HICL Infrastructure

Enriching lives through infrastructure

HICL Interim Report 2024

Contents

Front cover image: Dutch High Speed Railway Link

References are made throughout to Alternative Performance Measures "APMs". These are provided alongside IFRS measures to provide additional information to shareholders. A full reconciliation of the APMs used is disclosed on page 21

Interim Highlights

For the six months ended 30 September 2024

Balance sheet strengthened:

- ▲ Proceeds received in the period from the completion of two asset sales in the year ended 31 March 2024 which demonstrate HICL's[1] active approach to asset rotation and portfolio enhancement.
- ▲ Disposal proceeds have enabled the full repayment of HICL's Revolving Credit Facility ("RCF") and commencement of a £50m buyback programme, of which £17.6m had been completed by 30 September 2024.
- ▲ HICL's approach to capital allocation duly prioritised balance sheet strength, providing the Group with over £400m of liquidity available for selective capital deployment.
- ▲ HICL is therefore well-positioned to selectively capture attractive investment opportunities as they arise, where these enhance portfolio construction and long-term shareholder value. The bar for new investment continues to be informed by the return offered on buying back the Company's shares.

Improved cash generation:

- ▲ Dividend cash cover improved in the period to 1.07x (March 2024: 1.05x), or 2.06x including profits on disposals completed in the period (March 2024: 1.37x). The Board expects this positive trend to continue, supported by higher historic inflation flowing through into cash receipts and growth assets increasing their yield contributions over time.
- ▲ The Board reaffirms that HICL remains on track to deliver its target dividend of 8.25p per share for the financial year ending 31 March 2025 and also reiterates its dividend guidance of 8.35p per share for the year ending 31 March 2026[2].

Resilient valuation:

- ▲ A decrease of 1.7p in Net Asset Value ("NAV") per share to 156.5p (31 March 2024: 158.2p), and an annualised underlying return of 5.5% from the portfolio[3].
- ▲ Performance lagged expectations primarily due to increased forecast cost risk associated with facility condition across a subset of HICL's PPP assets. This comprised a discount rate increase applied to 36 UK PPP assets (29% of the portfolio by value) and specific forecast cost adjustments to a subset of these assets.
- ▲ HICL's growth assets continued to perform well operationally, delivering in line with business plans over the period, and progressing significant capital investment which underpins future growth.
- ▲ The weighted average discount rate increased to 8.1%, principally due to the PPP adjustment. The weighted average risk-free rate for the portfolio was 4.2% (31 March 2024: 4.1%) and the weighted average risk premium remained at 3.9% (31 March 2024: 3.9%).

Summary Financial Results

(On an investment basis)

For the six months to	30 September 2024	30 September 2023
Income	**£71.7m**	£10.9m
Total Return	**£45.0m**	£(27.6)m
Earnings / (loss) per share ("EPS")	**2.2p**	(1.4)p
Target dividend per share for the year	**8.25p**	8.25p

Net Asset Value	30 September 2024	31 March 2024
NAV per share	**156.5p**	158.2p
Interim Dividend	**2.06p**	2.07p
NAV per share after deducting interim dividend	**154.4p**	156.1p

1 HICL Infrastructure PLC and its subsidiaries is defined as either HICL or the Group throughout the Report. HICL Infrastructure PLC, the Company only, is defined as the Company throughout the Report
2 This is a target only and not a profit forecast. There can be no assurance that this target will be met
3 Defined as the return on the portfolio that includes the unwind of the discount rate and portfolio performance (before adjusting macroeconomic assumptions)

Chair's Statement

The first half of the financial year has seen HICL's balance sheet strengthened through the receipt of disposal proceeds, providing liquidity and flexibility for highly selective capital deployment.

In a period of muted transaction activity HICL successfully completed the final two accretive disposals that had been previously announced, including the entire equity interest in the Northwest Parkway toll road. Proceeds have been used to repay the Revolving Credit Facility in full and to initiate HICL's first share buyback programme. This approach to capital allocation prioritises balance sheet strength. It positions the Company favourably to generate further returns from share buybacks and to capture investment opportunities that exceed those returns.

Portfolio performance in the period lagged expectations, predominantly due to increased forecast costs linked to facility condition in a subset of the PPP portfolio. The Group's growth and construction assets delivered solid performance, highlighting the benefits of HICL's deliberate transition towards a diversified core infrastructure portfolio. Cash distributions from the portfolio increased overall, with an associated increase in underlying dividend cash cover to 1.07x for the period (March 2024: 1.05x)[1]. This has enabled the Board to reiterate the dividend guidance of 8.25p per share for financial year 2025, growing to 8.35p per share for the financial year 2026. The Company's investments benefit from defensive and growing long-term cash flows which are substantially insulated from economic and financial market volatility.

The Company's Investment Manager continues to observe resilient valuations for high-quality core infrastructure assets across the private market, though transaction volumes remain below historical averages. In combination with the Company's recent transaction experience, these market dynamics give the Board confidence in the Directors' valuation of HICL. The share price as at 30 September 2024 implies a long-term total portfolio return of 8.6% p.a. net of costs[2] and over a weighted average asset life of 29.4 years. The Board believes this represents compelling risk-adjusted value for prospective marginal buyers.

Central banks have begun the rate cutting cycle in HICL's markets, making defensive propositions such as HICL's more attractive, as the implied equity risk premium over risk-free rates increases. The Board and the Investment Manager have evolved the Company's portfolio to better position HICL to not only deliver its key defensive attributes, but also offer growing income and an increasing capital base. Compared with fixed income, HICL offers investors a unique mix of higher nominal returns, inflation protection, the potential for capital growth, and outperformance from active management.

Financial performance

HICL's NAV at 30 September 2024 was 156.5p (March 2024: 158.2p). The earnings per share was 2.2p (September 2023: loss of 1.4p). Total Shareholder Return ("TSR")[3] on an annualised basis was 3.1% (September 2023: 1.7%) and the underlying Annualised Return from the portfolio was 5.5%[4] (September 2023: 8.2%).

The movement in the NAV per share in the period was primarily driven by the recognition of increased forecast cost risk associated with facility condition across a subset of HICL's PPP assets (overall detracting 1.4p from Portfolio Return[5]). Conversely, HICL's growth assets contributed 2.4p to Portfolio Return, underpinned by solid operational performance.

A detailed explanation of the factors affecting the valuation is set out in the Valuation of the Portfolio section starting on page 12 of this report.

1 Excluding profits on disposal versus original acquisition cost of £82.7m (September 2023: £25.2m). Including profits on disposal cash cover is 2.06x (September 2023: 1.35x)
2 Based on discount rate, less ongoing charges ratio, adjusted to reflect the share price discount to the NAV using published discount rate sensitivities
3 Based on interim dividends paid plus change in NAV per share
4 Calculated as Portfolio Return divided by the rebased valuation, annualised. Excludes changes in macroeconomic assumptions. More details provided in the APM section on page 21
5 Defined as the return on the portfolio that includes the unwind of the discount rate and portfolio performance (before adjusting macroeconomic assumptions)

Capital allocation

Strategic asset rotation remains a key driver of shareholder value for HICL, with 27 asset disposals for an aggregate consideration in excess of £1bn executed since IPO, including £509m over the last 18 months, all at or above carrying value. Between 22 May and 30 September the Company has purchased 13.9m of its own shares for a total consideration of £17.6m[1] out of the £50m buyback programme, whilst retaining over £400m of liquidity available for selective capital deployment, including its fully undrawn RCF as at 30 September.

Looking ahead, the Board expects attractive opportunities to arise, both within the portfolio and externally, creating the potential to enhance HICL's portfolio construction and long-term shareholder value. The bar for new investment continues to be informed, alongside other key portfolio metrics, by the return offered on buying back the Company's shares at a material discount. At period-end this implied a return hurdle of 9.7%[2].

HICL's Investment Manager also expects to continue to explore selective disposals where these improve portfolio composition. The Board anticipates that the pace of disposals going forward will be in line with the long-term average. All capital allocation decisions continue to be approved by the Board.

Dividend guidance

The Board is pleased to reaffirm that HICL remains on track to deliver its target dividend of 8.25p per share for the financial year ending 31 March 2025; and also reiterates its dividend guidance of 8.35p per share for the year ending 31 March 2026.

The Board notes the continuing improvement in dividend cash cover to 1.07x for the period (March 2024: 1.05x), or 2.06x including profits on disposals, and expects this positive trend to continue over the coming years as higher historical inflation flows through into cash receipts and growth assets increase their yield contributions over time.

Outlook

The Board believes that the current public market discount to private valuations for high-quality core infrastructure assets represents a compelling opportunity for investors with a longer-term horizon.

The Group's capital allocation priorities have been clearly set out and are being delivered against; the Group's RCF is fully repaid and the share buyback programme is well underway. Variable market conditions are expected to provide opportunities to further enhance portfolio construction and generate shareholder value through selective investments where these are accretive relative to further share buybacks. HICL has the balance sheet strength and available liquidity to successfully capture these opportunities in line with the Group's long-term strategy.

Mike Bane
Chair

19 November 2024

1 Excluding direct costs of £0.1m. Including costs this figure is £17.7m
2 Based on discount rate, adjusted to reflect the share price discount to the NAV using published discount rate sensitivities

The Investment Portfolio – Top 10 Assets[1]

1 Affinity Water

Affinity Water Limited is the largest water-only supplier in the UK by revenue and population served, covering an area of 4,515 sq. km.

Sector: Electricity & Water

Location: UK

% of portfolio: 8.8% (March 2024: 8.3%)

HICL holding: 33.2%

Concession life remaining: Indefinite

Status: Operational

2 A63 Motorway

The A63 Motorway project in South West France includes the upgrade of an existing 105 km road linking the towns of Salles (Gironde) and Saint-Geours-de-Maremne.

Sector: Transport

Location: France

% of portfolio: 7.5% (March 2024: 7.9%)

HICL holding: 24.0%

Concession life remaining: 26 years

Status: Operational

3 Fortysouth

Fortysouth is a leading independent tower company in New Zealand, with c.1,500 wholly-owned mobile towers covering 98% of the country's population.

Sector: Communications

Location: New Zealand

% of portfolio: 6.9% (March 2024: 6.5%)

HICL holding: 40.0%

Concession life remaining: Indefinite

Status: Operational

4 Texas Nevada Transmission

Two distinct electricity transmission systems in Texas and Nevada, consisting of over 800km of high-voltage transmission lines.

Sector: Electricity & Water

Location: USA

% of portfolio: 5.6% (March 2024: 5.6%)

HICL holding: 45.8%

Concession life remaining: Indefinite

Status: Operational

5 High Speed 1 (HS1)

HS1 is the rail link between London St Pancras station and the Channel Tunnel. It is currently the UK's only high-speed rail line.

Sector: Transport

Location: UK

% of portfolio: 4.8% (March 2024: 4.6%)

HICL holding: 21.8%

Concession life remaining: 16 years

Status: Operational

6 Southmead Hospital

Southmead Hospital PPP project is an 832 bed acute hospital concession on a single site at Southmead in North Bristol.

Sector: Health

Location: UK

% of portfolio: 3.9% (March 2024: 3.9%)

HICL holding: 62.5%

Concession life remaining: 21 years

Status: Operational

7 Royal School of Military Engineering

The PPP project covers 32 new and 21 existing buildings, and five training areas on behalf of the UK Ministry of Defence.

Sector: Accommodation

Location: UK

% of portfolio: 3.6% (March 2024: 3.5%)

HICL holding: 100.0%

Concession life remaining: 14 years

Status: Operational

8 Pinderfields and Pontefract Hospitals

Pinderfields and Pontefract Hospitals PPP project is a 774 bed, two hospital concession for Mid Yorkshire Hospitals NHS Trust.

Sector: Health

Location: UK

% of portfolio: 3.5% (March 2024: 3.5%)

HICL holding: 100.0%

Concession life remaining: 18 years

Status: Operational

9 Home Office

The PPP by the UK Home Office to replace its former headquarters with serviced offices to accommodate up to 3,450 staff in Westminster, London.

Sector: Accommodation

Location: UK

% of portfolio: 3.0% (March 2024: 3.0%)

HICL holding: 100.0%

Concession life remaining: 7 years

Status: Operational

10 Blankenburg Tunnel

The 950m Blankenburg Tunnel connects the A15 and A20 highways in the Netherlands, crossing the Scheur river.

Sector: Transport

Location: Netherlands

% of portfolio: 2.8% (March 2024: 2.7%)

HICL holding: 70.0%

Concession life remaining: 19 years

Status: Construction complete

1 All portfolio percentages based on Directors' Valuation. More details provided in the APM section on page 21

Investment Manager's Report

HICL's high-quality portfolio and robust capital structure continue to demonstrate resilience against broader macro volatility, whilst positioning the Group to benefit from the structural tailwinds driving long-term growth in infrastructure investment.

The six months to 30 September 2024 saw further consolidation following significant asset rotation activity in the previous year, which served to enhance key portfolio metrics, support the Group's valuation and bolster the balance sheet. The completion of two accretive asset sales, which were agreed in the prior period, has resulted in a net current cash position for the Group at the period end[1], providing a robust platform from which to execute the Company's strategy.

The quality of HICL's portfolio underpins its compelling investment proposition. Over recent years portfolio construction has been deliberately weighted towards assets positioned for growth, via the build-out of their capital bases, without compromising those key elements that define HICL's core infrastructure positioning: critical assets delivering long-dated, stable and inflation-linked cash flows from a protected market position. This proactive evolution of HICL's portfolio beyond the maturing PPP assets ensures that the Group remains well positioned to offer shareholders an attractive combination of income and capital growth over the long term.

Despite HICL's robust capital structure, embedded growth and attractive long-term investment proposition, the Company's share price continues to trade at a material discount to the Net Asset Value, offering incremental investors an elevated risk-adjusted return[2]. InfraRed[3], in collaboration with the HICL Board, remains highly focused on activity to close this discount, including prudent management of the balance sheet and share buybacks. Additionally, the Company's compelling, forward-looking strategy is essential to attracting new capital to the share register, including due consideration of attractive investment opportunities where these meet portfolio requirements and have strong strategic merit.

Operational highlights

HICL's portfolio delivered an annualised underlying return of 5.5% over the first half of the year (8.2% at 30 September 2023) before the impact of changes to macroeconomic assumptions or reference discount rates. This lagged the expected return of 8.0% for the period (as set by HICL's weighted average discount rate at 31 March 2024), largely as a result of a discount rate increase and specific cost adjustments applied to a subset of UK PPP assets where lifecycle delivery risk sits with the portfolio company. More generally, portfolio performance was resilient and continued to benefit from predictable revenues, strong inflation correlation and limited cash flow exposure to high interest rates.

Further details can be found below and in the Valuation section of this report starting on page 12.

Operational performance overview

The operational performance of the PPP portfolio in the period was broadly in line with expectations. Going forward, the valuation reflects increased forecast costs associated with facility condition, arising from the management of construction defect remediation and long-term lifecycle delivery. The valuation adjustment comprises a discount rate increase applied to 36 UK PPP assets (29% of the portfolio by value) where lifecycle risk is borne by the portfolio company, as well as specific forecast cost adjustments to a subset of these assets. InfraRed's active asset management approach duly prioritises high standards of facility condition and service levels for HICL's clients and end-users. As PPP assets approach the end of their concessions, the proactive management of lifecycle spending becomes increasingly important to ensure a smooth handback to the public sector.

InfraRed generally enjoys productive and collaborative working relationships with each of HICL's broad range of public sector clients. However, following a protracted dispute with the client at Tameside Hospital, HICL agreed to sell its equity interest in the Tameside Hospital PPP to the portfolio company lenders for a nominal sum, resulting in a modest reduction in valuation.

1 Excluding long-term commitments and the Private Placement loan notes
2 The share price at 30 September 2024 implies a steady state expected return of 9.7% gross or 8.6% net of fees, based on HICL's discount rate (expected return) and adjusting to the share price utilising the disclosed discount rate sensitivities
3 The Investment Manager of HICL Infrastructure Plc, InfraRed Capital Partners Limited ("InfraRed")

Investment Manager's Report continued

HICL's growth assets demonstrated solid operational performance over the first half of the year. At both Fortysouth and Texas Nevada Transmission ("TNT"), InfraRed's local asset managers have worked closely with the company management teams on the expansion of their businesses. Fortysouth's tower rollout programme is progressing in line with expectations, and at TNT the accelerated pace of renewable energy generation is expected to result in a higher level of grid connections. The increased capital spending associated with these grid connections is expected to be self-funded by free cash flow, therefore enhancing HICL's long-term earnings with lower dividends expected from the asset over the short term. Maintaining the correct balance between the yield and growth elements of HICL's portfolio remains a portfolio construction priority for InfraRed.

On 11 July 2024, Ofwat published its draft determination for Affinity Water ("Affinity"). Following a period of consultation, Affinity submitted its representation to the regulator in late August and expects to receive a final determination in late December. Overall, the draft determination is consistent with InfraRed's assessment that Affinity will be able to resume distributions to shareholders in the next regulatory period, although the level of yield will be dependent upon where Ofwat lands on its approach to gearing in the final determination. HICL remains supportive of Affinity's growth plans with a c.£50m equity investment anticipated over the next AMP[1], contingent on a fair final determination, including the resumption of distributions at a reasonable level.

Further details of the operational performance of HICL's five largest assets and the PPP portfolio can be found on pages 9 to 11.

Portfolio construction and capital allocation

During the period, InfraRed's main focus was on completing the disposals that were announced at the end of the previous year. This included:

- Northwest Parkway (US), the completion of the disposal of HICL's remaining stake in the asset to Vinci alongside the co-shareholders (transaction completed in April 2024). The net proceeds of US$232m represented a 30% premium to carrying value; and
- Half of the Group's investment in the Hornsea II OFTO, which was the last of five assets sold as part of a wider £204m portfolio sale to John Laing at a premium to carrying value (transaction completed in May 2024).

Following HICL's clearly articulated capital allocation approach, disposal proceeds were first used to fully repay the Group's RCF in May 2024, with surplus funds subsequently applied to the Company's £50m share buyback programme. The Investment Manager primarily views buybacks at a significant discount to NAV as economically attractive, but notes that these also serve as a sign of confidence in the Company and illustrate the range of levers available to the Board and Manager to enhance shareholder value.

Routinely undertaking disposals to improve portfolio construction, demonstrate the robustness of the valuation, and generate liquidity, has been a core part of HICL's differentiated approach since IPO. In that time, the Investment Manager has made over £1bn of strategic asset disposals. InfraRed will continue to explore selective disposals where these meet strategic criteria and improve key portfolio metrics, noting that the pace of asset sales is expected to return to more normalised levels when compared with the prior year.

InfraRed continues to observe attractive opportunities for HICL to pursue, and as a result of its diligent approach to capital allocation, the Group is well placed to capitalise on situations which present favourable competitive dynamics and outsized returns. The return threshold for assessing new investments remains high, with the benchmark for new opportunities informed by the potential NAV accretion through additional share buybacks, as well as by the contribution of new assets to HICL's key portfolio metrics. Funding for any future investments would be supported through the modest utilisation of the £400m RCF, as well as selective disposals as appropriate. The risk and return proposition available to the Company through buying back its shares will continue to be a key benchmark for future capital allocation decisions.

Financial highlights

HICL's NAV per share decreased by 1.7p over the period to 156.5p at 30 September 2024 (31 March 2024: 158.2p). The decrease was primarily attributable to higher forecast costs associated with facility condition. This adjustment to the carrying value of these assets comprised a 15bps increase in the discount rate across the UK PPP portfolio where assets are subject to increased lifecycle risk, and specific forecast cost adjustments to a subset of these assets.

The weighted average discount rate increased to 8.1%, predominantly due to the specific discount rate adjustment described above. The weighted average risk-free rate for the portfolio is 4.2% (31 March 2024: 4.1%) and the weighted average risk premium remained at 3.9% (31 March 2024: 3.9%). Notwithstanding lower inflation and the commencement of central bank base rate cuts in HICL's core jurisdictions, long-term government bond yields have not changed materially, and transaction activity remains at levels below historical averages. Against this backdrop HICL's reference discount rates remain appropriate and are well supported by over £509m of disposals undertaken by the Group at a premium to NAV over the last 18 months.

In aggregate, macroeconomic changes to short-term inflation, longer-term interest rate assumptions and sterling strengthening had a negative impact on the overall valuation. Further detail on the approach to the valuation can be found in the Valuation section of this report starting on page 12.

1 Asset Management Plan period, the five-year periods over which UK water companies are regulated

Investment Manager's Report continued

Cash cover was 2.06x including profits on disposal (31 March 2024: 1.37x) and 1.07x excluding profits on disposal (31 March 2024: 1.05x). This upward trajectory in dividend cash cover is in line with forecast and underpins the guided return to dividend growth (8.35p) in the year to 31 March 2026.

HICL ended the period with available liquidity of £459m (31 March 2024: £490m), comprised of a £400m undrawn RCF[2] and cash balances of £65m (31 March 2024: £33m). Net debt was £85m (31 March 2024: £304m) comprising the Group's £150m private placement, net of cash. Disposal proceeds received in the period have been used to fully repay the RCF and fund £17.6m[3] of share buybacks, part of the £50m share buyback programme which commenced in the period. HICL has outstanding commitments of £63m (31 March 2024: £65m).

Portfolio level gearing was 66% at 30 September 2024 (31 March 2024: 68%), with £160m of amortising debt repaid in the period. Combined with the £150m private placement, the Group's look-through gearing as a proportion of the total enterprise value was 67%.

Investment Manager update

The Investment Manager notes that Helen Price, HICL's CFO, will be leaving InfraRed in December 2024 and has stepped down from the HICL Investment Committee. The financial activities, undertaken by InfraRed on behalf of HICL, continue to be led by senior members of InfraRed's portfolio management and finance teams, with senior management support. In line with InfraRed's succession planning a CFO has been appointed and is expected to join the business in Q1 2025.

Sustainability

Following the publication of HICL's net zero transition plan in May 2024, InfraRed continues to work with individual portfolio companies to develop and roll out decarbonisation strategies. Assisted by expert third-party advisers, the management teams of each asset have identified various actions which will then be implemented over the short-, medium- or long-term. To monitor progress and promote best practice, InfraRed also held a dedicated ESG summit in September 2024 which included all of HICL's portfolio companies and provided a forum for management teams to benefit from InfraRed's collective sustainability expertise through several interactive case studies. Topics covered included net zero action plans, climate resilience, and compliance with the upcoming EU Corporate Sustainability Reporting Directive ("CSRD") for those assets in scope.

InfraRed's Portfolio Impact team is also continuing to work with portfolio companies on seven targeted initiatives identified through the ESG survey and Creating Better Futures awards, including the 'Purple Book' which serves as a user guide for NHS Trust staff, patients and visitors to improve their hospital experience. The shortlisted initiatives will now be scaled and replicated across the HICL portfolio, where appropriate.

A full update on the progress of these initiatives and HICL's wider sustainability strategy will be reflected in HICL's 2025 Sustainability Report in May 2025.

Key risks update

HICL's risk appetite statement, approach to risk management and governance structure are set out in the Risk and Risk Management section of HICL's 2024 Annual Report, which can be accessed on the Company's website at **www.hicl.com**.

The principal risks for the Group for the remaining six months of its financial year are consistent with those reported on in the 2024 Annual Report. Notable updates in the period for the Group's key risks are summarised below.

Facility condition risk

Given the critical nature of HICL's PPP assets, InfraRed's active asset management approach is predicated on maintaining high standards of facility condition for HICL's clients and end-users. In cases where remediation works are required to address construction-related defects, InfraRed is overseeing delivery of appropriate capital works programmes alongside responsible construction contractors. The planning and delivery of lifecycle spending is another important factor in managing the facility condition risks associated with PPPs.

Following a thorough review as part of the valuation process, InfraRed has identified and reflected an increase in forecast cost risk associated with defect remediation and lifecycle delivery on a subset of UK PPP assets. These valuation adjustments reflect the challenging operating environment for capital works delivery and elevated client expectations as handback approaches.

PPP assets make up 58% of HICL's portfolio by value, and lifecycle risk and reward is borne by the portfolio company on 59% of these assets (34% of the portfolio by value overall). In these cases, InfraRed continues to closely monitor the appropriateness of the lifecycle forecast reflected in each asset's valuation and the risk around this judgement. For the remaining 41% of the PPP portfolio, lifecycle risk is passed down to the facilities management contractor, which helps to mitigate some, but not all, of the risk related to facility condition and handback. HICL has 40 projects scheduled for transfer to the public sector within the next ten years, which account for 16% of the Directors' Valuation at 30 September 2024.

2 Of which £394m is available and £6m is set against letters of credit on the RCF
3 Excluding direct costs of £0.1m. Including costs this figure is £17.7m

Investment Manager's Report continued

Political and regulatory risk

The Investment Manager notes the election outcome in the UK which occurred during the period, which could result in greater UK political stability. There is currently not expected to be any direct impact on HICL's portfolio as a result of the change in UK government. HICL's two UK rail investments are outside of the scope of the planned renationalisation of train operating companies. More broadly, we note the new UK government's stated aim of leveraging private capital in support of delivering much needed infrastructure investment, although a clear policy framework around infrastructure ownership and procurement is yet to be defined. The Investment Manager also notes the results of elections in both France and the US (the latter after the period end).

On 23 October 2024, the UK Government announced that it had launched an Independent Commission into the water sector and its regulation, which is due to report in 2025 with recommendations on how to tackle perceived systemic issues in the sector. Although the recommendations of the review are currently uncertain, Affinity Water will continue to focus on delivering solid operational performance as a water-only supplier, supported by a robust capital structure.

In respect of the PPP portfolio, the Investment Manager continues to highlight that long-term partnership frameworks inherently carry certain risks, which are heightened by the broader operational and financial challenges facing the UK public sector. In certain sectors, such as UK healthcare, this pressure can translate into actions that could prove adverse to the interests of the PPP, including with respect to service delivery. The previously highlighted disposal of the Tameside Hospital PPP in the period for a nominal sum illustrates this risk, noting that such instances are not representative of the broader portfolio.

Macroeconomic risk

The macroeconomic climate continues to weigh on listed market valuations for real assets, including for HICL. As a consequence of falling inflation, central banks across HICL's core jurisdictions announced cuts to base rates during the period. However, financial markets remain volatile, with geo-political unrest and concern around sovereign indebtedness likely to continue to present headwinds over the remainder of the year. The persistence of macroeconomic volatility, including the higher interest rate environment, is likely to limit HICL's opportunities to raise new equity capital in the near future.

InfraRed remains confident in the quality and valuation of HICL's portfolio and has clearly demonstrated its ability to progress HICL's strategic objectives without reliance on equity capital markets. If equity markets remain inaccessible for a protracted period, the Investment Manager is confident in its ability to reinvest free cash flow and continue to rotate assets to enhance HICL's portfolio and investment proposition over the long term.

Market and Outlook

The prevailing discount to NAV at which HICL's shares trade demonstrates a persistent disconnect between public and private market valuations for high-quality core infrastructure assets. The commencement of interest rate cutting cycles by central banks in the period across HICL's key geographies is expected to support HICL's share price, noting the heightened correlation with long-term UK government bond yields over the preceding 24 months.

The size, maturity and quality of HICL's portfolio will enable the Group to deliver its strategy from organic cash flow, without reliance on external capital. HICL's growth assets are forecast to self-fund investment in their respective capital bases and dividend cash cover continues to trend upwards, in support of both announced dividend growth and reinvestment in HICL's portfolio to enhance long-term earnings.

The backdrop for private investment in infrastructure remains positive and is expected to provide a structural tailwind to the Company's strategy over the long term. Market conditions remain variable, as a result of macroeconomic volatility, but continue to present attractive investment opportunities to experienced, nimble and well-capitalised investors, such as HICL.

These factors ensure that the Company is well positioned to deliver a compelling, forward-looking strategy for investors, comprised of both income and capital growth, and is supported by an improving macroeconomic backdrop.

Operational Highlights

Affinity Water % of portfolio: **8.8%**

Affinity Water provides on average 950 million litres of clean water each day to a population of more than 3.9 million people in Southern and Eastern England.

On 11 July 2024, Ofwat published its PR24 draft determination for Affinity Water which contained both positive and negative adjustments to the business plan submission, as expected at this stage of the process. Key highlights include Ofwat's allowed WACC of up to 3.72% (expressed in real terms) for Affinity Water, which has increased from its 'early view' of 3.29%. Further areas of negotiation remain, in particular around the allowance for operational and capital expenditure (totex) and in respect of funding and capital structure, and this was articulated clearly in Affinity's formal response to Ofwat submitted on 28 August 2024. The current position is consistent with HICL's expectation that Affinity Water should receive a balanced final determination in December 2024 that allows for the resumption of equity distributions over AMP8, albeit the final position on gearing may impact the level of dividends achievable throughout this period.

Affinity Water's operational performance over the six months was slightly ahead of expectations, with both revenue and costs favourable to budget. The management team maintained its focus on enhancing service delivery, with a particular emphasis on leakage reduction which remains sector-leading. Although Affinity Water did incur a penalty in relation to per-capita consumption, this was in line with previous periods and will be recalibrated for PR24 to account for changes in water usage patterns post-Covid-19. The company also rectified the isolated issue that prevented it from meeting its water quality target.

In October 2024, Ofwat published its latest Water Company Performance Report, the regulator's annual assessment of the 17 largest water companies in England and Wales. Affinity Water's performance was rated as 'average', with no company classed as 'leading' and three noted as 'lagging behind'. In addition to the progress on leakage, Ofwat's report showed that Affinity Water achieved the largest percentage reduction in water supply interruptions over the 2023-2024 financial year and labelled the company a 'top performer'[1] in this area.

Affinity Water's robust operating performance is underpinned by a stable, resilient capital structure. The company's investment grade credit ratings remain two notches above Ofwat's required thresholds and there is no refinancing requirement until 2026, after the start of the next regulatory period. The regulator's draft determination supports the company's expectation that the impact of interest rate increases in recent years will be mitigated through the regulatory mechanism.

A63 Motorway % of portfolio: **7.5%**

HICL's investment relates to a 105km stretch of the A63 Autoroute in France, which connects Bordeaux to the Spanish border. The road is an important trans-European transport corridor for both freight and leisure travel, enabling journeys from the Iberian Peninsula and Southwestern France to the whole of Northern Europe.

Over the six months to 30 September 2024, light and heavy vehicle traffic volumes increased slightly relative to the same period in 2023. These traffic figures were broadly in line with HICL's valuation assumptions despite poor summer weather impacting leisure travel and the reduction in economic activity in Germany. Revenue over the period was slightly below HICL's forecast due to construction cost inflation, to which toll rates are contractually linked, falling faster than expected. The asset continued to benefit from the impact of elevated interest rates on cash deposits, noting that there is no exposure to floating rate debt or refinancing. In the period, the portfolio company awarded a 15-year sub-concession to Zunder to install eight fast charging points at each service area along the route which, in addition to ensuring it meets its EV charging obligations, will generate incremental variable revenue for the asset over the concession life.

On 12 September 2024, the French constitutional court validated the recently enacted levy on revenues. The portfolio company will therefore continue to progress a legal challenge alongside other large motorway concessionaires. If the challenge is ultimately unsuccessful, the company expects any increase in costs due to the tax to be compensated through higher tolls. Nonetheless, if the levy were to be imposed with no pass through, InfraRed expects that the impact on HICL's valuation would be immaterial given the relatively small amount of revenue earned above the €120m threshold; the residual risk is appropriately reflected in the discount rate used to value the investment.

1 Defined by Ofwat as companies that achieve their performance commitment level and are within the top 25% of companies

Operational Highlights continued

Fortysouth % of portfolio: **6.9%**

Fortysouth is a leading independent mobile tower operator in New Zealand. With over 1,500 wholly owned towers covering 98% of New Zealand's population, Fortysouth enables mobile network operators, fixed wireless providers, and critical communications operators to deliver communications services that connect New Zealanders to each other and the world.

Since completing the 'carve-out' of One NZ's passive infrastructure earlier in 2024, Fortysouth has managed its full suite of operations independently and has performed well.

The company's financial performance over the period was marginally ahead of HICL's valuation assumptions, supported by its availability-based, inflation-linked anchor tenancy contract with OneNZ, along with lower than budgeted maintenance and overhead costs. The company also has no refinancing requirement before 2027.

Securing incremental co-location opportunities under long-term contractual arrangements remains a key priority of Fortysouth's management team. Over the six months to 30 September 2024, the company outperformed HICL's valuation assumption by signing 32 new co-location agreements and successfully transferring existing co-location customers onto long-term contracts that enhance the security and visibility of these revenue streams. Tower upgrades budgeted for the period were delivered on schedule, highlighting the management team's continued effective collaboration with One NZ. Over the six months to 30 September 2024, 106 towers were upgraded. The pace of new tower deployments over the period has also kept the company on track to deliver over 290 new towers by March 2027. Fortysouth's progress with tower deployments and upgrades reflects its commitment to supporting New Zealand's longer-term 5G rollout ambitions and delivering advanced connectivity for the country.

Texas Nevada Transmission % of portfolio: **5.6%**

Texas Nevada Transmission ("TNT") comprises two distinct electricity transmission systems: Cross Texas Transmission ("CTT") and One Nevada Transmission ("ON Line"). Together, the networks consist of over 800km of high-voltage transmission lines, as well as a number of switching stations and substations, which have been fully operational since 2014.

TNT's operational performance was in line with HICL's valuation assumptions, with CTT and ON Line both achieving 100% availability over the six months. Facility inspections carried out across the systems also identified no significant issues. Both CTT and ON Line continue to benefit from fixed borrowing costs, and the refinancing of CTT's senior secured notes to strengthen the network's balance sheet was completed successfully. TNT's capital structure was further optimised in the period by targeted initiatives carried out by InfraRed in coordination with operator and co-shareholder, LS Power.

CTT's next regulatory rate case, which sets out the network's planned spending and capital structure modifications over the next five years, is due for submission in January 2025. This will propose the partial acceleration of CTT's scheduled capital expenditure to facilitate the connection of new power generation to the systems and capitalise on the medium-term pipeline of new interconnection opportunities identified by the management team. If this plan is approved, free cash flows would be reinvested over the short-term to support the associated capital works. This would be expected to enhance TNT's longer-term value by expanding the asset base which attracts the regulated return. The incremental interconnection opportunities reflect the asset's strategic positioning and the important role it plays in bringing power from Texas's rural, energy-generating regions to its main population centres.

Operational Highlights continued

High Speed 1 % of portfolio: **4.8%**

High Speed 1 ("HS1") is the UK's only high-speed rail line, linking London St Pancras with the Channel Tunnel. It is a vital component of the UK's green gateway to Continental Europe, and also enables fast and frequent domestic rail services between Kent and Greater London.

International train path bookings reached 95% of pre-Covid levels on average over the period, resulting in a 7.8% increase in international train path revenue relative to the same period in FY24. However, these were below HICL's assumption due to fewer than expected additional spot bookings throughout the 2024 Summer Olympics. Border congestion in London and Paris remains a headwind for growth in international services, and the EU's EES scheme, which is expected to be implemented in phases beginning late 2024, may result in further increases in passenger processing times. HS1 has worked with Eurostar to ensure it is equipped to manage the changes, with all 49 Entry/Exit System kiosks now installed at St Pancras International station.

The HS1 management team continues to receive support from InfraRed in its engagement with prospective new international operators and views the facilitation of greater competition on the line to be a key strategic priority. HICL's valuation of HS1 takes a probability-weighted view of the likely impact of any new international operator. The management team also maintained its focus on driving footfall and improving sales at St Pancras International station, which has resulted in retail income for the six months being 4.5% above budget.

Domestic services remain under UK government control and HS1 continues to benefit from the contractual underpin from the Department for Transport, guaranteeing 96% of pre-Covid domestic track access revenues. HICL's forecast continues to assume that domestic train path bookings will remain below pre-Covid levels until March 2028, albeit over the six months to 30 September 2024 domestic paths were 15% higher than during the same period last year which reflects the continued progress made by the management team in rebuilding this passenger base.

PPP assets % of portfolio: **58.0%**

HICL's PPP assets are long-term contracts between public and private sector entities to facilitate the delivery of essential public infrastructure.

The operational performance of the PPP portfolio was broadly in line with expectations in the period, with these assets continuing to benefit from contracted, inflation-linked revenue streams and long-term fixed-rate debt structures. However, a discount rate increase and specific cost adjustments were applied to a subset of UK PPP assets where lifecycle delivery risk sits with the portfolio company, resulting in a valuation downside.

InfraRed's focus on the active management of facility condition remains a key asset management priority. Evidence of this commitment includes the successful completion of the temporary ward at **Pinderfields and Pontefract Hospitals** (3.5% of portfolio) in May 2024 which has enabled improvement works to begin in the main hospital building. At **Southmead Hospital** (3.9% of portfolio), InfraRed, alongside the client and other project stakeholders, continued to progress the suite of required defect remediation works. Key milestones linked to the agreement of the core remedial works programme and obtaining access to critical areas such as operating theatres were reached in the period, albeit HICL's forecast of costs associated with managing the works increased. At **Birmingham Hospitals** (2.6% of portfolio), the project company is working collaboratively with the client and construction contractor to deliver a programme of remedial works. Several key commercial settlements pertaining to these works were agreed in the period. InfraRed's specialist asset management team will continue to work closely with clients and counterparties across the PPP portfolio to preserve and enhance value for all stakeholders.

The **Blankenburg Tunnel** project (2.8% of the portfolio), which was acquired by HICL in 2019, achieved availability on schedule in September 2024 and the project company is now receiving full availability payments from the client. The successful delivery of this major project in the face of challenges posed by the war in Ukraine and Covid-19 reflects InfraRed's track record in successfully delivering assets through construction. InfraRed is now focused on supporting the project team as it prepares to open the road to traffic in December 2024. A modest valuation upside was also achieved after the construction risk premium previously captured in the discount rate used to value HICL's interest in the project was removed.

Valuation of the Portfolio

Valuation and Discount Rates

InfraRed, in its capacity as Investment Manager, is responsible for preparing the valuation of HICL's investment portfolio for the Directors' approval each reporting period. This investment valuation is called the Directors' Valuation[1]. The Directors' Valuation, which is an Alternative Performance Measure ("APM"), comprises the fair market valuation of the investment portfolio as well as the future investments committed to by the Company at the reporting period end. Further detail on the Company's APMs, including a reconciliation to the IFRS financial statements, is shown on pages 21 to 23.

The valuation methodology, including the use of a third-party expert, is unchanged from previous reporting periods and additional information on the valuation process can be found on page 160 of the Annual Report 2024.

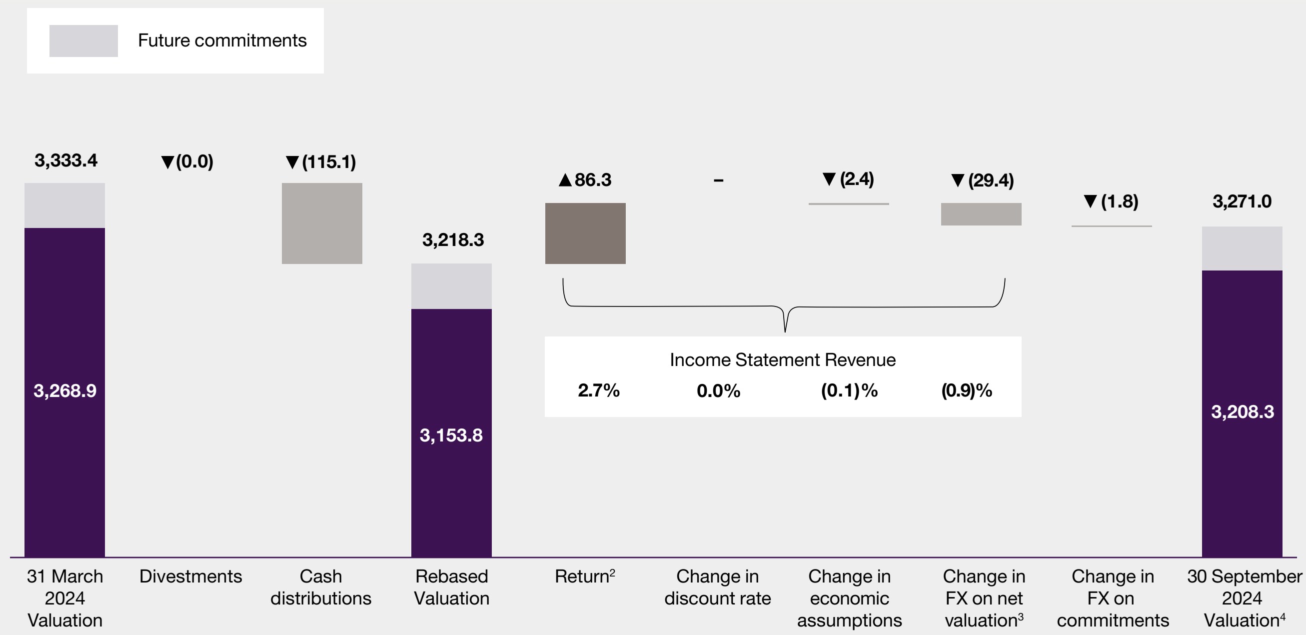
The Group's investments are predominantly unquoted and are therefore valued using a discounted cash flow analysis of the forecast investment cash flows from each project. The exception to this is the listed senior debt in the A13 Road project which is valued using the quoted market price of the bonds.

There is a secondary market for infrastructure investments and, where appropriate and publicly available, data points are taken into consideration. The Directors' Valuation is a sum-of-the-parts valuation, and no further adjustment is made to reflect the size, scarcity and diversification of the overall portfolio.

At 30 September 2024, the Directors' Valuation of the portfolio was £3,271.0m (31 March 2024: £3,333.4m). The Directors' Valuation includes £62.7m (31 March 2024: £64.5m) of future investment commitments in respect of the B247 road project (Germany) and the Blankenburg Tunnel (Netherlands).

A breakdown of the movement in the Directors' Valuation is shown in the chart below.

Movement in the Directors' Valuation in the Period ended 30 September 2024



1 Directors' Valuation is on the Investment Basis. The Investment Basis is used throughout the Valuation of the Portfolio section of the Interim Report
2 Return comprises the unwinding of the discount rate, PPP specific discount rate reduction, and project portfolio outperformance including actual inflation
3 FX movement net of hedging is loss of £11.8m
4 £3,271.0m reconciles, on an Investment Basis, to £3,208.3m investments at fair value together with £62.7m of future commitments

Valuation of the Portfolio continued

Acquisitions

There were no acquisitions during the period.

Divestments

During the period, the Group disposed of its interest in Tameside Hospital for a nominal amount of £1 to the project's senior lender.

Rebased Valuation

The Rebased Valuation is defined as the Investment Basis valuation as at the start of the period adjusted for Acquisitions, Disposals and Cash Distributions. The rebased portfolio of £3,153.8m delivered Income Statement Revenue totalling 1.7% in the period, as shown in the chart on the previous page (September 2023: 0.1%).

Return from the Portfolio

The return from the underlying portfolio of £86.3m (2023: £138.2m) represents a 2.7% (September 2023: 4.0%) increase on the rebased value of the portfolio in the period, or 5.5% annualised, versus the discount rate, or expected annualised return, of 8.0% at the start of the year. The return is stated before changes to discount rates and macroeconomic assumptions.

The underperformance is principally due to increased forecast lifecycle and defect costs in a subset of UK PPP assets where lifecycle delivery risk sits with the portfolio company (29% of the portfolio as at 30 September 2024). In response to these challenges, the Directors have increased the discount rate by 15bps for those UK PPP assets where lifecycle risk is borne by the portfolio company.

Partially offsetting this, HICL's growth and construction assets performed in line with expectations during the period with the Blankenburg Tunnel successfully completing its construction period and commencing its availability payment.

Actual inflation during the period was ahead of the March 2024 assumptions, providing a modest increase in portfolio performance.

Discount rates

The weighted average discount rate of the portfolio increased 0.1% to 8.1% (31 March 2024: 8.0%) primarily because of the increase in discount rate applied to a subset of the Company's UK PPP assets as described above.

The Investment Manager uses multiple data points when assessing the discount rate. These include transactional data points in the Company's target markets and in other sectors and geographies it operates in, as well as government bond yields and the implied equity risk premium.

During the period, the central banks in jurisdictions that HICL operates in have begun to lower their base rates. In the period, the Bank of England lowered the base rate by 25bps, the European Central Bank lowered its base deposit rate by 50bps, and the Federal Reserve lowered its target rate by 50bps. Post period end, the Bank of England and the Federal Reserve further lowered their respective base rates by 25bps.

Despite the recent reduction in interest rates, the Investment Manager has yet to observe any significant increase in transaction activity. Should the central banks continue to decrease rates, it is expected to put downward pressure on the discount rates used for transaction activity and support increasing market confidence.

When evaluating and determining the discount rate, the Investment Manager also places emphasis on the equity risk premium implied by the prevailing government bond yields, alongside transaction data. Over the past six months, the average 20-30 year risk-free rates have not moved significantly with the risk premium of the portfolio remaining at 3.9% (31 March 2024: 3.9%). Overall, the weighted average risk-free rate of the portfolio has increased slightly from 4.1% to 4.2% and the discount rate of the portfolio is now at 8.1% (31 March 2024: 8.0%).

Changes in economic assumptions

Changes in economic assumptions resulted in a £2.4m decrease, principally due to decreasing deposit rate forecasts across the various jurisdictions. These were partially offset by increases in USA and New Zealand short-term inflation.

Forex

The Pound strengthened against the Euro, CAD and USD in the period resulting in a negative impact of £29.4m pre-hedging. Net of hedging the negative impact was £11.8m.

Valuation of the Portfolio continued

Valuation assumptions

Apart from the discount rates, the other key economic assumptions used in determining the Directors' Valuation of the portfolio are as follows:

		30 September 2024	31 March 2024
Inflation rates	UK (RPI and RPIx)[1]	3.00% to 31-Mar-25 2.75% to 31-Mar-26 3.25% to 31-Mar-30 2.50% thereafter	3.00% to 31-Mar-25 2.75% to 31-Mar-26 3.25% to 31-Mar-30 2.50% thereafter
	UK (CPI/CPIH)[2]	2.25% to 31-Mar-25 2.00% to 31-Mar-26 2.50% thereafter	2.25% to 31-Mar-25 2.00% to 31-Mar-26 2.50% thereafter
	Eurozone (CPI)	2.25% to 31-Mar-25 2.00% thereafter	2.25% to 31-Mar-25 2.00% thereafter
	Canada (CPI)	2.25% to 31-Mar-25 2.00% thereafter	2.25% to 31-Mar-25 2.00% thereafter
	USA (CPI)	2.50% to 31-Mar-25 2.00% thereafter	2.00% to 31-Mar-25 2.00% thereafter
	New Zealand (CPI)	3.00% to 31-Mar-25 2.25% thereafter	2.75% to 31-Mar-25 2.25% thereafter
Interest rates	UK	4.00% p.a. to March 2025, 3.25% p.a. thereafter	4.50% p.a. to March 2025, 3.25% p.a. thereafter
	Eurozone	2.50% p.a. to March 2025, 2.00% p.a. thereafter	3.00% p.a. to March 2025, 2.00% p.a. thereafter
	Canada	3.25% p.a. to March 2025, 2.50% p.a. thereafter	3.75% p.a. to March 2025, 3.00% p.a. thereafter
	USA	4.00% p.a. to March 2025, 2.75% p.a. thereafter	4.25% p.a. to March 2025, 3.25% p.a. thereafter
	New Zealand	4.00% p.a. to March 2025, 3.25% p.a. thereafter	4.25% p.a. to March 2024, 4.00% p.a. thereafter
Foreign exchange rates	GBP / EUR	1.20	1.17
	GBP / CAD	1.81	1.71
	GBP / USD	1.34	1.26
	GBP / NZD	2.11	2.11
Tax rates	UK	25%	25%
	Eurozone	Ireland 12.5% France 25% Netherlands 25.8%	Ireland 12.5% France 25% Netherlands 25.8%
	Canada	23% and 27%	23% and 27%
	USA	21% Federal	21% Federal
	New Zealand	28%	28%
GDP growth	UK	2.0% p.a.	2.0% p.a.
	Eurozone	1.8% p.a.	1.8% p.a.
	USA	2.5% p.a.	2.5% p.a.

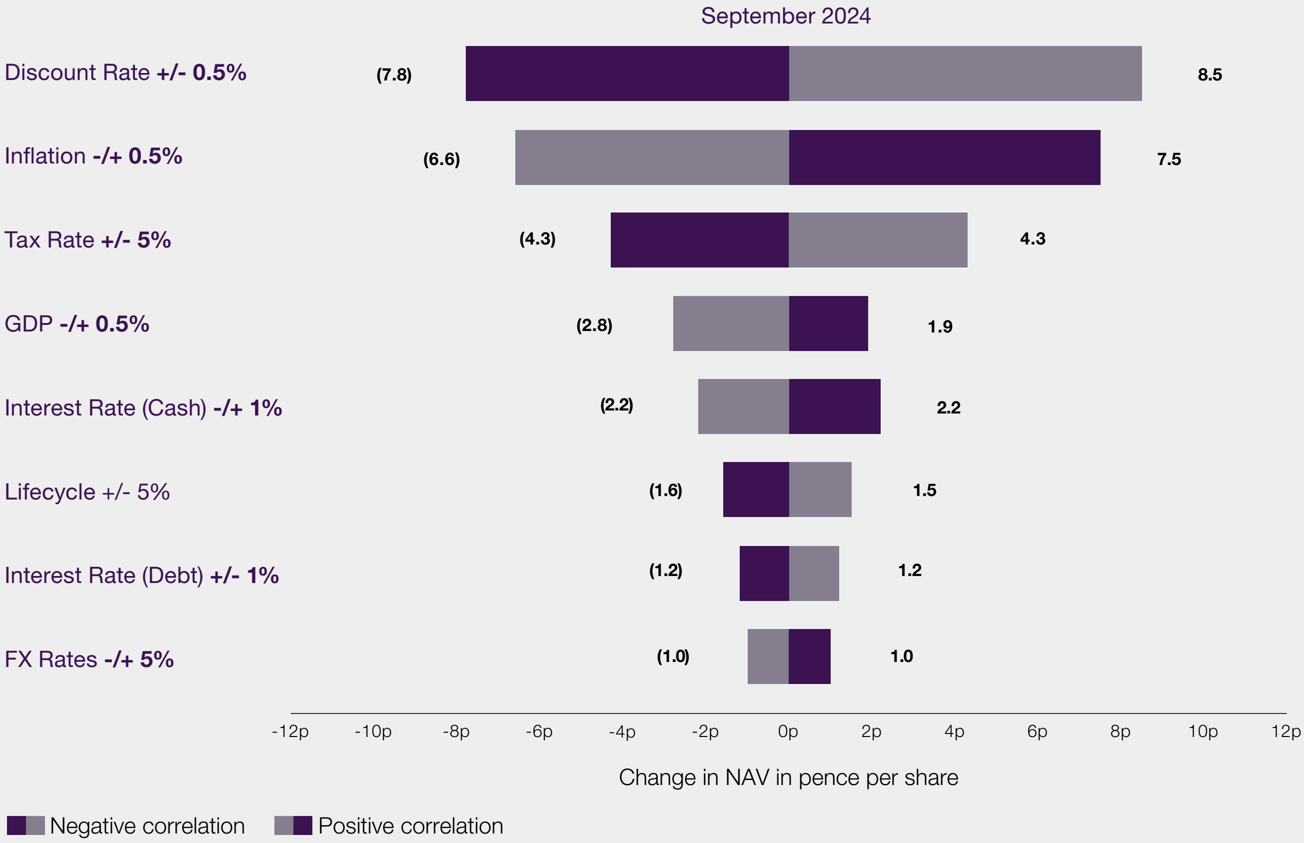
1 Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
2 Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

Valuation of the Portfolio continued

Valuation sensitivities

The Directors' Valuation is sensitive to each of the assumptions listed below. An explanation of the reason for the sensitivity and an analysis of how each variable in isolation (i.e., while keeping the other assumptions constant) impacts the valuation follows below[1,2,3]

Valuation sensitivities – impact in pence per share



1 NAV per share based on 2,018m Ordinary Shares as at 30 September 2024 (31 March 2024: 2,031m shares)
2 Sensitivities for inflation, interest rates and tax rates are based on the 35 largest investments extrapolated for the whole portfolio
3 Foreign exchange rate sensitivity is net of Group hedging as at 30 September 2024

Valuation of the Portfolio continued

Discount rate sensitivity

The weighted average discount rate that is applied to each portfolio company's forecast cash flows, for the purposes of valuing the portfolio, is the single most important judgement and variable. The impact of a 0.5% change in the discount rate on the Directors' Valuation and the NAV per share is shown above.

Inflation rate sensitivity

The portfolio's PPP projects have contractual income streams from public sector clients which are rebased every year for inflation. UK projects tend to use either Retail Price Index ("RPI") or RPI excluding mortgage interest payments ("RPIx") until 2030. In 2030, RPI will align to the Consumer Price Index, including owners occupiers' housing costs ("CPIH"). Revenues are either partially or totally indexed (depending on the contract and the nature of the project's financing). Facilities management and operating sub-contracts also have similar indexation arrangements.

The portfolio's inflation correlation[1] at 30 September 2024 was positive at 0.7x (31 March 2024: 0.7x) such that should inflation be 1% p.a. higher than the valuation assumption for all future periods the expected return from the portfolio would increase from 8.1% to 8.8%.

In the UK, year-on-year RPI was recorded at 2.7% in the six-month period to September 2024. The portfolio valuation assumes UK RPI inflation of 3.0% for the year ending March 2025, 2.75% to March 2026, 3.25% to March 2030 and 2.50% thereafter (with CPI at 2.50% post 2030). HM Treasury provides a forecast using 13 different sources with the median RPI estimate at 3.0% up to March 2025.

Gross Domestic Product ("GDP") growth rate sensitivity

There are four investments considered to be sensitive to GDP: the A63 Motorway (France), High Speed 1, M1-A1 Road, and RMG Roads. These assets are classified as GDP-sensitive because at times of higher economic activity there will be greater traffic volumes using these roads and railways, generating increased revenues for the projects compared to periods of lower economic activity.

If outturn GDP growth was 0.5% p.a. lower for all future periods than those in the valuation assumptions set out on page 14, the expected return from the portfolio (before Group expenses) would decrease 0.2% from 8.1% to 7.9%[2] (31 March 2024: 7.8%).

Interest rate sensitivity

The majority of HICL's portfolio company's interest expense is fixed, either through fixed-rate bonds or bank debt which is hedged for the life of the project with an interest rate swap or linked to inflation through index-linked bonds. However, there are five investments – Affinity Water (UK), Fortysouth (NZ), TNT (USA), Altitude Infra (France), and Cross London Trains (UK) which have refinancing requirements, exposing these investments to interest rate risk. The average gearing of the assets is lower than the portfolio as a whole, at 50% (Debt / Equity Value). As set out on page 15, were interest rates to be 1.0% higher in all future valuation periods, the expected return from the portfolio would decrease by 0.1% as a result of higher financing costs, before accounting for the offsetting positive impact of higher interest rates on cash balances

At 30 September 2024, cash deposits for the portfolio were earning interest at a rate of 4.6% p.a. on average (31 March 2024: 4.9%).

Lifecycle expenditure sensitivity

Lifecycle (also called asset renewal or major maintenance) concerns the timely replacement of material parts of the asset to maintain it over the concession life. It involves larger items that are not covered by routine maintenance and for a building will include items including the replacement of boilers, chillers, carpets and doors when they reach the end of their useful economic lives.

The lifecycle obligation, together with the budget and the risk, is either taken by the project company (and hence the investor) or is subcontracted to the FM contractor. Of the 111 investments, PPPs make up 58% of the overall portfolio by value. For 59% of these PPP investments (34% of Portfolio Value), the risk and reward is borne by the project company while for the remaining 41% (24% of Portfolio Value), the risk is borne by the facilities management contractor.

Corporation tax rate sensitivity

The profits of each portfolio company are subject to corporation tax in the country where the project is located. The sensitivity is based upon a 5% movement in tax rates in all jurisdictions.

The UK Corporation Tax assumption for the portfolio valuation is 25%.

Foreign exchange rates sensitivity

35% of the portfolio by Directors' value, has exposure to foreign exchange rates. The sensitivity shows, post-hedging, the impact of GBP appreciating or depreciating against these currencies by +/- 5%.

1 Inflation correlation is defined as an increase in expected return of the portfolio as a result of 1% inflation increase
2 Portfolio return decrease for 0.5% reduction in GDP

Key Performance Indicators

The Board has identified metrics to measure clearly the Group's performance against its strategic objectives. The results for the six months ended 30 September 2024 are set out below:

KPI	Measure	Objective	Commentary	30 September 2024	30 September 2023
Dividends	Aggregate interim dividends declared per share in the period	An annual distribution of at least that achieved in the prior year	**Achieved**	4.13p	4.13p
Total Shareholder Return	NAV growth and dividends paid per share since IPO	A long-term IRR target of 7% to 8% as set out at IPO[1]	**Achieved**	8.6% p.a.	8.7% p.a.
Cash-covered Dividends	Operational cash flow / dividends paid to shareholders	Dividend payments are covered by cash received from the portfolio	**Achieved**	2.06x[2] / 1.07x Including / excluding profits on disposal	1.35x / 1.05x[2]
Positive Inflation Correlation	Changes in the expected portfolio return for 1% p.a. inflation change for each and every future period	Maintain positive correlation with a correlation of at least 0.5x	**Achieved**	0.7x	0.8x
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[3]	Efficient gross (portfolio level) to net (investor level) returns, with the intention to reduce ongoing charges where possible. Maintain within the range for FTSE 250 listed infrastructure peers	**Achieved**	1.10%	1.11%

1 Set by reference to the issue price of 100p/share, at the time of HICL's IPO in February 2006
2 Including profits on disposals versus original acquisition cost of £82.7m (September 2023: £25.2m). Excluding this, dividend cash cover is 1.07x (September 2023: 1.05x)
3 Calculated in accordance with Association of Investment Companies guidelines. Ongoing charges excluding non-recurring items such as acquisition costs

Financial Review

HICL prepares its financial information in accordance with UK-adopted International Accounting Standards. Consistent with the 2024 Annual Report, the Company's financial performance is reported under the Investment Basis which consolidates the results of the Company, together with HICL Infrastructure 2 s.a.r.l. ("Luxco") and Infrastructure Investments Limited Partnership ("IILP"), referred to as the "Corporate Group" throughout the Financial Review.

Total return, which is defined as total comprehensive income for the year, net assets or NAV, and EPS, are the same under IFRS and the Investment Basis. The Board and the Investment Manager manage the Company on an Investment Basis, which is an APM and is reconciled on page 21. Reconciliation of the Investment Basis financial information to the IFRS statements is provided from page 22.

Summary income statement

Investment Basis £m	Six Months to 30 September 2024	Six Months to 30 September 2023
Dividend income	280.8	53.9
Interest income	69.7	64.0
Fair value movement	(273.2)	(108.9)
Foreign exchange movement on investments	(29.4)	(11.3)
Gain on foreign exchange derivatives	17.6	7.9
Other income	6.2	5.3
Total investment income	**71.7**	**10.9**
Expenses and finance costs	(26.7)	(38.5)
Profit/(loss) before tax	**45.0**	**(27.6)**
Tax	–	–
Total return	**45.0**	**(27.6)**
Earnings/(loss) per share	**2.2p**	**(1.4p)**

Total investment income increased by 558% to £71.7m in the six months to 30 September 2024 (September 2023: £10.9m). The increase in total investment income compared to prior period is primarily due to a smaller increase in the weighted average discount rate of 0.1%, whereas there was a 0.8% increase in the discount rate in the period ending September 2023. The disposal proceeds of Northwest Parkway are included in Dividend Income and offset by an equal amount in fair value movement. Further detail on the valuation movements is given in the Valuation of the Portfolio section on page 12.

The table below shows the breakdown of Other Income:

Investment Basis £m	Six months to 30 September 2024	Six months to 30 September 2023
Project directors' fees	4.4	3.0
Interest on bank deposits	0.8	0.2
Early repayment fees	1.0	2.1
Other income	**6.2**	**5.3**

Other income principally represents project directors' fees charged to project companies, which are recognised in other income when invoiced, and early repayment fees on loans.

The Group's hedging policy targets NAV per share volatility of no more than 2% for a 10% movement in foreign exchange rates. During the period, the net impact of foreign exchange movements was a £11.8m loss (September 2023: £3.4m loss), which represents less than 1% of the closing NAV (September 2023: less than 1%). This follows a 3% movement in weighted average FX rates in the period (2023: (1)%).

The below table shows the impact of hedging on non-sterling assets:

Foreign Exchange Hedging £m	Rate as at 30 September 2024	Non-UK assets	FX hedge	FX hedge as % of non-UK assets %	1% sensitivity to movement in FX rates[1]
Euro	1.20	627	428	68%	2.0
USA	1.34	183	104	57%	0.7
Canada	1.81	46	17	37%	0.3
New Zealand	2.11	224	105	47%	1.1
Total		**1,080**	**654**	**61%**	**4.1**

1 Sensitivity impact is net of derivatives

Expenses and finance costs

Investment Basis £m	Six months to 30 September 2024	Six months to 30 September 2023
Finance costs	8.7	18.0
Investment Manager fees	15.6	17.2
Directors' fees & expenses	0.3	0.3
Acquisition bid costs	–	(0.2)
Professional fees	2.1	3.2
Expenses and finance costs	**26.7**	**38.5**

Finance costs decreased to £8.7m (September 2023: £18.0m) principally due to the repayment of the Revolving Credit Facility ("RCF") in May. The average total borrowing in the six-month period was £194.8m (six months to September 2023: £496.5m), while the average interest rate was 5.9% (six months to September 2023: 6.2%).

Investment Manager fees were £15.6m (September 2023: £17.2m). The decrease was due to the disposal activity in the prior year to 31 March 2024, which reduced the Directors' valuation from £3,333.4m to £3,271.0m in the six-month period to 30 September 2024. The calculation methodology is unchanged and is in line with the Investment Manager fee agreement shown on page 34.

Financial Review continued

Ongoing Charges percentage ("OCR")

Investment Basis £m	30 September 2024 (Annualised)	30 September 2023 (Annualised)
Investment Manager	30.9	33.5
Auditor fee for the Corporate Group	0.5	0.4
Non-audit fee paid to the Auditor: Interim review	0.1	0.1
Directors' fees and expenses	0.6	0.5
Other ongoing expenses	2.8	2.3
Total annualised expenses	34.9	36.8
Average NAV	3,184.8	3,308.7
Ongoing charges	**1.10%**	**1.11%**

The OCR is calculated in line with the Association of Investment Companies' ("AIC") guidance. It is defined as the annualised ongoing charges (which exclude acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value of £3,184.8m in the period (September 2023: £3,308.7m).

The OCR for the period is 1.10% (September 2023: 1.11%). The reduction in the OCR is due to the impact of the disposals and related lower management fee.

Summary Balance Sheet and NAV

Investment Basis £m	30 September 2024	31 March 2024
Investments at fair value (net of commitments)	3,208.3	3,268.9
Net other assets	32.9	248.0
Net debt	(84.6)	(303.9)
Net assets	**3,156.6**	**3,213.0**
NAV per share (before dividend)	156.5p	158.2p
NAV per share (post dividend)	154.4p	156.1p

Investments at fair value decreased marginally by 2% to £3,208.3m (31 March 2024: £3,268.9m), principally due to the increase in the weighted average discount rate by 0.1% to 8.1% (31 March 2024: 8.0%) and FX movements on non-Sterling assets. There was also one asset disposal in the period, with the sale of Tameside Hospital for £1. Further detail on the movement in Investments at fair value, which are net of commitments and therefore not in the Directors' Valuation, is given in the Valuation of the Portfolio section on page 12.

Net other assets decreased to £32.9m (31 March 2024: £248.0m), due to proceeds received in the period for the disposals of Northwest Parkway and Hornsea II OFTO announced in the prior year, and which were used to repay the RCF and fund the share buyback programme. This was partially offset by a £9.9m increase in the fair value of FX forwards in the period.

An analysis of the movements in Net debt is shown in the cash flow section below. The decrease relative to 31 March 2024 is is principally due to the repayment of the March 2024 RCF balance of £187.2m using disposal proceeds received.

NAV per share was 156.5p (31 March 2024: 158.2p) before the 2.06p second quarterly distribution. NAV per share decreased by 1.7p, primarily due to earnings per share of 2.2p, net of 4.1p distributions, for the period to 30 September 2024. NAV per share and earnings per share are the same under the Investment Basis and the IFRS Basis.

Financial Review continued

Summary cash flow

Investment Basis £m	Six months to 30 September 2024	Six months to 30 September 2023
Cash from investments	115.3	121.6
Operating costs	(18.4)	(21.1)
Finance costs	(7.1)	(12.3)
Net cash inflow before capital movements	**89.8**	**88.2**
Cost of new investments	–	(415.5)
Investment disposal proceeds	221.6	66.3
Movement in payables	0.4	–
Share buy backs	(17.7)	–
Net cash flow from derivatives	8.4	(1.8)
Short-term intercompany repayments	0.5	–
Debt arrangement fees paid	–	(2.4)
Dividends paid	(83.7)	(83.9)
Movement in the period	**219.3**	**(349.1)**
Net debt at start of period	(303.9)	(147.6)
Foreign exchange on cash	–	(0.1)
Net debt at end of period	**(84.6)**	**(496.8)**

The Corporate Group ended the period with net debt of £84.6m (30 September 2023: £496.8m net debt). This is made up of the Private Placement loan notes of £150.0m (30 September 2023: £150.0m), net of cash and cash equivalents of £65.4m (30 September 2023: £23.8m). The RCF was undrawn as at 30 September 2024 (30 September 2023: £370.6m drawn).

The £221.6m investment proceeds represent the amounts received from the Northwest Parkway and Hornsea II OFTO disposals.

Dividends of £83.7m (September 2023: £83.9m) were paid in the period. Dividend cash cover excluding disposals increased to 1.07x (September 2023: 1.05x). Including profit on disposals of £82.7m, the dividend cash cover is 2.06x (September 2023: including profit on disposals of £25.2m, cash cover was 1.35x).

Debt and gearing levels

The Corporate Group's debt and borrowing facilities are held by IILP. As at 30 September 2024, IILP had no cash drawings on its RCF (31 March 2024: £187.2m) but had £6.0m by way of letters of credit (31 March 2024: £6.0m). The RCF capacity was reduced from £650m to £400m in May 2024, reflecting a reduced forecast utilisation profile until its expiry on 30 June 2026. In addition, IILP had utilisation of €92.6m on its Letter of Credit Facility ("LCF") facility (31 March 2024: €109.6m), with the decrease a result of the partial disposal of Hornsea II OFTO, and had £150m of Private Placement loan notes in issue. Overall, the Corporate Group had £459.4m of available liquidity as at 30 September 2024, which is made up of £394.0m headroom on its RCF and £65.4m of cash and cash equivalents.

The ratio of debt to Adjusted Gross Asset Value[1] at the end of the period was as follows:

	30 September 2024 £m	31 March 2024 £m
Outstanding drawings		
Bank borrowings	–	187.2
Letters of credit	83.1	99.7
Private Placement	150.0	150.0
	233.1	**436.9**
Adjusted Gross Asset Value		
Directors' Valuation	3,271.0	3,333.4
Announced disposals	11.7	233.2
Cash and cash equivalents	65.4	33.3
	3,348.1	**3,599.9**
Borrowing ratio	**7.0%**	**12.1%**

Capital management

While the Company's Ordinary Shares trade at a discount to the Net Asset Value and there are sufficient funds to transact, at the sole discretion of the Directors, the Company may:

- make market purchases of up to 14.99% p.a. of its issued Ordinary Shares; and
- make tender offers for the Ordinary Shares.

In May 2024, the Company announced a share buyback programme of up to £50m, funded using disposal proceeds. By 30 September 2024, 13.9m shares had been bought back for a cost of £17.7m including direct costs. Whilst trading at a discount to net asset value, the Company is unable to issue shares via a tap issuance, but can do so on a wholly pre-emptive basis.

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

Financial Review continued

Alternative Performance Measures ("APMs")

The Directors assess the Group's performance using a variety of APMs that are not defined under IFRS, which provide additional information to investors as to how the Company is managed and assessed. The APMs may not be directly comparable with those used by other companies and therefore the Directors wish to draw users' attention to GAAP measures in the financial statements from page 26 onwards. The Directors' Investment Basis is itself an APM.

The explanation and rationale for the Investment Basis is shown on page 18 and its reconciliation to IFRS is shown from page 22. The table below defines the Group's APMs.

APM	Purpose	30 September 2024 Investment Basis	Calculation	Reconciliation to IFRS
Annualised Return from the Portfolio	A measure of annualised portfolio performance within the period	**5.5%**	£86.3m rebased return divided by £3,153.8m rebased valuation, as shown on the Valuation Report on page 13, compounded for a year	The calculation uses figures which are reconciled to the Investment Basis on page 23 which, in turn, is reconciled to IFRS in the 'Reconciliation of Investment Basis to IFRS' section below This APM is not applicable under IFRS
Directors' Valuation	A measure of the size of the investment portfolio including the value of further contracted future investments committed by HICL	**£3,271.0m**	£3,208.3m investments at fair value plus £62.7m of contracted commitments	The calculation uses portfolio assets shown in the reconciliation in the 'Reconciliation of Investment Basis to IFRS' section below The IFRS valuation is £3,155.3m as at 30 September 2024
Distributable cash	A measure of cash received from underlying projects in the period	**£172.5m**	Calculated as net cash inflow before capital movements shown in the 'Investment Basis Summary Cash Flow' plus £82.7m profit versus original cost on final disposal of Northwest Parkway and Tameside Hospital and partial disposal of Hornsea II OFTO	The calculation uses distributions received from investments plus profit on disposal Under IFRS net cash inflow is £102.2m, consisting of cash received to support the Company dividend and share buybacks plus working capital requirements, net of expenses paid in the period
Dividend cash cover	A measure of cash received from underlying projects in the period enabling distributions to shareholders	**2.06**[1]	£89.8m distributable cash received in addition to £82.7m profit on final disposal of Northwest Parkway and Tameside Hospital and partial disposal of Hornsea II OFTO, divided by £83.7m dividend for the period	The calculation uses the dividend paid in the 'Statement of Changes in Equity' divided by distributable cash The calculation uses cash flows in the corporate subsidiaries and therefore does not have a like-for-like IFRS equivalent
Cash investments	Identifying new opportunities in which to invest capital is a driver of HICL's ability to deliver attractive returns	**nil**	No investments were made in the period	The equivalent balance under IFRS is shown in the 'Reconciliation of Statement of Cash Flows' There were no cash investments and therefore there is no like-for-like IFRS equivalent
Cash proceeds	Cash proceeds from our investments support our returns to shareholders, as well as our ability to invest in new opportunities	**£221.6m**	£221.6m cash received into IILP in the period, directly or indirectly, from the disposal of investments	The equivalent balance under IFRS is shown in the 'Reconciliation of Statement of Cash Flows' There were no cash proceeds received by the Company
Net (debt) / cash	A measure of the available liquid cash to invest in the business offset by the Corporate Group's borrowings. This is an indicator of the financial risk in the Group's Statement of Financial Position	**£(84.6)m**	£65.4m cash and cash equivalents less £150.0m loans and borrowings	The equivalent balance under IFRS and the reconciliation to the Investment Basis is shown in the 'Reconciliation of Statement of Financial Position' Net cash is £2.3m under IFRS as at 30 September 2024, being the working capital held by the Company

1 The calculation includes total profit on disposal of £82.7m. Excluding this, dividend cash cover is 1.07x

Financial Review continued

Reconciliation of Investment Basis to IFRS

Reconciliation of Statement of Comprehensive Income

£m	Six months to 30 September 2024 Investment Basis	Consolidation adjustments	IFRS Basis	Six months to 30 September 2023 Investment Basis	Consolidation adjustments	IFRS Basis
Dividends received	280.8	(280.8)	–	53.9	(11.9)	42.0
Interest receivable	69.7	10.7	80.4	64.0	(19.3)	44.7
Net (loss) on revaluation of investments	(273.2)	240.0	(33.2)	(108.9)	(2.5)	(111.4)
Foreign exchange movement on investments	(29.4)	29.4	–	(11.3)	11.3	–
Gain on foreign exchange derivatives	17.6	(17.6)	–	7.9	(7.9)	–
Other Income	6.2	(6.2)	–	5.3	(5.3)	–
Total investment income / (loss)[1]	**71.7**	**(24.5)**	**47.2**	**10.9**	**(35.6)**	**(24.7)**
Management fee	(15.6)	15.6	–	(17.2)	17.2	–
Finance costs	(8.7)	8.7	–	(18.0)	18.0	–
Other fund expenses[2]	(2.4)	0.2	(2.2)	(3.3)	0.4	(2.9)
Total expenses	**(26.7)**	**24.5**	**(2.2)**	**(38.5)**	**35.6**	**(2.9)**
Profit / (loss) before tax	**45.0**	**–**	**45.0**	**(27.6)**	**–**	**(27.6)**
Tax	–	–	–	–	–	–
Earnings / (loss) for the period	**45.0**	**–**	**45.0**	**(27.6)**	**–**	**(27.6)**
Earnings / (loss) per share	**2.2p**	**–**	**2.2p**	**(1.4)p**	**–**	**(1.4)p**

1 Total income shown in the IFRS accounts only relates to HICL and not those portfolio companies held through investment entity subsidiaries. The consolidation adjustments represent the results recorded in the Corporate Subsidiaries
2 Other fund expenses comprise audit, valuation and other professional fees

Financial Review continued

Reconciliation of Statement of Financial Position

£m	30 September 2024 Investment Basis	30 September 2024 Consolidation adjustments	30 September 2024 IFRS Basis	31 March 2024 Investment Basis	31 March 2024 Consolidation adjustments	31 March 2024 IFRS Basis
Investments at Fair Value	3,208.3	(53.0)	3,155.3	3,268.9	(56.4)	3,212.5
Trade and other receivables	13.2	(12.9)	0.3	237.7	(237.4)	0.3
Other financial assets	35.0	(35.0)	–	25.9	(25.9)	–
Trade and other payables	(14.5)	13.2	(1.3)	(15.0)	14.1	(0.9)
Other current financial liabilities	(0.8)	0.8	–	(0.6)	0.6	–
Cash and cash equivalents	65.4	(63.1)	2.3	33.3	(32.2)	1.1
Loans and borrowings	(150.0)	150.0	–	(337.2)	337.2	–
Net assets attributable to Ordinary Shares	3,156.6	–	3,156.6	3,213.0	–	3,213.0
NAV per share (before dividend)	156.5p	–	156.5p	158.2p	–	158.2p
NAV per share (post dividend)	154.4p	–	154.4p	156.1p	–	156.1p

Note:
The Investment Basis financial statements are prepared for performance measurement and therefore reserves are not analysed separately.

Reconciliation of Statement of Cash Flows

£m	Six months to 30 September 2024 Investment Basis	Six months to 30 September 2024 Consolidation adjustments	Six months to 30 September 2024 IFRS Basis	Six months to 30 September 2023 Investment Basis	Six months to 30 September 2023 Consolidation adjustments	Six months to 30 September 2023 IFRS Basis
Investment income received	115.3	(10.9)	104.4	121.6	(34.9)	86.7
Operating expenses paid	(18.4)	16.2	(2.2)	(21.1)	18.2	(2.9)
Finance costs	(7.1)	7.1	–	(12.3)	12.3	–
Net cash inflow before capital movements	89.8	12.4	102.2	88.2	(4.4)	83.8
Purchase of investments in subsidiary	–	–	–	(415.5)	415.5	–
Proceeds from investments	221.6	(221.6)	–	66.3	(66.3)	–
Movement in payables	0.4	–	0.4	–	–	–
Repurchase of shares	(17.7)	–	(17.7)	–	–	–
Net cash flow from derivatives	8.4	(8.4)	–	(1.8)	1.8	–
Short-term intercompany borrowings	0.5	(0.5)	–	–	–	–
Debt arrangement fees paid	–	–	–	(2.4)	2.4	–
Dividends paid	(83.7)	–	(83.7)	(83.9)	–	(83.9)
Movement in the period	219.3	(218.1)	1.2	(349.1)	349.0	(0.1)
Net (debt) / cash at start of period	(303.9)	305.0	1.1	(147.6)	148.6	1.0
Foreign exchange on cash	–	–	–	(0.1)	0.1	–
Net (debt) / cash at end of period	(84.6)	86.9	2.3	(496.8)	497.7	0.9

Note:
There is a difference between the change in cash and cash equivalents of the Investment Basis financial statements and the IFRS financial statements due to the cash balances held in the Corporate Subsidiaries. Cash held within the Corporate Subsidiaries is not shown in the IFRS statements but is shown in the Investment Basis financial information.

Directors' Statement of Responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as adopted by the United Kingdom; and
- the interim management report, comprising the Chair's Statement, Investment Manager's Report and Financial Results, includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Mike Bane
Chair
19 November 2024

Independent Review Report to HICL Infrastructure PLC

Conclusion

We have been engaged by HICL Infrastructure PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises the Condensed Unaudited Statement of Comprehensive Income, the Condensed Unaudited Statement of Financial Position, the Condensed Unaudited Statement of Changes in Shareholders' Equity, the Condensed Unaudited Cash Flow Statement and the related explanatory notes.

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 September 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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 ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

Conclusions 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 that causes us to believe 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 have not been 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 Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in the 'Basis of preparation and accounting policies', the annual financial statements of the Company are prepared in accordance with UK-adopted international accounting standards.

The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

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

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 reached.

Jonathan Martin
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL
19 November 2024

Condensed Unaudited Statement of Comprehensive Income

For the six months ended 30 September 2024

	Note	For the six months ended 30 September 2024 £m	For the six months ended 30 September 2023 £m
Dividends received		–	42.0
Interest receivable		80.4	44.7
Net loss on revaluation of investment in Investment Entity subsidiary		(33.2)	(111.4)
Total investment income / (loss)		**47.2**	**(24.7)**
Company expenses		(2.2)	(2.9)
Profit / (loss) before tax		**45.0**	**(27.6)**
Profit / (loss) for the period	4	**45.0**	**(27.6)**
Earnings / (loss) per share – basic and diluted (pence)	4	**2.2p**	**(1.4)p**

All results are derived from continuing operations. There is no other comprehensive income or expense and consequently a statement of other comprehensive income has not been prepared.

The accompanying Notes are an integral part of these condensed financial statements.

Condensed Unaudited Statement of Financial Position

As at 30 September 2024

	Note	Unaudited 30 September 2024 £m	Audited 31 March 2024 £m
Non-current assets			
Investment in Investment Entity subsidiary	6,7	**3,155.3**	3,212.5
Total non-current assets		**3,155.3**	**3,212.5**
Current assets			
Trade and other receivables		**0.3**	0.3
Cash and cash equivalents		**2.3**	1.1
Total current assets		**2.6**	**1.4**
Total assets		**3,157.9**	**3,213.9**
Current liabilities			
Trade and other payables		**(1.3)**	(0.9)
Total current liabilities		**(1.3)**	**(0.9)**
Total liabilities		**(1.3)**	**(0.9)**
Net assets		**3,156.6**	**3,213.0**
Equity			
Share capital		**0.2**	0.2
Share premium		**1,213.3**	1,213.3
Revenue reserve		**1,656.0**	1,902.8
Capital reserve		**287.1**	96.7
Total equity		**3,156.6**	**3,213.0**
Net assets per Ordinary Share (pence)		**156.5**	**158.2**

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

The financial statements were approved and authorised for issue by the Board of Directors on 19 November 2024, and signed on its behalf by:

M Bane
Director

R Akushie
Director

Company registered number: 11738373

Condensed Unaudited Statement of Changes in Shareholders' Equity

For the six months ended 30 September 2024

	Note	Share capital £m	Share premium £m	Revenue reserve[1] £m	Capital reserve[1] £m	Total shareholders' equity £m
Shareholders' equity as at 31 March 2024		**0.2**	**1,213.3**	**1,902.8**	**96.7**	**3,213.0**
Profit for the period		**–**	**–**	**(163.1)**	**208.1**	**45.0**
Shares repurchased		**–**	**–**	**–**	**(17.7)**	**(17.7)**
Dividends paid	5	**–**	**–**	**(83.7)**	**–**	**(83.7)**
Shareholders' equity at 30 September 2024		**0.2**	**1,213.3**	**1,656.0**	**287.1**	**3,156.6**

For the six months ended 30 September 2023

	Note	Share capital £m	Share premium £m	Revenue reserve[1] £m	Capital reserve[1] £m	Total shareholders' equity £m
Shareholders' equity as at 31 March 2023		0.2	1,213.3	1,992.9	143.6	3,350.0
Profit / (loss) for the period		**–**	**–**	**83.8**	**(111.4)**	**(27.6)**
Dividends paid	5	–	–	(83.9)	–	(83.9)
Shareholders' equity at 30 September 2023		**0.2**	**1,213.3**	**1,992.8**	**32.2**	**3,238.5**

1 Revenue reserve and Capital reserve are described in accounting policies Note 2 Equity and Reserves

The accompanying Notes are an integral part of these condensed financial statements.

Condensed Unaudited Cash Flow Statement

For the six months ended 30 September 2024

	For the six months ended 30 September 2024 £m	For the six months ended 30 September 2023 £m
Cash flows from operating activities		
Profit / (loss) before tax	**45.0**	(27.6)
Adjustments for:		
Total investment (loss) / gain	**(47.2)**	24.7
Operating cash flows before movements in working capital	**(2.2)**	(2.9)
Changes in working capital:		
Decrease in receivables	**–**	0.1
Increase / (decrease) in payables	**0.4**	(0.1)
Cash flow from operations	**(1.8)**	**(2.9)**
Investment income received	**104.4**	86.7
Net cash flow from operating activities	**102.6**	**83.8**
Cash flows from financing activities		
Repurchase of shares	**(17.7)**	–
Distributions paid to shareholders	**(83.7)**	(83.9)
Net cash from financing activities	**(101.4)**	**(83.9)**
Net increase / (decrease) in cash and cash equivalents	**1.2**	**(0.1)**
Cash and cash equivalents at beginning of period	**1.1**	**1.0**
Cash and cash equivalents at end of period	**2.3**	**0.9**

The accompanying Notes are an integral part of these condensed financial statements.

Notes to the Condensed Unaudited Financial Statements

For the six months ended 30 September 2024

1. Reporting entity

HICL Infrastructure PLC (the "Company" or "HICL") is a public limited company incorporated, domiciled and registered in England and Wales in the United Kingdom. The interim condensed unaudited financial statements (the "interim financial statements") for the six months ended 30 September 2024 comprise the financial statements for the Company only as explained in Note 2.

The Company has one direct corporate subsidiary, HICL Infrastructure 2 s.a.r.l. ("Luxco"). Luxco has a direct subsidiary, Infrastructure Investments Limited Partnership ("IILP") (both are a "Corporate Subsidiary" and together the "Corporate Subsidiaries").

The Company and its Corporate Subsidiaries (together the "Corporate Group") invest in infrastructure projects in the United Kingdom, Eurozone, North America and New Zealand.

2. Key accounting policies

Basis of preparation

The interim financial statements included in this report have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as adopted for use in the UK. The interim financial statements have also been prepared in accordance with the Disclosure Guidance and Transparency Rules ("DTR") of the UK's Financial Conduct Authority ("FCA").

The interim financial statements are prepared using accounting policies in compliance with the recognition and measurement requirements of UK-adopted international accounting standards ("IFRS"). In accordance with IFRS 10 (as amended), entities that meet the definition of an investment entity are required to fair value certain subsidiaries through profit and loss in accordance with IFRS 9, Financial Instruments, rather than consolidate the results. However, subsidiaries that are not themselves investment entities and provide investment-related services to the Company should be consolidated. The Company does not have any such subsidiaries and consequently values its sole subsidiary, Luxco, at fair value through profit and loss.

The annual financial statements of the Company are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the interim financial statements have been prepared applying the accounting policies, including critical estimates and judgements, that were applied in the preparation of the Company's published financial statements for the year ended 31 March 2024. These financial statements have been prepared using the accounting standards that the Directors expect to be effective for the year ending 31 March 2025.

These financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006 and should be read in conjunction with the financial statements for the year ended 31 March 2024, which were reported upon by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. The 2024 Annual Report is available at **www.hicl.com**.

Equity and Reserves

The Company is a UK approved Investment Trust Company. Financial statements prepared under IFRS are not required to apply the provisions of the Statements of Recommended Practice issued by the UK Association of Investment Companies for the financial statements of Investment Trust Companies (the "SORP"). However, where relevant and appropriate, the Directors have looked to follow the recommendations of the SORP. The Directors have chosen to rename distributable and other reserves into a Revenue reserve and a Capital reserve respectively. The Directors have exercised their judgement in applying the SORP and a summary of these judgements are as follows:

- Net gains / losses on investments are applied wholly to the Capital reserve as they relate to the revaluation or disposal of investments;
- Dividends are applied to the Revenue reserve except under specific circumstances where a dividend arises from a return of capital or proceeds from a refinancing, when they are applied to the Capital reserve;
- Fees payable are applied to the Capital reserve where the service provided is, in substance, an intrinsic part of an intention to acquire or dispose of an investment;
- Operating costs are applied wholly to the Revenue reserve as there is no clear connection between the operating expenses of the Company and the purchase and sale of an investment;
- Foreign exchange movements are applied to the Revenue reserve where they relate to movements on non-portfolio assets; and
- Shares repurchased, and any direct costs, are applied to the Capital reserve.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Manager's Report starting on page 5. The financial position of the Corporate Group, its cash flows, and liquidity position are described from page 18 in the Financial Review. In addition, Notes 2 to 17 of the 31 March 2024 financial statements include: the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors have assessed going concern by considering areas of financial risk, the Corporate Group's access to the RCF and LCF and the £150m Private Placement debt (details of which are set out in the Financial Review starting on page 18) and by reviewing cash flow forecasts. The Directors also performed stress testing under severe but plausible scenarios including a 20% reduction in distributions from projects (above projects currently in lock-up) for a period of 12 months. Judgement is applied in determining when the cash flows from underlying assets are assumed to be received when determining the cash flow forecast, based on the contractual nature or demand assumptions of each asset.

Notes to the Condensed Unaudited Financial Statements continued

For the six months ended 30 September 2024

The Directors also considered the Company's considerable financial resources, including indirect investments in a significant number of project assets, whose distributions support the liquidity of the Company. The going concern analysis included an assessment of the potential variability in returns and cash flows from project companies. The Directors also noted that the financing for project companies is non-recourse to the Company.

Based on this analysis, the Directors have concluded that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approving these interim financial statements ("the going concern period"). Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

3. Geographical analysis

The tables below analyse income and net assets based on the geographical location of the Company's underlying investments.

Total investment income / (loss)	UK	Eurozone	Rest of World	Total
30 September 2024	**£27.6m**	**£6.7m**	**£12.9m**	**£47.2m**
30 September 2023	£32.2m	£(4.6)m	£(52.3)m	£(24.7)m

Investment in Investment Entity subsidiaries	UK	Eurozone	Rest of World	Total
30 September 2024	**£2,095.1m**	**£615.3m**	**£444.9m**	**£3,155.3m**
31 March 2024	£2,110.6m	£648.9m	£453.0m	£3,212.5m

4. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	Six months ended 30 September 2024	Six months ended 30 September 2023
Profit / (loss) attributable to equity holders of the Company	**£45.0m**	£(27.6)m
Weighted average number of Ordinary Shares in issue[1]	**2,025.4m**	2,031.5m
Total basic and diluted earnings / (loss) per Ordinary Share	**2.2 pence**	**(1.4) pence**

1 No new shares were issued in the period (30 September 2023: no new shares issued). In the period HICL PLC bought back 13,868,670 shares for £17.7m, including all costs and stamp duty. These shares are being held as Treasury Shares. At 30 September 2024, the Company had 2,017,619,391 shares in issue (31 March 2024: 2,031,488,061)

5. Distributions to Company shareholders

	Six months ended 30 September 2024 £m	Six months ended 30 September 2023 £m
Amounts paid and recognised as distributions to equity holders during the period:		
Quarterly dividend for 31 March 2024 of 2.07p (2023: 2.07p) per share	**42.0**	42.1
Quarterly dividend for 30 June 2024 of 2.06p (2023: 2.06p) per share	**41.7**	41.8
	83.7	**83.9**

The Company has elected to distribute a percentage of the dividends paid to shareholders as an interest distribution for tax purposes.

Quarterly interest streaming fluctuates due to several factors, including the forecast annual effective interest received from underlying projects (which moves with acquisitions and disposals) and FX hedging gains / losses.

Notes to the Condensed Unaudited Financial Statements continued

For the six months ended 30 September 2024

6. Investment in Investment Entity subsidiary

Carrying amount of the investment in Luxembourg Corporate Subsidiary	30 September 2024 Equity investment £m	30 September 2024 Loan Investment £m	30 September 2024 Total carry amount £m	31 March 2024 Equity investment £m	31 March 2024 Loan Investment £m	31 March 2024 Total carry amount £m
Opening balance	**2,148.5**	**1,064.0**	**3,212.5**	2,152.1	1,197.6	3,349.7
(Loss) / profit on revaluation of investment	**(55.1)**	**21.9**	**(33.2)**	(3.6)	(159.2)	(162.8)
Additional loan drawdown	**–**	**(24.0)**	**(24.0)**	–	25.6	25.6
Carrying amount at period end	**2,093.4**	**1,061.9**	**3,155.3**	**2,148.5**	**1,064.0**	**3,212.5**

The Company records the fair value of its direct Corporate Subsidiary, Luxco, based on the Net Asset Value of IILP and the sundry assets and liabilities of Luxco. IILP's Net Asset Value is based on the aggregate fair value of each of its investments, along with the working capital of its intermediate holding companies.

The fair value of IILP's underlying investments are determined using the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at its fair value. In determining the appropriate discount rate, regard is given to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

The fair values of the Group's financial assets and liabilities not held at fair value, which include the £150m Private Placement issued by IILP, are not materially different from their carrying values.

Acquisitions and disposals, via the Corporate Subsidiaries

Acquisitions

The Company, via its Corporate Subsidiary IILP, did not make any acquisitions during the period.

Disposals

- The Company, via its Corporate Subsidiary IILP, disposed of its investment in Tameside Hospital for proceeds of £1.
- The proceeds from the disposals of the final 23.3% stake in Northwest Parkway and 50% of its stake in Hornsea II OFTO, announced in the year ended 31 March 2024, were received in the period.

Notes to the Condensed Unaudited Financial Statements continued

For the six months ended 30 September 2024

7. Financial Instruments

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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	30 September 2024 Total £m
Investment in Investment Entity Subsidiary	**–**	**–**	**3,155.3**	**3,155.3**

	Level 1 £m	Level 2 £m	Level 3 £m	31 March 2024 Total £m
Investment in Investment Entity Subsidiary	–	–	3,212.5	3,212.5

There were no transfers between Level 1, 2 or 3 during the period. A reconciliation of the movement in Level 3 assets is disclosed in Note 6.

Level 3

Valuation methodology

Methodology	Description	Inputs	Fair value at 30 September (£m)	Sensitivity on key unobservable input	Fair value impact of sensitivities (£m) +5% / -5%
NAV	The fair value of the investment in HICL's Investment Entity subsidiary, Luxco, which is equal to its carrying value	Inputs that are not based on observable market data. The fair value of HICL's investment in Luxco is based on Luxco's holding in IILP that is held at fair value	3,155.3 (31 March 2024: 3,212.5)	A 5% sensitivity on closing NAV chosen due to historical volatility	157.8

The value of the Company's investment in its Investment Entity subsidiary is sensitive to changes in the macroeconomic assumptions used as part of the portfolio valuation process. As part of its analysis, the Directors have considered the potential impact of a change in a number of the macroeconomic assumptions used in the valuation process. By considering these potential scenarios, the Directors are well positioned to assess how the Company is likely to perform if affected by variables and events that are inherently outside of the control of the Directors and the Investment Manager.

Notes to the Condensed Unaudited Financial Statements continued
For the six months ended 30 September 2024

Sensitivities
The Directors have considered changes in macroeconomic assumptions in the underlying assets for the which Company holds an interest via its Company Subsidiary IILP. The sensitivity has the same impact on both net assets and total investment income. See also the Valuation of the Portfolio section on page 12.

Sensitivities	-0.5% p.a. change	Investment at fair value through profit or loss	+0.5% p.a. change
Discount rates			
30 September 2024	**£171.7m**	**£3,155.3m**	**£(156.4)m**
31 March 2024	£173.8m	£3,212.5m	(£158.2)m
Inflation rates			
30 September 2024	**£(134.4)m**	**£3,155.3m**	**£152.0m**
31 March 2024	£(141.3)m	£3,212.5m	£160.0m
GDP			
30 September 2024	**£(56.2)m**	**£3,155.3m**	**£37.9m**
31 March 2024	£(55.3)m	£3,212.5m	£38.4m

	-1% p.a. change	Investment at fair value through profit or loss	+1% p.a. change
Cash deposit rates			
30 September 2024	**£(44.3)m**	**£3,155.3m**	**£44.3m**
31 March 2024	£(46.9)m	£3,212.5m	£46.5m
Debt interest rates			
30 September 2024	**£25.1m**	**£3,155.3m**	**£(24.2)m**
31 March 2024	£25.5m	£3,212.5m	£(27.7)m

	-5% p.a. change	Investment at fair value through profit or loss	+5% p.a. change
Tax			
30 September 2024	**£105.5m**	**£3,155.3m**	**£(105.9)m**
31 March 2024	£107.1m	£3,212.5m	£(107.9)m

The sensitivity assumes that the changes are for all future periods. The increase is consistent with that shown by the Company's listed infrastructure peers and this allows for comparisons to be made. A higher sensitivity is not considered necessary as the mix of the portfolio means that the sensitivity is linear and it is possible to estimate the impact if percentage changes are in multiples of this sensitivity.

The Directors recognise that any macroeconomic volatility can give rise to a greater possible range of values than has been reported in recent years.

8. Related party transactions and transactions with the Investment Manager
InfraRed was appointed under an Investment Management Agreement, dated 4 March 2019, as Investment Manager to, and the AIFM of HICL. The Investment Management Agreement may be terminated by either party to the agreement, being HICL or InfraRed, giving three years' written notice or if InfraRed's appointment as Operator (see below) is terminated. Under the Investment Management Agreement, InfraRed is entitled to a fee of £0.1m p.a., payable half-yearly in arrears by the Company and which is subject to review, from time to time.

The Investment Manager fees charged to the Company were £0.1m (30 September 2023: £0.1m), of which the full balance remained payable at 30 September 2024.

InfraRed is also the Operator of IILP, the Corporate Subsidiary through which HICL holds its investments. InfraRed has been appointed as the Operator by the General Partner of IILP, Infrastructure Investments General Partner Limited, a company within the same group as InfraRed. The Operator and the General Partner may each terminate the appointment of the Operator by either party giving three years' written notice. Either the Operator or the General Partner may terminate the appointment of the Operator by written notice if the Investment Management Agreement is terminated in accordance with its terms. The General Partner's appointment does not have a fixed term; however if InfraRed ceases to be the Operator, HICL has the option to buy the entire share capital of the General Partner and the InfraRed Group has the option to sell the entire share capital of the General Partner to HICL, in both cases for nominal consideration. The Directors consider the value of the option to be insignificant.

In the period to 30 September 2024, in aggregate InfraRed and the General Partner were entitled to fees and / or profit share equal to: 1.1% p.a. of the adjusted gross asset value of all investments of HICL up to £750m, 1.0% p.a. for the incremental value in excess of £750m up to £1,500m, 0.9% for the incremental value in excess of £1,500m, 0.8% for the incremental value in excess of £2,250m and 0.65% for the incremental value in excess of £3,000m.

The total Operator fees were £15.6m (30 September 2023: £17.2m), of which £7.8m (30 September 2023: £8.7m) remained payable at 30 September 2024.

As at 30 September 2024, InfraRed is 100% owned by Sun Life Financial Inc. (together with its subsidiaries and joint ventures,"Sun Life"), with InfraRed having exercised the right to sell the remaining 20% in July 2024. InfraRed is a distinct business under SLC Management, the alternatives asset manager of Sun Life.

In May 2023, Sun Life subscribed for £50.0m on an arm's length basis of the Private Placement Notes issued by IILP. As at 30 September 2024, £50.0m remained outstanding and £1.0m of interest had been accrued. Total interest paid to Sun Life in the six months to 30 September 2024 was £1.5m (30 September 2023: £nil).

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £0.3m for the period ended 30 September 2024 (30 September 2023: £0.3m). One Director also receives fees for serving as Director of the Luxembourg subsidiaries with annual fees of £8k (30 September 2023: £8k).

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

Notes to the Condensed Unaudited Financial Statements continued
For the six months ended 30 September 2024

9. Guarantees and other commitments

As at 30 September 2024, the Company, via a Corporate Subsidiary, had £62.7m commitments for future project investments (31 March 2024: £64.5m).

10. Events after balance sheet date

On 13 November 2024, the Company declared an interim dividend of 2.06 pence per share for the period 1 October 2024 to 31 December 2024. The total dividend, £41,417,217, payable on 31 December 2024, is based on a record date of 22 November 2024 and the number of shares in issue at that time being 2,010,544,527, subject to any additional share buybacks up to this date.

Directors & Advisers

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Directors & Advisers continued

Company

HICL Infrastructure PLC is incorporated in England and Wales under the Companies Act 2006 with registered no. 11738373 and registered as an investment company under Section 833 of the Companies Act 2006.

Investment Manager and Operator

InfraRed Capital Partners Limited is an English limited company registered in England & Wales under number 03364976 and authorised and regulated by the Financial Conduct Authority (authorisation number 195766). InfraRed is a part of SLC Management which is the institutional alternatives and traditional asset management business of Sun Life.

Shareholders' funds

£3.2bn as at 30 September 2024.

Market capitalisation

£2.7bn as at 30 September 2024

Investment Manager and Operator fees

1.1% p.a. of the Adjusted Gross Asset Value[1] of the portfolio up to £750m, 1.0% from £750m up to £1.5bn, 0.9% from £1.5bn up to £2.25bn, 0.8% from £2.25bn to £3.0bn, 0.65% above £3.0bn plus £0.1m p.a. investment management fee.

No fee on new acquisitions.

No performance fee.

Fees relating to shareholder matters from underlying project companies are paid to the Group (and not to the Investment Manager).

ISA, NISA, PEP and SIPP status

The shares are eligible for inclusion in NISAs, ISAs and PEPs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs.

NMPI status

HICL conducts its affairs as an investment trust. On this basis, the Ordinary Shares should qualify as an 'excluded security' and therefore be excluded from the FCA's restrictions in COBS 4.12 of the FCA Handbook that apply to non-mainstream pooled investment products.

AIFMD status

HICL is a UK domiciled and tax-resident public limited company, which will operate its affairs as a UK Investment Trust Company, and an Alternative Investment Fund under the AIFM Directive. HICL has appointed InfraRed Capital Partners Limited as its Investment Manager and AIFM under the Investment Management Agreement.

FATCA

HICL has registered for FATCA and has GIIN number E6TB47.99999. SL.826

Investment Policy

HICL's Investment Policy can be found in full on the website at www.hicl.com

ISIN and SEDOL

ISIN: GB00BJLP1Y77 SEDOL: BJLP1Y7

Website

www.hicl.com

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

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Find out more
hicl.com

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