Statements continued

The (loss)/gain on investment are unrealised.

The SPV's (Project companies) in which the Company invests are generally restricted on their ability to transfer funds to the Company under the terms of their individual senior funding arrangements. Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the Project company;
- The Project company is in compliance with the terms of its senior funding arrangements; and
- Senior lenders have approved the annual budget for the company.

Details of investments recognised at fair value through profit or loss can be found in The Renewables Infrastructure Group Ltd 2022 Annual Report and Financial Statements.

In the period, TRIG made additional investments in Cadiz solar, Ranasjö and Salsjö (Twin Peaks), Phoenix, Grönhult, Ryton and Drakelow to fund their respective construction programmes, in line with outstanding commitments.

9. Trade and other receivables

	30 June 2023 £'m	31 December 2022 £'m
Trade and other receivables	1.0	12.9
Total current receivables	1.0	12.9

10. 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 places 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 30 June 2023. The total Euro balance hedged at 30 June 2023 was €1,056.9m (Dec 2022: €1,056.9m).

	Average exchange rate	Foreign currency €m	Notional value €m	Fair value €m
Less than 3 months	1.1650	14.0	12.0	(0.0)
3 to 6 months	1.1000	59.0	53.6	2.4
6 to 12 months	1.1068	146.4	132.3	3.8
12 to 24 months	1.1082	290.2	261.8	2.7
Greater than 24 months	1.1080	547.3	493.9	(7.9)
	1.1082	1,056.9	953.7	1.0

As at the period end, the valuation on the foreign exchange derivatives consisted of a receivable from NatWest Markets Plc and a payable to National Australia Bank Limited and to Barclays PLC.

Bank	(Payable)/ receivable amount (£'m)	S&P credit rating at 30 June 2023
NatWest Markets Plc	1.7	BBB+/Stable
National Australia Bank Limited	(0.1)	AA-/Stable
Barclays Bank Plc	(0.6)	A+/Stable
Total fair value of FX forward hedges	1.0	

The fair value of the derivative trades have been split in the following table. At period end, the Company was in a net receivable position of £1.0m (£10.8m receivable netted off with £9.8m payable) (Dec 2022: £16.9m payable (£2.7m receivable netted off with £19.6m payable)).

	30 June 2023	31 December 2022
Assets	£'m	£'m
FX forward contracts expiring within 12 months	6.5	1.1
FX forward contracts expiring after 12 months	4.3	1.6
Total assets	10.8	2.7
Liabilities		
FX forward contracts expiring within 12 months	(0.2)	(2.8)
FX forward contracts expiring after 12 months	(9.6)	(16.8)
Total liabilities	(9.8)	(19.6)

11. Share capital and reserves

	Ordinary Shares 30 June 2023	Ordinary Shares 31 December 2022
	£'m	£'m
Opening balance	2,482.8	2,267.2
Issued for cash	—	210.1
Issued as a scrip dividend alternative	—	3.9
Issued in lieu of management fees	0.8	1.6
Total issued – fully paid	2,483.6	2,482.8

The holders of the 2,483,583,248 (Dec 2022: 2,482,824,562) 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.

On 31 March 2023, the Company issued share capital and reserves of £1,008,219, equivalent of 758,686 shares, in lieu of management fees incurred in H2 2022. The issued shares have been transferred to share premium. The shares to be issued in lieu of management fees incurred in H1 2023 is £991,781, equivalent of 760,536 shares and will be issued in around 29 September 2023.

Retained reserves

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

12. Related party and key advisor transactions

Loans to related parties:

	30 June 2023	31 December 2022
	£'m	£'m
Short-term balance outstanding on accrued interest receivable	—	11.8
Short-term balance outstanding from TRIG UK, in relation to Management fees to be settled in shares ²	1.0	1.0
Long-term loan stock to TRIG UK and TRIG UK I ¹	1,796.0	1,853.5
	1,797.0	1,866.3

¹ Included within Investments at fair value through profit or loss on the Balance Sheet

² Included within Trade and other receivables on the Balance Sheet

During the period, interest totalling £55.6m (June 2022: £58.1m) was earned in respect of the long-term interest-bearing loan between the Company and its subsidiaries TRIG UK and TRIG UK I, of which £nil (June 2022: £3.3m) was receivable at the balance sheet date.

Notes to the Financial Statements continued

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 £1bn of the Adjusted Portfolio Value, 0.8 per cent in respect of the Adjusted Portfolio Value between £1bn and £2bn, 0.75 per cent in respect of the Adjusted Portfolio Value between £2bn and £3bn and 0.70 per cent in respect of the Adjusted Portfolio Value in excess of £3bn. 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 period was £64k (June 2022: £64k), of which £32k (June 2022: £32k) remained payable in cash as at the balance sheet date. The Operations Manager advisory fee charged to the income statement for the period was £35k (June 2022: £35k), of which £18k (June 2022: £18k) remained payable in cash as at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the period was £9.9m (June 2022: £7.6m), of which £5.0m (Dec 2022: £17.2m) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the period was £5.3m (June 2022: £4.1m), of which £2.7m (June 2022: £1.9m) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £6.8m (June 2022: £5.6m) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £nil (June 2022: £nil) for additional advisory services provided to TRIG UK, neither of which are consolidated in these financial statements. RES costs/contracts awarded at project level are subject to independent InfraRed approval, which is dependent on demonstration that appointing RES is in the best interests of the project company.

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 £1bn 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.

On 31 March 2023, the Company issued 758,686 shares, equating to £1,008,219, based on a Net Asset Value ex dividend of 132.89p per share (the Net Asset Value at 31 December 2022 of 134.6p per share less the interim dividend of 1.71p per share), in respect of management fees earned in H2 2022.

As at 30 June 2023, 760,536 shares equating to £991,781, based on a Net Asset Value ex dividend of 130.4p per share (the Net Asset Value at 30 June 2023 of 132.2p per share less the interim dividend of 1.795p per share) were due but had not been issued. The Company intends to issue these shares around 29 September 2023.

The Directors of the Company received fees for their services. Total fees for the Directors for the period were £182,564 (June 2022: £183,740). Directors' expenses of £11,897 (June 2022: £7,019) were also paid in the period.

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

13. Guarantees and other commitments

As at 30 June 2023, the Company and its subsidiaries, had provided £152.8m (Dec 2022: £164.0m) in guarantees in relation to projects in the TRIG portfolio.

The Company also guarantees the RCF, entered into by TRIG UK and TRIG UK I, which it may use to acquire further investments.

As at 30 June 2023, the Company has £145.6m of future investment obligations (Dec 2022: £204.5m).

The Company and its subsidiaries have issued decommissioning and other similar guarantee bonds with a total value of £46.4m (Dec 2022: £44.4m).

14. Contingent consideration

The Group has performance-related contingent consideration obligations of up to £0.4m (Dec 2022: £0.4m) relating to acquisitions completed prior to 30 June 2023. 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.

15. Events after the balance sheet date

On 1 August 2023, the Company declared an interim dividend of 1.795p per share for the three-month period ended 30 June 2023. The dividend, which is payable on 29 September 2023, is expected to total £44,4580,319, based on a record date of 11 August 2023 and the number of shares in issue being 2,483,583,248.

Alternative Performance Measures (“APM”)

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 consistent with prior years and 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	Calculation	Reconciliation to IFRS
NAV per share	Net Asset Value (“NAV”), being the value of the investment company’s assets, less any liabilities it has. The Net Asset Value per ordinary share in the Company.	It is calculated as the NAV divided by the total number of shares in issue at the balance sheet date and shares to be issued. The total number of shares in issue and shares to be issued is 2,484,343,784 as at the balance sheet date.	The calculation uses IFRS measures and is set out in Note 7.
Annualised total return on a NAV per share plus dividends basis since IPO	The movement in the NAV per ordinary share, plus dividends per ordinary share paid to shareholders since IPO.	It is calculated as the extended IRR (“XIRR”) of the starting NAV at IPO being 98.1p and dividends paid since IPO and the NAV as at balance sheet date being 132.2p, plus dividend due per ordinary share being 1.795p, totalling 134.0p. This gives an annualised total return on a NAV per share plus dividends basis since IPO of 8.8%.	The calculation of the NAV is in line with IFRS measures.
Investments made	This is a measure of amounts invested into the portfolio of investments less any amounts relating to refinance proceeds or sell-downs.	It is calculated as £13.8m in Note 8 of these financial statements, in accordance with IFRS.	The IFRS measure of investments made consists of funding into TRIG UK and TRIG UK I which is shown in more detail in Note 8 of these financial statements.
Total shareholder return for the year to date (share price appreciation plus dividends paid)	The Internal Rate of Return upon the share price at 31 December 2022 (130.0p) of dividends (quarterly as paid totalling 3.505p as detailed in Note 6 of these financial statements) plus the share price at 30 June 2023 (114.8p).		The calculation is in line with IFRS measures and is set out in Note 6 to the accounts.
Total NAV return for the year to date (NAV per share appreciation plus dividends paid)	The Internal Rate of Return upon the NAV at 31 December 2022 (134.6p) of dividends (quarterly as paid totalling 3.505p as detailed in Note 6 of these financial statements) plus the NAV at 30 June 2023 (132.2p).		The calculation is in line with IFRS measures and is set out in Note 6 to the accounts.
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.	Directors’ Portfolio Value (or Portfolio Value) is reconciled to investments at fair value through profit or loss in Note 8 of these financial statements.	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. The calculation uses IFRS measures and is set out in Note 8 to the accounts.

Directors and Advisors

Directors

Richard Morse (Chairman)
John Whittle
Tove Feld
Erna-Maria Trixl
Selina Sagayam (appointed 1 March 2023)
Klaus Hammer (resigned 10 May 2023)

Registrar

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Administrator to Company, Designated Manager, Company Secretary and Registered Office

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Joint Brokers

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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	£3,284m as at 30 June 2023
Market capitalisation	£2,851m as at 30 June 2023
Management Fees	1.0% per annum of the Adjusted Portfolio Value [*] 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 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

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



Find out more

www.trig-ltd.com/sustainability

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