GCP
INFRA

GCP Infrastructure Investments Limited

Half-yearly report and financial statements 2024

Gravis

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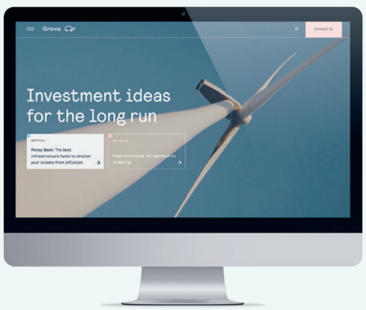
About the Company

GCP Infrastructure Investments Limited ("GCP Infra" or the "Company")

The Company seeks to provide shareholders with regular, sustained, long-term dividend income whilst preserving the capital value of its investments by generating exposure to infrastructure debt and/or similar assets. It is currently invested in a diversified, partially inflation-protected portfolio of investments, primarily in the renewable energy, social housing and PPP/PFI sectors.

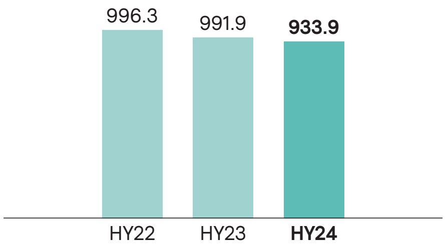
The Company is a FTSE 250, closed-ended investment company incorporated in Jersey. It was admitted to the Official List and to trading on the London Stock Exchange's Main Market in July 2010. It had a market capitalisation of £627.4 million at 31 March 2024.



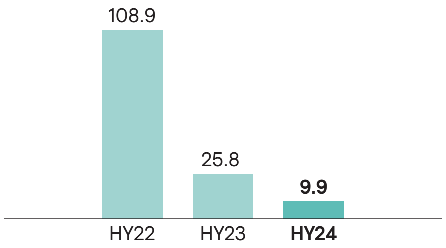
www.gcpinfra.com

At a glance

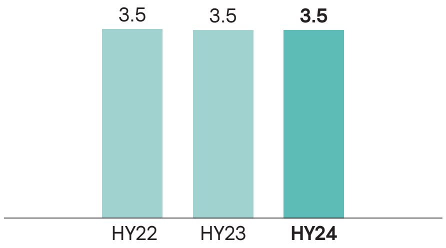
Net assets £m



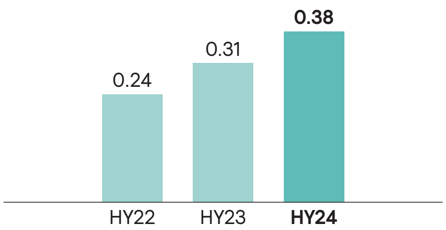
Profit for the period £m



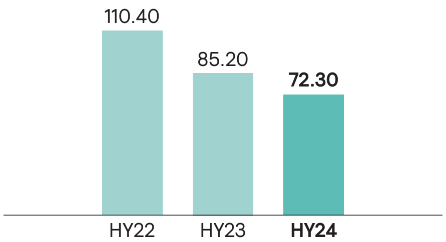
Dividends for the period p



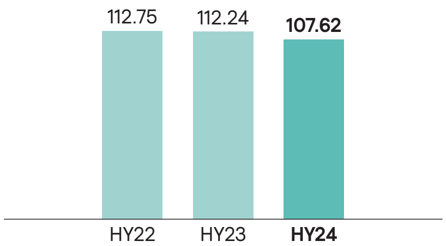
Aggregate downward revaluations since IPO[1] (annualised) %



Share price p



NAV per share p



Highlights for the period

- Dividends of 3.5 pence per share paid for the six month period to 31 March 2024 (31 March 2023: 3.5 pence per share), in line with the target[2] of 7.0 pence set for the financial year.
- Total shareholder return[1] for the period of 12.5% (31 March 2023: -9.7%) and total shareholder return since IPO[1] of 76.7%. Total NAV return[1] for the period of 1.2% (31 March 2023: 2.7%) and total NAV return since IPO[1] of 172.8%.
- Profit for the period of £9.9 million (31 March 2023: £25.8 million). The decrease reflects the impact of lower electricity prices and increases to discount rates applied by the independent Valuation Agent. For further information refer to the financial review on pages 22 and 23.
- No new loans advanced during the period, with advances to existing borrowers totalling £12.3 million in line with contractual obligations. For further information refer to page 16.
- Loan repayments of £19.5 million from renewables and PPP/PFI projects in line with contractual obligations.
- Company NAV per ordinary share at 31 March 2024 of 107.62 pence (31 March 2023: 112.24 pence).
- Third party independent valuation of the Company's partially inflation-protected investment portfolio at 31 March 2024 of £1.0 billion (31 March 2023: £1.1 billion). The principal value at 31 March 2024 was £1.0 billion.
- Post period end, the Company disposed of its interest in loan notes secured against Blackcraig Wind Farm, a 52.9MW onshore wind farm located outside Dumfries and Galloway in Scotland, at a 6.4% premium to its valuation at 31 March 2024.
- Post period end, the Company made further advances of £0.2 million and received repayments of £28.8 million.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.
2. The dividend target is a target only and not a profit forecast or estimate and there can be no assurance that it will be met.

Investment objectives and KPIs

The Company primarily invests in UK infrastructure debt and/or similar assets to meet the following key objectives:

Dividend income

To provide shareholders with regular, sustained, long-term dividends.

Diversification

To invest in a diversified portfolio of debt and/or similar assets secured against UK infrastructure projects.

Capital preservation

To preserve the capital value of its investments over the long term.

Key performance indicators

The Company has set a dividend target[1] of 7.0 pence per share for the financial year ending 30 September 2024.

3.5p
Dividends paid for the six month period ended 31 March 2024

£9.9m
Profit for the six month period ended 31 March 2024

The investment portfolio is exposed to a wide variety of assets in terms of project type and source of underlying cash flow.

51
Number of investments at 31 March 2024

11.8%[3]
Size of largest investment as a percentage of total assets

The Company has generated total NAV return[5] for the period of 1.2% and 172.8% since the Company's IPO in 2010[6].

107.62p
NAV per share at 31 March 2024

0.38%
Aggregate downward revaluations since IPO (annualised)[5]

ESG indicators

63%
Portfolio by value contributing to the green economy[2]

37%
Portfolio by value that benefits end users within society[4]

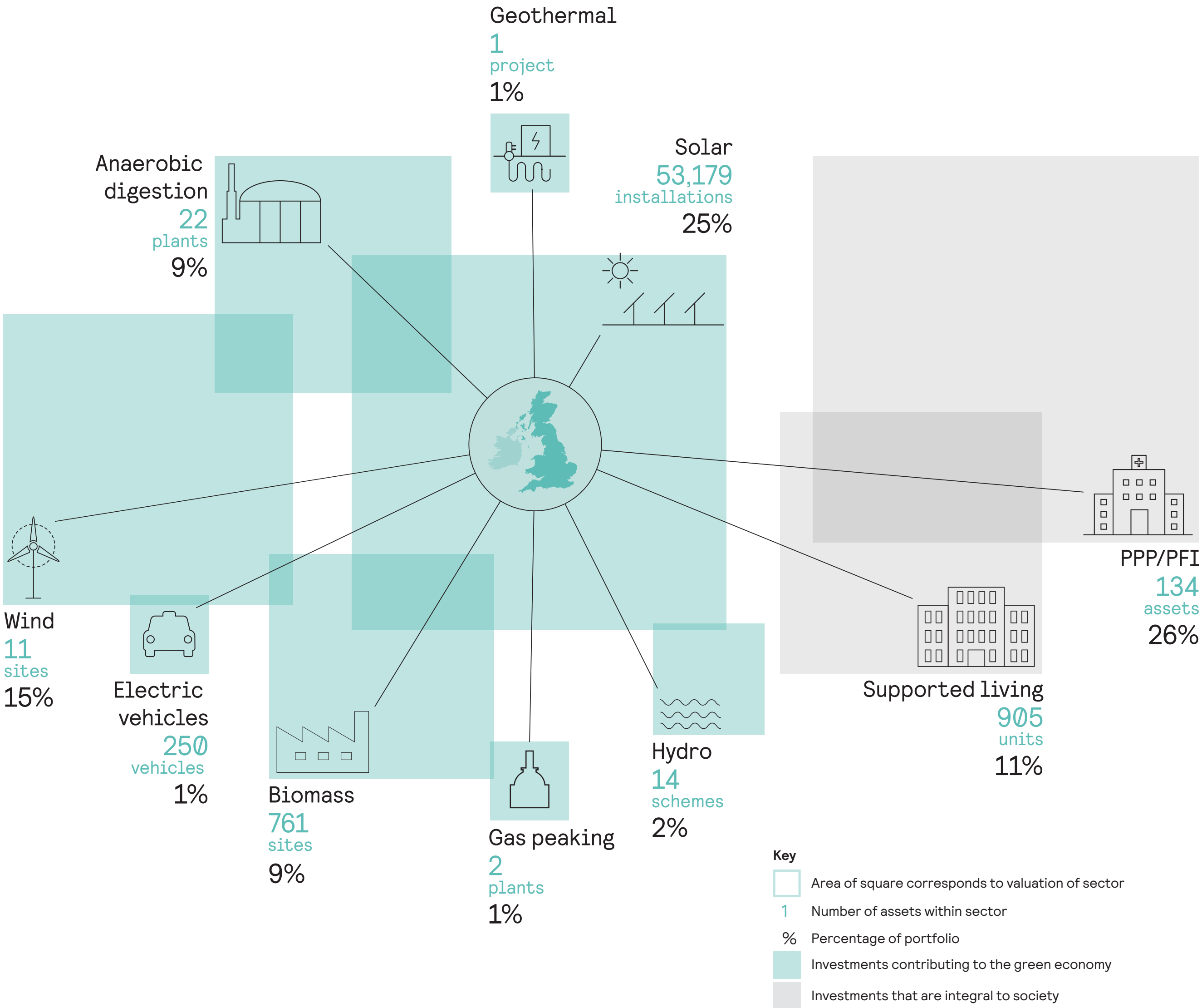
50%
Board gender and ethnic diversity[7]

Further information on Company performance can be found in the financial review on pages 22 and 23.

1. The dividend target is a target only and not a profit forecast or estimate and there can be no assurance that it will be met.
2. The Company has been awarded the LSE Green Economy Mark which recognises London-listed companies generating more than half their revenues from green environmental products and services.
3. The Cardale PFI loan is secured on a cross-collateralised basis against 18 separate operational PFI projects, with no exposure to any individual project being in excess of 10% of the total portfolio (calculated by reference to the percentage of total assets).
4. The Company's portfolio is 23% invested in PPP/PFI projects in the healthcare, education, waste, housing, energy efficiency and justice sectors and 11% in the supported living sectors which are measured in alignment with the UN SDGs, and 3% of the portfolio is invested in PPP/PFI leisure projects.
5. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.
6. At the period end, the Company's shares were trading at a discount[5] to NAV of 32.8%.
7. The Board is composed of six Directors, including one Director from a minority ethnic group and two female Directors.

Portfolio at a glance

The Company's portfolio comprises underlying assets located across the UK which fall under the following classifications:



Senior ranking security
51%

Weighted average annualised yield[1]
7.8%

Average life
10 years

Partially inflation protected
46%

Principal value of portfolio
£1.0bn

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Chairman's interim statement

I am pleased to present the half-yearly report for the Company for the period ended 31 March 2024.

Andrew Didham
Chairman

Introduction

In September 2023, the Company's share price began trading at an average discount[1] to NAV, after eleven years where the shares traded at an average premium[1] to NAV. This was primarily a response to high levels of economic uncertainty in the UK, with increased interest rates, higher inflation and geopolitical uncertainty impacting the share price.

This issue is not individual to the Company; other investment companies focused on the provision of income from infrastructure and renewable energy generation have faced similar share price pressure. The Board and the Investment Adviser believe that macro-economic challenges are beginning to abate and the current share price does not reflect the performance or value of the returns generated by assets in the Company's portfolio. Despite the upcoming general election, regulatory risk remains relatively low, as all parties are committed to the further adoption of renewable energy generation.

Share price performance

The Board continues to closely monitor the Company's share price and NAV, and actively engages with shareholders and potential investors to reiterate its confidence in portfolio performance. At 31 March 2024, the share price was 72.30 pence, representing a 6.8% increase in share price from the financial year end. Total shareholder return[1] for the period was 12.5% and total shareholder return since IPO[1] in 2010 was 76.7%.

The Company's shares have traded at an average discount[1] to NAV of 37.1% during the period. At 31 March 2024, the share price was 72.30 pence, representing a discount[1] to NAV of 32.8%. On 19 June 2024, this had tightened to 28.0%.

The Board and the Investment Adviser are focused on capital allocation in order to demonstrate NAV is the most appropriate valuation for shares. The NAV at 31 March 2024 was 107.62 pence per share. The Company has generated a NAV total return[1] for the period of 1.2% and total NAV return since IPO[1] of 172.8%.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Capital allocation

The Board adopted a disciplined capital allocation policy in the Company's 2023 annual report. The policy confirmed its intentions to prioritise a material reduction in leverage, improve the risk adjusted return of the existing portfolio (by reducing equity-like exposure and exposures to certain sectors) and facilitate the return of at least £50.0 million of capital before the end of calendar year 2024, whilst maintaining the dividend target.

The Board's focus has been on the execution of this policy during the first half of the financial year, and it is the Board's intention that the policy remains in place for the remainder of 2024.

The Investment Adviser's focus has therefore been on refinancing loans and disposing of investments where appropriate to deliver the following outcomes:

- cycle out of certain sectors;
- reduce exposure to merchant electricity prices; and
- re-focus the portfolio on debt.

By refinancing the portfolio and making targeted disposals (such as disposing of the Company's interest in Blackcraig Wind Farm post period end, refer to page 6 for further information), the Company is seeking to release £150.0 million (c.15% of the portfolio) before the end of the calendar year 2024.

The capital allocation policy has no impact on target asset allocation. The assets will continue to be managed as a portfolio.

Financing

The Company's £190.0 million RCF expired in March 2024 and was replaced with a new £150.0 million facility with AIB (UK) Plc, Lloyds Bank Plc, Clydesdale Bank Plc (trading as Virgin Money) and Mizuho Bank Limited.

The new facility has a three year term and was refinanced on similar terms to the previous RCF, with the most notable amendment being the introduction of additional flexibility in utilisations and repayments to allow the Company to enhance its working capital management. The interest and commitment fees charged remain unchanged at SONIA plus 2.00% per annum and 0.70% per annum respectively.

During the period, £10.0 million was repaid in line with the Directors' stated aim of reducing leverage under the capital allocation policy. At 31 March 2024, the Company had £96.0 million drawn under the RCF (30 September 2023: £104.0 million). Post period end, the Company utilised the proceeds of the sale of the loan notes secured against Blackcraig Wind Farm to repay the RCF.

The facility gives the Company access to flexible debt finance, which allows it to take advantage of investment opportunities as they arise, and may also be used to manage the Company's working capital requirements.

Further information on the Company's financing activity is provided on page 17.

Financial update

The Company generated total income of £19.9 million (31 March 2023: £35.6 million) and profit for the period of £9.9 million (31 March 2023: £25.8 million). The Company declared and paid dividends of £30.4 million (31 March 2023: £31.0 million) in line with the dividend target[1] set out for the year ending 30 September 2024 of 7.0 pence per share. Further information is given on page 23.

The net assets of the Company decreased from £956.6 million (109.79 pence per share) at 30 September 2023 to £933.9 million (107.62 pence per share) at 31 March 2024, reflecting repayments received and changes in the valuation of the portfolio during the period. Further information on valuation movements is given on page 18.

Cash and cash equivalents increased from £16.9 million at 30 September 2023 to £17.7 million at 31 March 2024.

1. The dividend target is a target only and not a profit forecast or estimate and there can be no assurance that it will be met.

Chairman's interim statement continued

Dividends

The Company aims to provide shareholders with regular, sustained, long-term dividends. For the period to 31 March 2024, the Company paid dividends of 3.5 pence per share.

The Board and Investment Adviser do not believe there have been any material changes in the Company's ability to service sustained, long-term dividends since the assessment carried out in 2021 which established a dividend target[1] of 7.0 pence per share per annum.

The Company continues to assess dividend coverage by using several metrics, most notably, 'loan interest accrued'[2], which considers interest accruing to the benefit of the Company during the relevant period. In the period to 31 March 2024, dividend cover using this metric, i.e. adjusted earnings cover[2] was 1.0 times. Earnings cover under IFRS was 0.3 times.

Whilst the Company's primary focus is on the reallocation of capital, reducing leverage and rebalancing the portfolio will further support the Company's dividend target.

Investment and disposals

Consistent with the capital allocation policy, the Company made no new investments during the period to 31 March 2024. The Company advanced £12.3 million to existing borrowers in line with contractual agreements, all of which were non-cash transactions.

In April 2024, the Company disposed of its interest in loan notes secured against Blackcraig Wind Farm, a 52.9MW onshore wind farm located outside Dumfries and Galloway in Scotland, at a 6.4% premium to its valuation at 31 March 2024. The Company originally acquired the senior secured loan notes in 2017 from the UK Green Investment Bank. As an alternative to receiving repayment in full on the senior loan notes, the Company rolled over its senior secured loan notes into an equity-like interest in the project in July 2018. The disposal generated net cash proceeds of £31.0 million which included principal and interest and were used to reduce the drawn balance on the Company's RCF post period end.

At the date of the report, the Company's net debt position is c.£55.9 million. Furthermore, the disposal has reduced the Company's exposure to equity-like interests in the onshore wind sector, demonstrating strong progress against the key objectives of the capital allocation policy.

The Investment Adviser is in advanced discussions for the disposal of over £150 million of investments in line with the Board's capital allocation policy and anticipates these transactions will be finalised by the end of 2024.

Operational overview

The Company's investment portfolio performed well during the period. The Company's focus on availability-based projects has meant the portfolio has continued to generate predictable revenues despite a volatile economic backdrop.

Renewable investments have benefitted from higher electricity prices than when initial investments were made, which has resulted in increased cash generation from these projects. However, the unusually high power prices and power price volatility seen over the last two years has decreased in recent periods, which has meant lower and more stable future prices have been projected.

As in prior periods, electricity price hedging arrangements to partially mitigate NAV volatility and lock in attractive prices were maintained. These arrangements helped partially offset the impact of volatile electricity prices on NAV. The Company, through the Investment Adviser, continues to review hedging opportunities that mitigate exposure to volatile electricity prices without taking on additional material credit or cash flow risks.

1. The dividend target is a target only and not a profit forecast or estimate and there can be no assurance that it will be met.
2. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

ESG

Whilst the Company does not have an explicit ESG objective as part of its investment objective, the Company's investments deliver products or services that have inherent environmental and social benefits. For the year ended 30 September 2023[1], the Company's renewables portfolio exported 1,398 GWh of green energy, which is the equivalent power for 450,889 homes. The remainder of the portfolio provided 1,676 hospital beds, 26,688 school places and 905 supported living units for people with learning, physical or mental disabilities. Further information can be found on page 49 of the Company's 2023 annual report.

The Investment Adviser's management of the portfolio seeks to measure, engage with and encourage improvements in the governance of portfolio assets. Its focus on ESG aims to reduce the risks of investment whilst supporting, and even increasing, the returns available.

The Board is committed to upholding best reporting practices on ESG matters, including promoting transparency on the Company's ESG performance, and will seek to publish further information in the Company's annual report for the financial year ending 30 September 2024.

Risks

As part of the Company's semi-annual risk assessment, the Board reviewed the principal risks and uncertainties detailed on pages 80 to 88 of the Company's 2023 annual report. The existing principal risks and uncertainties are expected to remain relevant to the Company for the next six months of the financial year.

The Board also concluded that, although the existing principal risks are unchanged, the probability and impact of some have changed. Refer to pages 20 and 21 for further information.

Future market outlook

In the short term, the Company is focused on its capital allocation policy. Whilst the aim of the policy is to reduce leverage and return capital to shareholders, the Company is confident that, once it recommences actively investing, there are significant opportunities to rebalance the portfolio.

Many positive lending opportunities have emerged from the ongoing need to decarbonise the economy, and the current higher interest rate environment means that new loans may be made at a higher level of return than was previously available. This will allow the Investment Adviser to operate in the growing non-bank lending market, securing opportunities to lend at the same level of risk for higher returns or to invest in more senior loans for similar returns. The Board believes that this higher rate environment will make new investments more attractive for the Company when it recommences actively investing.

The positive outlook for inflation has increased in the period, with interest rates expected to start decreasing this calendar year. However, uncertainty remains as to when exactly this will occur.

Final thoughts

With long-term gilt yields at the same level as they were when the Company launched in 2010, the investment proposition is as compelling as ever.

The Company is advised by an experienced team with a proven track record of long-term value creation for shareholders. It has a well-diversified portfolio of assets that deliver products or services that are required for the effective operation of the modern economy whilst generating positive environmental and social impacts.

As the Board executes its capital allocation policy, the Board believes the Company is well placed to continue delivering value for shareholders.

Andrew Didham
Chairman

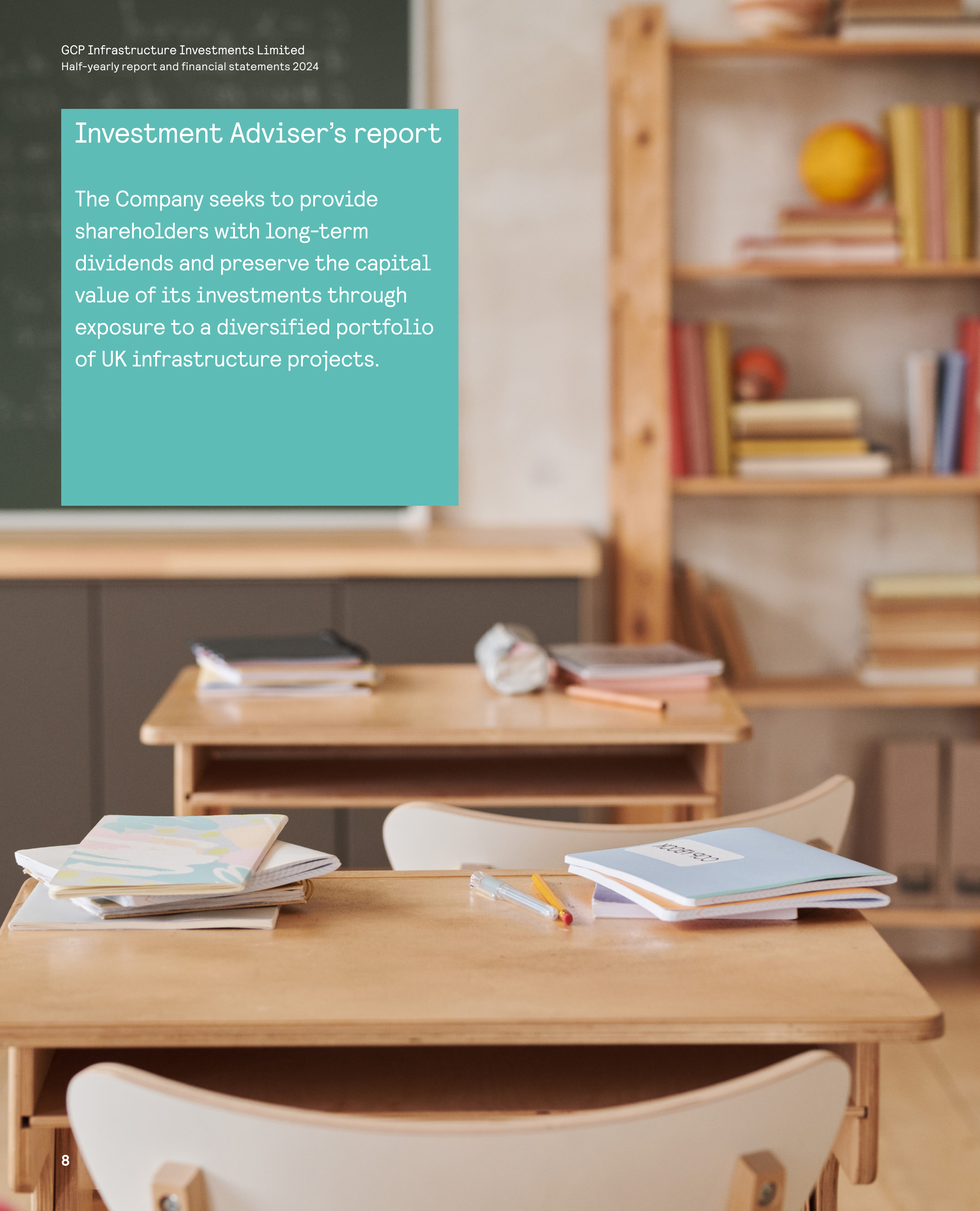
19 June 2024

For more information, please refer to the Investment Adviser's report on pages 8 to 21.

1. Data at 30 June 2023 to facilitate inclusion in the 2023 annual report.

Investment Adviser's report

The Company seeks to provide shareholders with long-term dividends and preserve the capital value of its investments through exposure to a diversified portfolio of UK infrastructure projects.



Investment objective and policy

Investment strategy

The Company's investment strategy is set out in its investment objective, policy and strategy below. It should be considered in conjunction with the Chairman's statement and the Investment Adviser's report, which provide an in-depth review of the Company's performance and future strategy. Further information on the business model and purpose is set out on pages 12 and 13 of the Company's annual report and financial statements for the year ended 30 September 2023.

Investment objective

The Company's investment objective is to provide shareholders with regular, sustained, long-term dividends and to preserve the capital value of its investment assets over the long term.

Investment policy and strategy

The Company seeks to generate exposure to the debt of UK infrastructure Project Companies, their owners or their lenders, and related and/or similar assets which provide regular and predictable long-term cash flows.

Core projects

The Company will invest at least 75% of its total assets, directly or indirectly, in investments with exposure to infrastructure projects with the following characteristics (core projects):

- pre-determined, long-term, public sector backed revenues;
- no construction or property risks; and
- benefit from contracts where revenues are availability based.

In respect of such core projects, the Company focuses predominantly on taking debt exposure (on a senior or subordinated basis) and may also obtain limited exposure to shareholder interests.

Non-core projects

The Company may also invest up to an absolute maximum of 25% of its total assets (at the time the relevant investment is made) in non-core projects, taking exposure to projects that have not yet completed construction, projects in the regulated utilities sector and projects with revenues that are entirely demand based or private sector backed (to the extent that the Investment Adviser considers that there is a reasonable level of certainty in relation to the likely level of demand and/or the stability of the resulting revenue). At 31 March 2024, the Company's exposure to non-core projects was 1.8% of the portfolio by value.

There is no, and it is not anticipated that there will be any, outright property exposure of the Company (except potentially as additional security).

Diversification

The Company will seek to maintain a diversified portfolio of investments and manage its assets in a manner which is consistent with the objective of spreading risk. No more than 10% in value of its total assets (at the time the relevant investment is made) will consist of securities or loans relating to any one individual infrastructure asset (having regard to risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Company having a sufficient level of investment capital from time to time, the ability of the Company to invest its cash in suitable investments and the investment restrictions in respect of 'outside scope' projects described above.

It is the intention of the Directors that the assets of the Company are (as far as is reasonable in the context of a UK infrastructure portfolio) appropriately diversified by asset type (e.g. PFI healthcare, PFI education, solar power, social housing, biomass etc.) and by revenue source (e.g. NHS Trusts, local authorities, FiT, ROCs etc.).

Non-financial objectives of the Company

The key non-financial objectives of the Company are:

- to build and maintain strong relationships with all key stakeholders of the Company, including (but not limited to) shareholders and borrowers;
- to continue to focus on creating a long-term, sustainable business relevant to all stakeholders;
- to develop and increase the understanding of the investment strategy of the Company and infrastructure as an investment class; and
- to focus on the long-term sustainability of the portfolio and make a positive impact; through contributing towards the generation of renewable energy and financing infrastructure that is integral to society.

Key policies

Distribution

The Company seeks to provide its shareholders with regular, sustained, long-term dividend income.

The Company has authority to offer a scrip dividend alternative to shareholders. The offer of a scrip dividend alternative was suspended at the Board's discretion, for all dividends during the period, as a result of the discount[1] between the likely scrip dividend reference price and the relevant quarterly NAV per share of the Company. The Board intends to keep the payment of future scrip dividends under review.

Leverage and gearing

The Company intends to make prudent use of leverage to finance the acquisition of investments and enhance returns for shareholders. Structural gearing of investments is permitted up to a maximum of 20% of the Company's NAV immediately following drawdown of the relevant debt.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Investment Adviser's report continued

Infrastructure sector overview and update

The Investment Adviser

Gravis Capital Management Limited is the appointed Investment Adviser and AIFM to the Company.

The Investment Adviser has a long track record of working in the UK infrastructure market, particularly with regard to debt advisory work, and has established close relationships with key participants in the UK infrastructure market, including equity investors and lenders. The senior management team at Gravis has extensive specialist expertise and a demonstrable track record of originating, structuring and managing infrastructure debt investments. Further information can be found on pages 94 to 97 of the 2023 annual report.

The Investment Adviser is an independently managed business with ORIX Corporation as its majority shareholder. ORIX Corporation is a global financial services company based in Japan with assets under management of ¥69 trillion globally[1].

UK infrastructure sector overview

The Investment Adviser believes the UK infrastructure sector is an attractive market for existing and, in due course, new investments. With expectations that interest rates have peaked in the UK and other global markets, the relative attractiveness of the sector is expected to improve. As such, looking forward, the Company is focused on making debt investments that provide superior risk-adjusted returns compared to equity investments.

While the Government's decarbonisation targets have softened in recent years, there is still an appetite for investment in infrastructure targeted at the decarbonisation of the economy. However, there is a significant gap between the current level of investment in this sector and the level of investment required to meet net zero targets. The Investment Adviser believes that, despite the upcoming general election, political and regulatory risks remain low as the main political parties remain committed to achieving net zero and improving energy security in the UK. This will create attractive investment opportunities for the Company through the development of new infrastructure that benefits from government-backed support.

In relation to energy security, the Government estimates that £50-£60 billion of investment is required annually to deliver on the UK's net zero ambitions. Whilst the Labour Party have announced plans to create a new publicly owned energy company – Great British Energy – to facilitate further investment in UK renewables, the majority of this investment will need to come from the private sector. The Company is well placed to participate given its investment focus and track record.

Sector update:

Renewable energy

The Company's portfolio is 63% invested in the renewables sector, with a valuation at the period end of £652.2 million.

The UK energy market is emerging from several years of unusually high prices and volatility. In 2021, as the economy was beginning to recover from the Covid-19 pandemic, the UK renewable energy market was undergoing a period of below-average wind resources, increased maintenance of, and reduced output from, the French nuclear fleet, as well as lower rainfall which negatively impacted hydro resources. All of these factors contributed to the increase in prices. In 2022, the Russian invasion of Ukraine meant the introduction of sanctions against Russia and issues with Russian gas exports which led to significant price increases and volatility across short and long-term electricity price expectations.

1. Data as of 31 March 2024.

However, in 2023, strong gas storage levels along with a robust supply of liquefied natural gas, warmer weather and the French nuclear fleet coming back online, caused short-term prices to fall. This trend continued into 2024, contributing to the reduction in power price volatility. Whilst short-term prices have fallen, so have the trends in longer-term power price projections, although they remain elevated compared to where they were prior to the onset of the Covid-19 pandemic.

Structural shifts towards the electrification of heat and transport, and the decarbonisation of industry, mean that demand for renewable energy will continue to grow, which will support long-term prices. In order to deliver the level of renewable energy needed to support the energy transition, significant investment in the infrastructure sector is required. As such, the renewable energy market remains attractive to investors. Furthermore, there has been an increased focus on energy security, underpinning support for domestically generated renewable energy.

Sector update:

Supported living

The Company's portfolio is 11% invested in the supported living sector, with a valuation at the period end of £115.7 million.

The Company was one of the first listed investment companies to invest in the supported living sector. However, the Company stopped making new investments in the sector in 2018 and has been actively reducing its exposure to the sector since then. The Board's capital allocation policy adopted in the 2023 annual report and financial statements reconfirmed the Company's intention to prioritise a material reduction in its exposure to the supported living sector.

The Company has provided debt finance to entities that own and develop properties which are leased under a long-term fully repairing and insuring lease to Registered Providers ("RPs") who operate and manage the properties. The RPs that have leased properties from the Company's borrowers have faced continued challenges in respect of governance and financial viability by the Regulator of Social Housing. The Company has had further requests for consent to amend relationships between RPs and the Company's borrowers as new management within the RPs seek to enhance the financial viability of the applicable RPs, and improve the quality of the housing stock through additional capital expenditure.

Sector update:

PPP/PFI

The Company's portfolio is 26% invested in the PPP/PFI sector, with a valuation at the period end of £245.5 million.

There are very few primary investment opportunities remaining in the PPP/PFI sector, as the UK Government has moved away from supporting investments that use these models. At the time of the Company's IPO in 2010, the portfolio comprised subordinated debt investments in projects procured under PPP models. These projects remain a core part of the portfolio. While the Investment Adviser continues to review secondary opportunities when presented, they are typically small in scale and subject to competitive bidding processes.

These factors make it increasingly doubtful that the Company will make significant investments in assets developed under PPP models going forward. The Investment Adviser continues to actively review alternative funding models, including licence-based models such as the regulated asset base approach when it is applied to particular projects, or offshore or onshore transmission licensing frameworks.

Investment Adviser's report continued

Macro-economic update

Market update

The six month period to 31 March 2024 was dominated by stubborn inflation levels, as well as expectations of interest rate reductions. With market expectations that the Bank of England's interest rate hikes have ended, speculation persists about when, and by how much, interest rates will start to decrease. A reduction in interest rates is expected to make the returns offered by the Company relatively more attractive.

Whilst interest rates are expected to start falling this calendar year, the interest rates the Company achieves on new investments are expected to remain relatively high. Once the Company begins investing again, it is expected that new investments made by the Company will be made at a similar risk level, but achieve higher returns than that of existing loans. Alternatively, they may also be made at similar rates of risk, but at improved seniority than the existing portfolio.

In prior periods, higher electricity prices and higher inflation stemming from Russia's invasion of Ukraine and the Covid-19 pandemic have positively impacted the portfolio's cash flow. While prices have fallen from their previous record highs in 2022, they remain elevated. The recent drop in power prices has meant the portfolio's cash flows have reduced, which, under a discounted cash flow valuation methodology, has negatively impacted the valuation of the Company's portfolio in the period.

However, the quality of the cash flows generated by the Company's loans has not materially deteriorated. Further information on valuation movements can be found on page 18 and further information on valuation methodology can be found on page 39.

These macro-economic factors, along with other market factors, have contributed to the share price trading at a persistent discount[1] to NAV. This issue is not individual to the Company and has been experienced by other listed infrastructure and renewable energy investment companies and the investment trust sector as a whole. Despite the reduction in share price, demand remains for assets in the Company's portfolio. This has been demonstrated by the sale of the Company's interests in loan notes secured against Blackcraig Wind Farm at a 6.4% premium to its valuation.

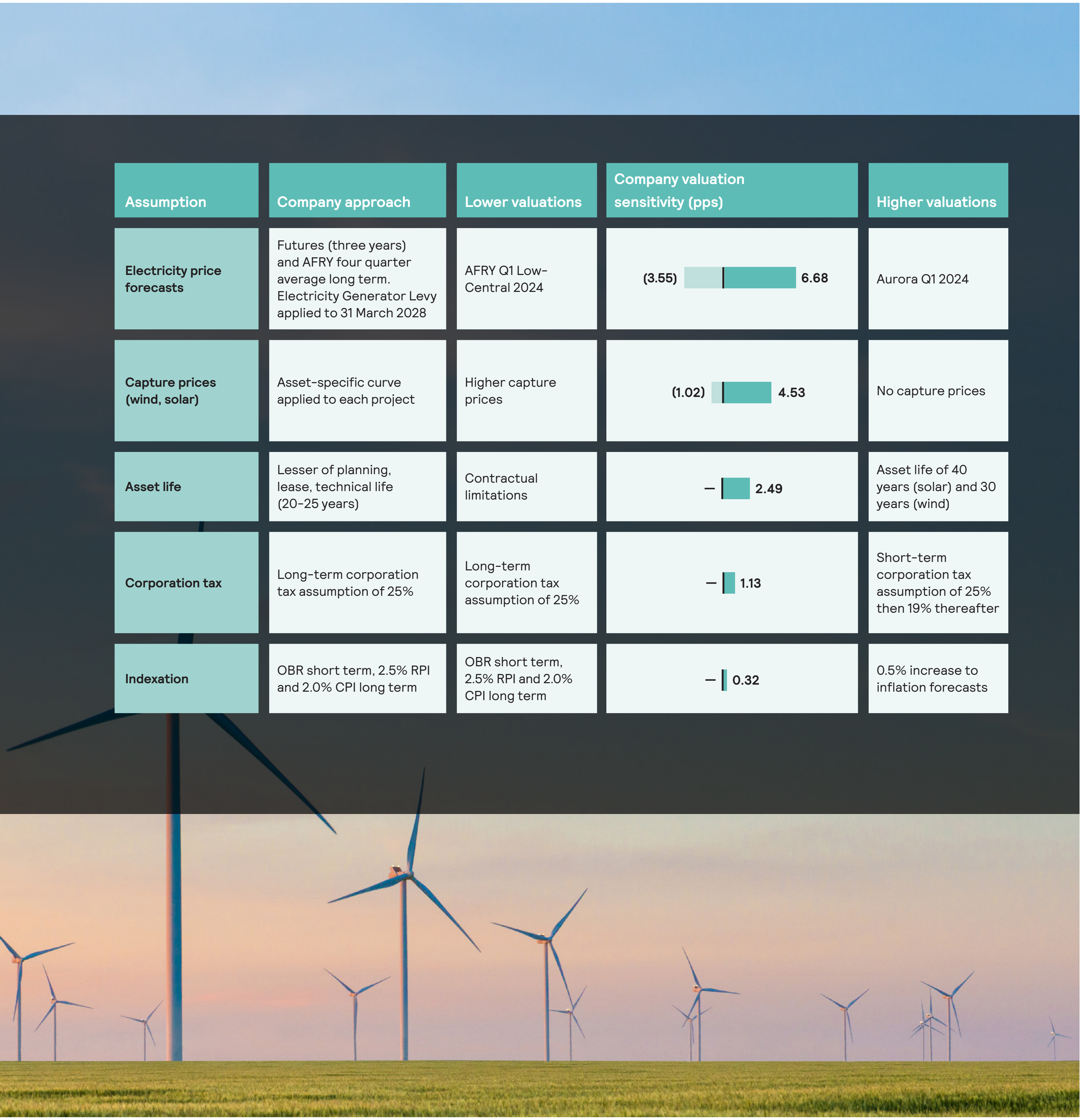
The forthcoming general election in the UK is not expected to adversely affect the market in which the Company invests. All major parties are committed to the decarbonisation of the economy, and whilst the Labour Party are planning to establish a new state-owned energy company if elected, all parties have recognised the need for significant private investment to deliver on decarbonisation targets. This means that existing loans are not expected to be adversely affected by changes to regulations or laws, and instead the Investment Adviser believes it will create attractive opportunities for the Company.

Key valuation assumptions

The table on page 13 summarises the key assumptions used to forecast cash flows from renewable assets the Company has invested in, and the range of assumptions the Investment Adviser observes in the market.

The Investment Adviser does not consider that such differences in assumptions are compensated for in the market by applying a higher or lower discount rate to recognise the increased or decreased risks respectively of a valuation, resulting in potential material valuation differences. This is shown in the sensitivity of the Company's NAV to a variation of such assumptions in the table, on a pence per share basis.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.



Assumption	Company approach	Lower valuations	Company valuation sensitivity (pps)	Higher valuations
Electricity price forecasts	Futures (three years) and AFRY four quarter average long term. Electricity Generator Levy applied to 31 March 2028	AFRY Q1 Low-Central 2024	(3.55) 6.68	Aurora Q1 2024
Capture prices (wind, solar)	Asset-specific curve applied to each project	Higher capture prices	(1.02) 4.53	No capture prices
Asset life	Lesser of planning, lease, technical life (20-25 years)	Contractual limitations	– 2.49	Asset life of 40 years (solar) and 30 years (wind)
Corporation tax	Long-term corporation tax assumption of 25%	Long-term corporation tax assumption of 25%	– 1.13	Short-term corporation tax assumption of 25% then 19% thereafter
Indexation	OBR short term, 2.5% RPI and 2.0% CPI long term	OBR short term, 2.5% RPI and 2.0% CPI long term	– 0.32	0.5% increase to inflation forecasts

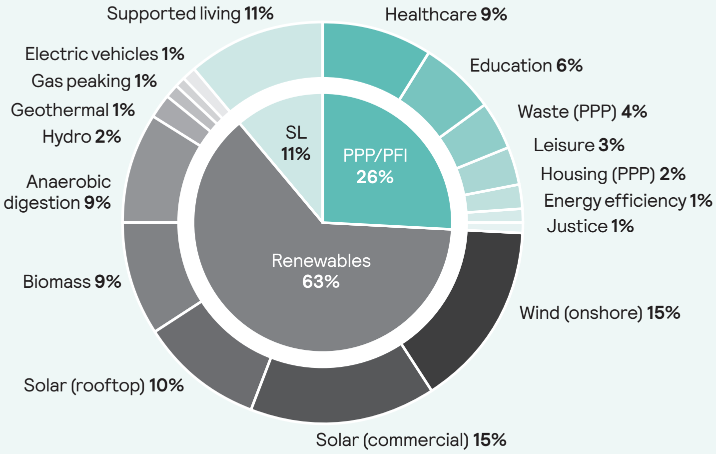
Investment Adviser's report continued

Investment and portfolio review

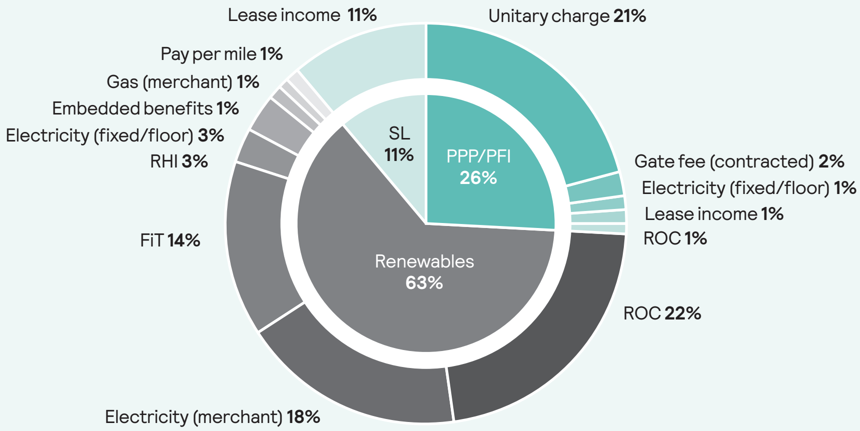
Portfolio summary

At the period end, the Company held exposure to 51 investments with a total valuation of £1.0 billion. Approximately 1% of the portfolio was exposed to assets in their construction phase.

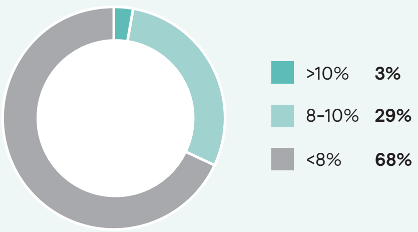
Portfolio by sector type



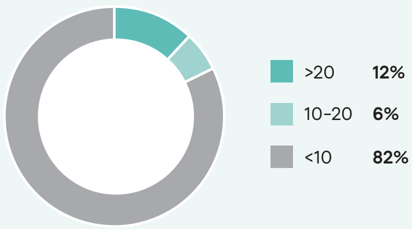
Portfolio by income type



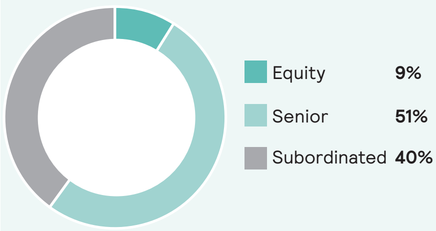
Portfolio by annualised yield[1]



Portfolio by average life (years)



Portfolio by investment type



1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Top ten investments

Key
1 Project type
2 % of total portfolio
3 Cash flow type

1 Cardale PFI Investments[1]
1 PPP/PFI
2 12.0%
3 Unitary charge

2 Gravis Solar 1
1 Commercial solar
2 9.3%
3 ROC/PPA/FiT

3 GCP Programme Funding S14
1 Biomass
2 5.2%
3 ROC/RHI/Merchant

4 GCP Bridge Holdings[2]
1 Various
2 4.8%
3 ROC/Lease/PPA

5 GCP Programme Funding S3
1 Anaerobic digestion
2 4.6%
3 ROC/RHI

6 Gravis Asset Holdings H
1 Onshore wind
2 4.4%
3 ROC/PPA

7 GCP Programme Funding S10
1 Supported living
2 4.1%
3 Lease

8 GCP Biomass 2
1 Biomass
2 4.1%
3 ROC/PPA

9 GCP Green Energy 1
1 Commercial solar/Onshore wind
2 3.6%
3 ROC/PPA

10 Gravis Asset Holdings I
1 Onshore wind
2 3.5%
3 ROC/PPA

Top ten revenue counterparties	% of total portfolio
Ecotricity Limited	8.7%
Statkraft Markets Gmbh	8.6%
Viridian Energy Supply Limited	8.4%
Office of Gas and Electricity Markets	6.7%
Npower Limited	6.2%
Smartestenergy Limited	4.7%
Total Gas & Energy Limited	4.6%
Bespoke Supportive Tenancies Limited	4.3%
Good Energy Limited	4.2%
Gloucestershire County Council	4.0%

Top ten project service providers	% of total portfolio
WPO UK Services Limited	21.0%
PSH Operations Limited	13.0%
Vestas Celtic Wind Technology Limited	11.3%
Solar Maintenance Services Limited	9.7%
A Shade Greener Maintenance Limited	8.7%
2G Energy Limited	5.9%
Atlantic Biogas Ltd	4.6%
Pentair	4.6%
Thyson	4.6%
Cobalt Energy Limited	4.1%

1. Cardale PFI Investments is secured on a cross-collateralised basis against 18 separate operational PFI projects.
2. GCP Bridge Holdings is secured against a portfolio of six infrastructure investments in the renewable energy and PPP sectors.

Investment Adviser's report continued

Investment and portfolio review continued

Investments and repayments

During the period, the Company made 15 advances totalling £12.3 million under existing facilities, all of which was capitalised interest. No new investments were made during the period, in line with the Board's stated capital allocation policy. The Company received 26 repayments totalling £19.5 million, all of which were scheduled repayments. Post period end, the Company made further advances of £0.2 million and received scheduled repayments of £4.1 million and unscheduled repayments of £24.7 million giving a net repayment position of £28.8 million.

A detailed breakdown of the movements in the valuation of the investment portfolio is provided on page 18.

Investment analysis for the period

Pipeline of investment opportunities

The Company maintains an attractive pipeline of investments across existing sectors, emerging infrastructure sectors and follow-on investments in the existing portfolio, at returns that are accretive to dividend coverage and reflect the current market pricing for credit in line with underlying risk. However, the Company recognises that the use of cash resources for pipeline investments must be weighed against repayment of the Company's RCF, or whilst the Company's share price trades at a material discount[1] to NAV, buying back shares. As a result, new investments are considered only in this context and where there is a compelling reason to invest.

The Board adopted a capital allocation policy as part of the 2023 annual report, reconfirming its intentions to prioritise a material reduction in leverage, as well as reducing equity-like exposures and exposures in certain sectors, and facilitating the return of capital to shareholders.

Portfolio sensitivities

This section details the sensitivity of the value of the investment portfolio to a number of risk factors to which it is exposed. A summary of the overall investment portfolio risks, and the Investment Adviser's approach to risk, can be found on pages 17 and 18 of the Company's annual report and financial statements for the year ended 30 September 2023.

Electricity prices

A number of the Company's investments rely on market electricity prices for a component of their revenues. Changes in electricity prices impact a borrower's ability to service debt or, in cases where the Company has stepped into projects and/or has direct exposure through its investment structure, impact overall returns.

The Company seeks to mitigate this exposure to market electricity prices in the short to medium term by selling power to users under power price agreements that do not vary with market prices. The Investment Adviser continues to review opportunities to hedge electricity market prices to lock in attractive price levels relative to the original investment projection and to mitigate volatility in NAV.

The table below shows the forecast impact on the portfolio of a given percentage change in electricity prices over the full life of the forecast period to the maturity of the hedge, the impact on hedging arrangements and the subsequent net impact on a pence per share basis. Further information on the Company's hedging arrangements is detailed in note 10 to the financial statements.

Sensitivity applied to base case electricity price forecast assumption	**(10%)**	**(5%)**	**0%**	**5%**	**10%**
Portfolio sensitivity (pence per share)	(8.87)	(4.49)	—	4.34	8.68
Hedge sensitivity (pence per share)	0.02	0.01	—	(0.01)	(0.02)
Net sensitivity (pence per share)	**(8.85)**	**(4.48)**	**—**	**4.33**	**8.66**

Inflation

Just under half (46%) of the Company's investments by portfolio value have some form of inflation protection. This is structured as a direct link between the return and realised inflation (relevant to the supported living assets and certain renewables) and/or a principal indexation mechanism which increases the principal value of the Company's loans outstanding by a share of realised inflation over a pre-determined strike level (typically 2.75% to 3.00%).

The table below summarises the change in interest accruals and potential NAV impact associated with a movement in inflation.

Sensitivity applied to base case inflation forecast assumption	**(2.0%)**	**(1.5%)**	**(1.0%)**	**(0.5%)**	**0.0%**	**0.5%**	**1.0%**	**1.5%**	**2.0%**
NAV impact (pence per share)	**(6.09)**	**(4.69)**	**(3.21)**	**(1.64)**	**—**	**1.73**	**3.54**	**5.46**	**7.47**

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Investment Adviser's report continued

Investment and portfolio review continued

Portfolio performance update

The weighted average discount rate used across the Company's portfolio at 31 March 2024 was 7.78% (30 September 2023: 7.69%). At the period end, c.1% (30 September 2023: c.1%) of the Company's portfolio was exposed to assets at the construction stage of development.

Electricity prices remain elevated, particularly when compared to electricity prices before Russia's invasion of Ukraine and the associated energy crisis. This has provided strong cash generation for the Company's portfolio, especially when comparing current electricity prices to the prices at the time of the original investment case. However, both short-term and longer-term prices have fallen in recent periods. The Company continues to fix prices under power purchase agreements and hedge electricity prices where possible.

The performance of the assets and the valuation metrics adopted by the Company and validated by the independent Valuation Agent support the Company's NAV. This was demonstrated by the recent sale of the Company's interest in Blackcraig Wind Farm in Dumfries and Galloway for £31.0 million, which included principal and interest and was sold at a 6.4% premium to its valuation at 31 March 2024. The asset was one of the equity-like exposures held by the Company, and as such, the sale has reduced the Company's NAV volatility in relation to power prices.

ROCs have been revoked by Ofgem on three projects in the portfolio. The Company has made a claim in connection with its rights under the original investment documentation in respect of the losses incurred because of the revocations. The Investment Adviser remains confident that it will be able to either solely or cumulatively: (i) address Ofgem's queries to prevent or mitigate negative impacts on a further eight assets under audit; (ii) successfully challenge any adverse decisions by Ofgem on other assets under audit; or (iii) recover losses it incurs from third parties in relation to a breach of investment documentation across all affected assets.

Inflation, which has remained relatively high over the period, has more recently been falling and is projected to fall further this year. Whilst it hasn't impacted operational performance, lower inflation projections have reduced the cash expected to be generated by the Company's loans and therefore the associated valuation has been reduced.

Valuation impact attribution

The specific factors that have impacted the valuation in the reporting period are summarised in the table below.

Driver	Description	Impact (£m)	Impact (pps)
Tax computations	Impact of the latest tax computations	1.1	0.13
Actuals performance	Impact of renewables generation being higher than forecast	0.9	0.10
	Total upward valuation movements	**2.0**	**0.23**
Power prices[1]	Power price movements in the period	(13.5)	(1.56)
Discount rates	Increase in discount rates across the portfolio	(5.4)	(0.62)
Inflation forecast	Inflation movements in the period	(3.4)	(0.39)
Onshore wind asset outage	One-off valuation adjustment to reflect an onshore wind asset outage	(2.0)	(0.23)
Other downward movements	Other downward movements	(3.6)	(0.41)
	Total downward valuation movements	**(27.9)**	**(3.21)**
Interest receipts	Net valuation movements attributable to the timing of debt service payments between periods	(0.1)	(0.01)
	Total other valuation movements	**(0.1)**	**(0.01)**
	Total net valuation movements before hedging	**(26.0)**	**(2.99)**
Commodity swap – unrealised[2]	Derivative financial instrument entered into for the purpose of hedging electricity price movements	(0.1)	(0.01)
Commodity swap – realised[2]		0.8	0.09
	Total net valuation movements after hedging	**(25.3)**	**(2.91)**

1. Refer to commodity swap below.
2. The derivative financial instrument was utilised to mitigate volatility in electricity price movements as detailed above; refer to notes 10 and 13 for further details.

Interest capitalised

During the period, £41.3 million (31 March 2023: £43.5 million) of loan interest accrued was generated on the underlying investment portfolio for the benefit of the Company. During the period, £45.0 million (31 March 2023: £40.9 million) was received in cash or capitalised. The capitalisation of interest occurs for three reasons:

1. Where interest has been paid to the Company late (often as a result of moving cash through the Company and borrower corporate structures), a capitalisation automatically occurs from an accounting point of view.
2. On a scheduled basis, where a loan has been designed to contain an element of capitalisation of interest due to the nature of the underlying cash flows. Examples include projects in construction that are not generating operational cash flows, or subordinated loans where the bulk of subordinated cash flows are towards the end of the assumed life of a project, after the repayment of senior loans. Planning future capital investment commitments in this way is an effective way of reinvesting repayments received from the portfolio back into other portfolio projects.
3. Loans are not performing in line with the financial model, resulting in:

   (i) lock-up of cash flows to investors who are junior to senior lenders; and

   (ii) cash generation is not sufficient to service debt.

The table below shows a breakdown of interest capitalised during the period and amounts paid as part of final repayment or disposal proceeds:

	31 March 2024 £'000	**31 March 2024 £'000**	31 March 2023 £'000	31 March 2023 £'000
Loan interest received		**32,622**		30,928
Capitalised (planned)	**7,199**		8,301	
Capitalised (unscheduled)	**5,140**[1]		1,717	
Loan interest capitalised	**12,339**		10,018	
Capitalised amounts subsequently settled as part of repayments	**(4,910)**	**4,910**	(4,752)	4,752
Adjusted loan interest capitalised[1]	**7,429**		5,266	
Adjusted loan interest received[1]		**37,532**		35,680

The table below illustrates the forecast component of interest capitalised that is planned and unscheduled.

The Investment Adviser and the independent Valuation Agent review any capitalisation of interest and associated increase to borrowings to confirm that such an increase in debt, and the associated cost of interest, can ultimately be serviced over the life of the asset. To the extent an increase in loan balance is not serviceable, a downward revaluation is recognised, notwithstanding that such amount remains due and payable by the underlying borrower and where capitalisation has not been scheduled, it will attract default interest payable.

	30 September					
% of total interest	2023	2024	2025	2026	2027	2028
Capitalised (planned)	21%	9%	6%	6%	9%	11%
Capitalised (unscheduled)	4%	6%	4%	3%	1%	–

1. Capitalised interest in relation to certain Supported Living assets undergoing issues with RP's and two renewables assets experiencing lower power prices and delayed operations.

Investment Adviser's report continued

Risks and viability

In the period, two of the principal risks included in the Company's 2023 annual report and financial statements have seen their residual risk increase with all other principal risks remaining stable.

Category 1: Execution risk

Risk	Impact	How the risk is managed	Change in residual risk over the period
3 **Performance of, and reliance on, subcontractors** The performance of the Company's investments is typically, to a considerable degree, dependent on the performance of subcontractors, most notably facilities managers and operations and maintenance subcontractors. The Company is heavily reliant on subcontractors to carry out their obligations in accordance with the terms of their appointment and to exercise due skill and care. **Link to strategy:** 1 3	If a key subcontractor was to be replaced due to the insolvency of that subcontractor or for any other reason, the replacement subcontractor may charge a higher price for the relevant services than previously paid. The resulting increase in costs may result in the Company receiving lower interest and principal payments than envisaged.	The competence and financial strength of subcontractors, as well as the terms and feasibility of their engagements, are a key focus of investment due diligence. The Board and the Investment Adviser monitor the Company's exposure to any given subcontractor and ensure that the risk of underperformance is mitigated through diversification.	**Increased** The RPs that have leased properties from the Company's borrowers have faced continued challenges in respect of governance and financial viability by the Regulator of Social Housing. The Board's capital allocation policy adopted in the 2023 annual report reconfirmed the Company's intention to prioritise a material reduction in its exposure to the supported living sector. Further information is included on pages 11 and 5 respectively.

Key to strategy references

1 Dividend income
2 Diversification
3 Capital preservation

Category 2: Portfolio risk

Risk	Impact	How the risk is managed	Change in residual risk over the period
4 **Changes in laws, regulations and/or UK Government policy, or the action of regulators impacting investments** Changes in laws, regulations and/or UK Government policy, in particular those relating to the PPP/PFI and renewable energy markets, may have an adverse effect on the Company. Regulatory action, in particular relating to licensing or qualification for support regimes, may impact revenue streams. **Link to strategy:** 1 2 3	Potential adverse effect on the performance of the Company's investment portfolio and the returns generated by the Company. Price capping or other intervention in the energy market may impact returns. Reduced support for private sector finance of infrastructure and/or a material change in the approach to infrastructure delivery (such as nationalisation) represent risks to the Company's ability to reinvest capital.	Any changes in laws, regulations and/or policy, or the application thereof, are monitored by the Board on an ongoing basis. The Investment Adviser engages with industry bodies to understand and influence Government policy options. Given the UK Government's reliance on private capital for, inter alia, the funding of new social and economic infrastructure and renewable energy projects, it is the view of the Investment Adviser and the Board that, despite potential short-term intervention in the energy market, the risk of any future significant changes in policy is low and is more likely to have a prospective impact rather than a retrospective effect.	**Increased** Three projects in the portfolio have had their ROCs revoked. Eleven projects have been audited and retained their ROCs, while a further eight remain subject to audit. The Company has made a claim in connection with its rights under the original investment documentation in respect of the losses incurred because of the revocations. Further information is included on page 18.

Financial review

The Company generated income of £19.9 million and a profit of £9.9 million. The Company's total shareholder return[1] was 12.5% and total NAV return[1] was 1.2%.

Financial performance

The Company generated operating income of £19.9 million (31 March 2023: £35.6 million), including loan interest income of £45.0 million and net unrealised valuation losses on investments of £26.0 million (31 March 2023: loan interest income of £40.9 million and net unrealised valuation losses on investments of £17.4 million).

Net gains on derivative financial instruments at period end were £0.7 million (31 March 2023: £11.9 million), reflecting the electricity price hedging arrangements which locked in attractive price levels for the Company throughout the year.

Administration costs of £5.6 million (31 March 2023: £5.7 million) were incurred during the period; these include the Investment Adviser's fee, the Directors' fees and other third party service provider fees. These, and other operating costs, have remained broadly in line with the previous year. The Company's ongoing charges ratio[1] has remained broadly in line year-on-year at 1.2% (31 March 2023: 1.1%).

Finance costs have increased to £4.4 million from £4.1 million, reflecting higher interest rates despite lower amounts drawn compared to the prior period.

Total profit generated for the period was £9.9 million (31 March 2023: £25.8 million). The decrease primarily reflects the impact of lower electricity prices and increases to discount rates applied by the independent Valuation Agent.

Cash generation

The Company received loan principal repayments of £19.5 million and made advances totalling £nil million in the period (31 March 2023: £24.9 million in principal repayments and seven advances totalling £65.1 million). Furthermore, the Company repaid £10.0 million on its RCF.

Loan interest receipts of £32.6 million were used to pay cash dividends of £30.4 million (31 March 2023: £30.9 million and £31.0 million respectively). The Company aims to manage its cash position effectively by minimising cash balances while maintaining financial flexibility.

The Directors have assessed the Company's cash resources and availability of funding as part of the going concern assessment. The Company held cash balances of £17.7 million at the period end and does not expect the level of annual expense to increase materially. The Directors and the Investment Adviser believe that scheduled loan interest receipts, repayments and the Company's RCF will provide sufficient liquidity for the Company.

Dividends

The Company paid dividends of 3.5 pence per share in respect of the six months to 31 March 2024. This is in line with the dividend target[2] set out for the year ending 30 September 2024 of 7.0 pence per share. On an annualised basis, this represents a yield of 9.7% against the share price at 31 March 2024.

Share price performance

The Company's total shareholder return[1] was 12.5% for the period and 76.7% since the Company's IPO in 2010. The Company has continued to experience weakness in its share price in line with similar investment companies. The shares have traded at an average discount[1] to NAV of 37.1% over the period and an average premium[1] of 4.9% since IPO. The share price at the period end was 72.30 pence per share, which represents a discount[1] to NAV of 32.8%.

Revolving credit facility

At 31 March 2024, £96.0 million of the £150.0 million RCF was drawn. During the period, £10.0 million was repaid in line with the Directors stated aim of reducing leverage under the capital allocation policy. Further details on the Company's RCF can be found in notes 8 and 13.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.
2. The dividend target is a target only and not a profit forecast or estimate and there can be no assurance that it will be met.

Statement of Directors' responsibilities

Under the terms of the DTRs of the FCA, the Directors are responsible for preparing the half-yearly report and unaudited interim condensed financial statements in accordance with applicable regulations.

The Directors confirm to the best of their knowledge that:

— the unaudited interim condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

— the Chairman's interim statement and the Investment Adviser's report constitute the Company's interim management report, which include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

— the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

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

On behalf of the Board

Andrew Didham
Chairman

19 June 2024

Independent review report

To GCP Infrastructure Investments Limited

Conclusion

We have been engaged by GCP Infrastructure Investments Limited (the "Company") to review the unaudited interim condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 of the Company, which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the unaudited interim condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

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 by the Financial Reporting Council 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 unaudited interim 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 Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the 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 interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the unaudited interim condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

In preparing the half-yearly financial report, the directors are responsible for assessing the 'Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 unaudited interim 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 scope of review paragraph 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 letter 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.

Andrew Quinn
For and on behalf of
KPMG Channel Islands Limited

Chartered Accountants and
Recognised Auditors

Jersey

19 June 2024

Unaudited interim condensed statement of comprehensive income

For the period 1 October 2023 to 31 March 2024

	Notes	**Period ended 31 March 2024 £'000**	Period ended 31 March 2023 £'000
Income			
Net income/gains on financial assets at fair value through profit or loss	3	**18,971**	23,526
Net gains on derivative financial instruments at fair value through profit or loss	3	**709**	11,853
Other income	3	**240**	171
Total income		**19,920**	35,550
Expense			
Investment advisory fees	12	**(4,191)**	(4,385)
Operating expenses		**(1,449)**	(1,283)
Total expenses		**(5,640)**	(5,668)
Total operating profit before finance costs		**14,280**	29,882
Finance costs		**(4,351)**	(4,121)
Total profit and comprehensive income for the period		**9,929**	25,761
Basic and diluted earnings per share (pence)	6	**1.14**	2.91

All of the Company's results are derived from continuing operations.

The accompanying notes on pages 30 to 48 form an integral part of the financial statements.

Unaudited interim condensed statement of financial position
As at 31 March 2024

	Notes	As at 31 March 2024 £'000	(Audited) As at 30 September 2023 £'000
Assets			
Cash and cash equivalents		**17,749**	16,867
Other receivables and prepayments		**165**	575
Derivative financial instruments at fair value through profit or loss	10	**167**	265
Financial assets at fair value through profit or loss	11	**1,013,414**	1,046,568
Total assets		**1,031,495**	1,064,275
Liabilities			
Other payables and accrued expenses	7	**(3,020)**	(4,048)
Interest bearing loans and borrowings	8	**(94,557)**	(103,674)
Total liabilities		**(97,577)**	(107,722)
Net assets		**933,918**	956,553
Equity			
Share capital	9	**8,678**	8,712
Share premium	9	**858,965**	861,118
Capital redemption reserve		**101**	101
Retained earnings		**66,174**	86,622
Total equity		**933,918**	956,553
Ordinary shares in issue (excluding treasury shares)		**867,812,650**	871,232,650
NAV per ordinary share (pence per share)		**107.62**	109.79

Signed and authorised for issue on behalf of the Board of Directors.

Andrew Didham
Chairman
19 June 2024

Steven Wilderspin
Director
19 June 2024

The accompanying notes on pages 30 to 48 form an integral part of the financial statements.

Unaudited interim condensed statement of changes in equity

For the period 1 October 2023 to 31 March 2024

	Notes	Share capital £'000	Share premium[1] £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 October 2022		8,848	871,606	101	117,502	998,057
Total profit and comprehensive income for the period		—	—	—	25,761	25,761
Share repurchases		(11)	(927)	—	—	(938)
Share repurchase costs		—	(2)	—	—	(2)
Dividends	5	—	—	—	(30,968)	(30,968)
At 31 March 2023		8,837	870,677	101	112,295	991,910
At 1 October 2023		**8,712**	**861,118**	**101**	**86,622**	**956,553**
Total profit and comprehensive income for the period		**—**	**—**	**—**	**9,929**	**9,929**
Share repurchases	9	**(34)**	**(2,149)**	**—**	**—**	**(2,183)**
Share repurchase costs	9	**—**	**(4)**	**—**	**—**	**(4)**
Dividends	5	**—**	**—**	**—**	**(30,377)**	**(30,377)**
At 31 March 2024		**8,678**	**858,965**	**101**	**66,174**	**933,918**

1. The share premium is a distributable reserve in accordance with Jersey Company Law. Refer to note 9 for further information.

The accompanying notes on pages 30 to 48 form an integral part of the financial statements.

Unaudited interim condensed statement of cash flows

For the period 1 October 2023 to 31 March 2024

	Notes	**Period ended 31 March 2024 £'000**	Period ended 31 March 2023 £'000
Cash flows from operating activities			
Total operating profit before finance costs		**14,280**	29,882
Adjustments for:			
Loan interest income	3	**(44,961)**	(40,946)
Net losses on financial assets at fair value through profit or loss	3	**25,990**	17,420
Net gains on derivative financial instruments at fair value through profit or loss	3	**(709)**	(11,853)
Decrease in other payables and accrued expenses		**(1,170)**	(480)
Decrease in other receivables and prepayments		**430**	49
Total		**(6,140)**	(5,928)
Loan interest received	3	**32,622**	30,928
Purchase of financial assets at fair value through profit or loss	11.7	**—**	(65,080)
Repayment of financial assets at fair value through profit or loss	11.7	**19,503**	24,896
Proceeds from derivative financial instruments at fair value through profit or loss		**807**	6,067
Net cash flows generated from/(used in) operating activities		**46,792**	(9,117)
Cash flows from financing activities			
Proceeds from revolving credit facility		**147**	55,000
Repayment of revolving credit facility		**(10,000)**	—
Share repurchases		**(2,183)**	(938)
Share repurchase costs		**(4)**	(2)
Dividends paid	5	**(30,377)**	(30,968)
Finance costs paid		**(3,493)**	(3,959)
Net cash flows (used in)/generated from financing activities		**(45,910)**	19,133
Increase in cash and cash equivalents		**882**	10,016
Cash and cash equivalents at beginning of the period		**16,867**	15,981
Cash and cash equivalents at end of the period		**17,749**	25,997
Net cash flows from operating activities includes:			
Other operating income	3	**—**	53
Deposit interest received	3	**240**	118

The accompanying notes on pages 30 to 48 form an integral part of the financial statements.

Notes to the unaudited interim condensed financial statements

For the period 1 October 2023 to 31 March 2024

1. General information

GCP Infrastructure Investments Limited is a public company incorporated and domiciled in Jersey on 21 May 2010 with registration number 105775. The Company is governed by the provisions of the Jersey Company Law and the CIF Law.

The Company is a closed-ended investment company and its ordinary shares are traded on the Main Market of the LSE.

The Company makes infrastructure investments, typically by acquiring interests in debt instruments issued by infrastructure Project Companies, their owners or their lenders and related and/or similar assets which provide regular and predictable long-term cash flows.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim condensed financial statements for the six month period 1 October 2023 to 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU.

The unaudited interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual report and financial statements for the year ended 30 September 2023. The financial statements for the year ended 30 September 2023 were prepared in accordance with IFRS as adopted by the EU and audited by KPMG Channel Islands Limited, who issued an unqualified audit opinion.

The financial information contained in the unaudited interim condensed financial statements for the period 1 October 2023 to 31 March 2024 has not been audited, but has undergone a review by the Company's auditor in accordance with International Standards on Review Engagements (UK) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Financial Reporting Council for use in the UK.

The unaudited interim condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

The accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 September 2023, except for the new standards and amendments to standards, which are disclosed below.

New standards, amendments and interpretations

In the reporting period under review, the Company has applied amendments to IFRS issued by the IASB. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosures and presentation requirements.

This incorporated:

— onerous contracts – cost of fulfilling a contract (amendments to IAS 37);

— annual improvements to IFRS standards;

— disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2); and

— definition of accounting estimates (amendments to IAS 8).

The adoption of the changes to accounting standards has had no material impact on these or prior periods' financial statements.

The amendments to IFRS that will apply for reporting periods beginning 1 January 2024 are as follows:

— classification of liabilities as current or non-current (amendments to IAS 1);

— non-current liabilities with covenants (amendments to IAS 1);

— lack of exchangeability (amendments to IAS 21).

The new IFRS that will apply for reporting periods beginning 1 January 2027 is as follows:

— presentation and disclosure in financial statements (introduction of IFRS 18).

Under current IFRS accounting standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expense to be allocated between three new distinct categories based on a company's main business activities.

The Directors are still assessing the impact of IFRS 18, but do not anticipate that the adoption of the other amendments, detailed above, will have a material impact on the financial statements. Other than those detailed above, there are no new IFRS or IFRIC interpretations that are issued but not effective that are expected to have a material impact on the Company's financial statements.

Functional and presentation currency

Items included in the unaudited interim condensed financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pound Sterling and all values have been rounded to the nearest thousand pounds (£'000), except where otherwise indicated.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future and for a period of at least twelve months from the date of the authorisation of these unaudited interim condensed financial statements.

The Investment Adviser has prepared cash flow forecasts which were challenged and approved by the Directors and included consideration of cash flow forecasts and stress scenarios, including the impact of volatile energy prices; the availability of the Company's RCF; high inflation; further increases to interest rates; and supply chain disruptions.

The Directors are not aware of any material uncertainties that cast doubt upon the Company's ability to continue as a going concern. Therefore, the unaudited interim condensed financial statements have been prepared on a going concern basis.

2.2 Significant accounting judgements and estimates

The preparation of unaudited interim condensed financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the unaudited interim condensed financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

(a) Critical accounting estimates and assumptions

Fair value of instruments not quoted in an active market

The valuation process is dependent on assumptions and estimates which are significant to the reported amounts recognised in the unaudited interim condensed financial statements, taking into account the structure of the Company and the extent of its investment activities (refer to note 11 for further information).

(b) Critical judgements

Assessment as an investment entity

The Directors have determined that the SPVs through which the Company invests fall under the control of the Company in accordance with the control criteria prescribed by IFRS 10 and therefore meet the definition of subsidiaries. In addition, the Directors continue to hold the view that the Company meets the definition of an investment entity and therefore can measure and present the SPVs at fair value through profit or loss. This process requires a significant degree of judgement, taking into account the complexity of the structure of the Company and extent of investment activities (refer to note 11 of the annual report and financial statements for the year ended 30 September 2023).

Segmental information

For management purposes, the Company is organised into one main operating segment. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions by the Board (as the chief operating decision maker) are based upon the analysis of the Company as one segment. The financial results from this segment are equivalent to the unaudited interim condensed financial statements of the Company as a whole. The following table analyses the Company's underlying operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the underlying counterparty.

	31 March 2024 £'000	31 March 2023 £'000
Channel Islands	**240**	118
United Kingdom	**19,680**	35,432
Total	**19,920**	35,550

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

3. Operating income

The table below analyses the Company's operating income for the period per investment type:

	31 March 2024 £'000	31 March 2023 £'000
Interest on cash and cash equivalents	**240**	118
Other operating income	**—**	53
Other income	**240**	171
Net changes in fair value of financial assets and derivative financial instruments at fair value through profit or loss	**19,680**	35,379
Total	**19,920**	35,550

The table below analyses the net changes in fair value of the Company's financial assets and derivative financial instruments at fair value through profit or loss:

	31 March 2024 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2023 £'000
Loan interest received	**32,622**		30,928	
Loan interest capitalised	**12,339**		10,018	
Total loan interest income		**44,961**		40,946
Unrealised gains on investments at fair value through profit or loss	**12,645**		20,240	
Unrealised losses on investments at fair value through profit or loss	**(38,635)**		(37,660)	
Net losses on investments at fair value through profit or loss		**(25,990)**		(17,420)
Net gains on financial assets at fair value through profit or loss		**18,971**		23,526
Unrealised (losses)/gains on derivative financial instruments at fair value through profit or loss	**(98)**		5,786	
Realised gains on repayment of derivative financial instruments at fair value through profit or loss	**807**		6,067	
Net gains on derivative financial instruments at fair value through profit or loss		**709**		11,853
Net changes in fair value of financial assets and derivative financial instruments at fair value through profit or loss		**19,680**		35,379

4. Taxation

Profits arising in the Company for the period 1 October 2023 to 31 March 2024 are subject to tax at the standard rate of 0% (31 March 2023: 0%) in accordance with the Income Tax (Jersey) Law 1961, as amended.

5. Dividends

Dividends paid for the six month period to 31 March 2024 were 3.50 pence per share (31 March 2023: 3.50 pence per share) as follows:

		Period ended 31 March 2024		Period ended 31 March 2023	
Quarter ended	Dividend	**Pence**	**£'000**	Pence	£'000
Current period dividends					
31 March 2024/23[1]	Second interim dividend	**1.75**	**—**	1.75	—
31 December 2023/22	First interim dividend	**1.75**	**15,187**	1.75	15,484
Total		**3.50**	**—**	3.50	15,484
Prior period dividends					
30 September 2023/22	Fourth interim dividend	**1.75**	**15,190**	1.75	15,484
30 June 2023/22	Third interim dividend	**1.75**	**—**	1.75	—
Total		**3.50**	**15,190**	3.50	15,484
Dividends in statement of changes in equity			**30,377**		30,968
Dividends settled in shares			**—**		—
Dividends in cash flow statement			**30,377**		30,968

1. On 25 April 2024, the Company announced a second interim dividend of 1.75 pence per ordinary share, amounting to £15.2 million paid on 4 June 2024 to ordinary shareholders on the register at 3 May 2024.

In accordance with the Company's constitution, in respect of the ordinary shares, the Company will distribute the income it receives to the fullest extent that is deemed appropriate by the Directors.

In declaring a dividend, the Directors consider the payment based on a number of factors, including accounting profit, fair value treatment of investments held, future investments, reserves, cash balances and liquidity. The payment of a dividend is considered by the Board and is declared on a quarterly basis. Dividends are a form of distribution and, under Jersey Company Law, a distribution may be paid out of capital. Therefore, the Directors consider the share premium reserve to be a distributable reserve. Dividends due to the Company's shareholders are recognised when they become payable.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

6. Earnings per share

Basic and diluted earnings per share are calculated by dividing total profit and comprehensive income for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Total profit and comprehensive income £'000	Weighted average number of ordinary shares	Pence per share
Period ended 31 March 2024			
Basic and diluted earnings per ordinary share	**9,929**	**868,068,252**	**1.14**
Period ended 31 March 2023			
Basic and diluted earnings per ordinary share	25,761	884,737,778	2.91

7. Other payables and accrued expenses

	31 March 2024 £'000	(Audited) 30 September 2023 £'000
Investment advisory fees	**2,064**	2,132
Other payables and accrued expenses	**956**	1,916
Total	**3,020**	4,048

8. Interest bearing loans and borrowings

	31 March 2024 £'000	(Audited) 30 September 2023 £'000
Revolving credit facility	**96,022**	104,000
Unamortised arrangement fees	**(1,465)**	(326)
Total	**94,557**	103,674

The table below analyses movements over the period:

	31 March 2024 £'000	(Audited) 30 September 2023 £'000
Opening balance	**103,674**	98,009
Changes from cash flow		
Proceeds from revolving credit facility	**147**	55,000
Repayment of revolving credit facility	**(10,000)**	(50,000)
Drawdown for RCF refinancing fees	**1,875**	—
Non-cash changes		
Amortisation of loan arrangement fees	**389**	665
Commitment and other capitalised fees	**(1,528)**	—
Closing balance	**94,557**	103,674

Expired facility

Previously, the Company had a secured RCF of £190.0 million with Royal Bank of Scotland International, AIB (UK) Plc, Lloyds Bank Plc, Clydesdale Bank Plc, (trading as Virgin Money), and Mizuho Bank Limited. The RCF was secured against underlying assets held by the Company. Interest on amounts drawn under the facility were charged at SONIA plus 2.0% per annum. A commitment fee was payable on undrawn amounts of 0.7%.

At the beginning of the period, £104.0 million was drawn. On 16 February 2024, the facility was repaid as part of refinancing and entering into a new RCF.

New facility

On 16 February 2024, the Company entered into a new secured RCF of £150.0 million with AIB (UK) Plc, Lloyds Bank Plc, Clydesdale Bank Plc (trading as Virgin Money), and Mizuho Bank Limited. The RCF is secured against the portfolio of underlying assets held by the Company. The facility is repayable in March 2027. Interest on amounts drawn under the facility is charged at SONIA plus 2.0% per annum. A commitment fee of 0.7% per annum is payable on undrawn amounts. At 31 March 2024, the total amount drawn on the RCF was c.£96.0 million.

All amounts drawn under the RCF may be used in or towards the making of investments in accordance with the Company's investment policy, with additional flexibility to allow the Company to enhance its working capital management. The facility provides the Company with continued access to flexible debt finance, allowing it to take advantage of investment opportunities as they arise, and may also be used to manage the Company's working capital requirements from time to time.

The RCF includes loan to value[1] and interest cover[1] covenants that are measured at the Company level. The Company has maintained sufficient headroom against all measures throughout the financial period and is in full compliance with all loan covenants at 31 March 2024.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

9. Authorised and issued share capital

Share capital	31 March 2024 Number of shares	31 March 2024 £'000	(Audited) 30 September 2023 Number of shares	(Audited) 30 September 2023 £'000
Ordinary shares issued and fully paid				
Opening balance	**884,797,669**	**8,848**	884,797,669	8,848
Total shares in issue	**884,797,669**	**8,848**	884,797,669	8,848
Treasury shares				
Opening balance	**(13,565,019)**	**(136)**	—	—
Shares repurchased	**(3,420,000)**	**(34)**	(13,565,019)	(136)
Total shares repurchased and held in treasury	**(16,985,019)**	**(170)**	(13,565,019)	(136)
Total ordinary share capital excluding treasury shares	**867,812,650**	**8,678**	871,232,650	8,712

Share capital is representative of the nominal amount of the Company's ordinary shares in issue.

The Company is authorised in accordance with its Memorandum of Association to issue up to 1.5 billion ordinary shares, 300 million C shares and 300 million deferred shares, each having a par value of one pence per share.

Share premium	31 March 2024 £'000	(Audited) 30 September 2023 £'000
Premium on ordinary shares issued and fully paid:		
Opening balance	**861,118**	871,606
Premium on equity shares issued through:		
Share repurchases	**(2,149)**	(10,467)
Share repurchase costs	**(4)**	(21)
Total	**858,965**	861,118

Share premium represents amounts subscribed for share capital in excess of nominal value less associated costs of the issue, less dividend payments charged to premium as and when appropriate. Share premium is a distributable reserve in accordance with Jersey Company Law.

The Company's issued share capital is represented by one class of ordinary shares. Quantitative information about the Company's share capital is provided in the statement of changes in equity.

At 31 March 2024, the Company's issued share capital comprised 884,797,669 ordinary shares (30 September 2023: 884,797,669), of which 16,985,019 (30 September 2023: 13,565,019) were held in treasury, and there were no C shares or deferred shares in issue.

The ordinary shares carry the right to dividends out of the profits available for distribution attributable to each share class, if any, as determined by the Directors. Each holder of an ordinary share is entitled to attend meetings of shareholders and, on a poll, to one vote for each share held.

10. Derivative financial instruments at fair value through profit or loss

On 28 September 2023, the Company entered into a commodity swap agreement with Axpo Solutions AG under the ISDA master agreement for risk management purposes, which includes full right of set off. The derivative financial instrument comprises a commodity swap on electricity/baseload for the purpose of hedging electricity price market movements, in cases where the Company has stepped into projects and/or has direct exposure through its investment structure. The commodity swap agreement expired on 31 March 2024 and was settled in April 2024 in line with the contractual terms.

On 27 March 2024, the Company entered into a new commodity swap agreement with Axpo Solutions AG under the same standard terms, which is due to expire on 30 September 2024. The Company has been granted a credit line of £50.0 million by Axpo Solutions AG in order to mitigate the need for regular cash flows associated with the hedge.

The table below sets out the valuation of the swap held by the Company at the period end, as provided by Axpo Solutions AG:

Derivative	**Maturity**	**Total notional quantity**	**Notional quantity per hour**
Commodity swap – electricity/baseload 'summer 2023'	30 September 2023	4,320 MWh	6MW
Commodity swap – electricity/baseload 'winter 2023/24'	31 March 2024	21,960 MWh	5MW
Commodity swap – electricity/baseload 'summer 2024'	30 September 2024	35,136 MWh	8MW

		31 March 2024 £'000	(Audited) 30 September 2023 £'000
Fixed			
Fixed price: summer 2023 (maturity 30 September 2023)	£140.5/MWh	**—**	607
Fixed price: winter 2023/24 (maturity 31 March 2024)	£106.5/MWh	**396**	2,339
Fixed price: summer 2024 (maturity 30 September 2024)	£62.0/MWh	**2,179**	—
Floating			
Commodity Reference Price Index: summer 2023	Electricity N2EX UK Power Index Day Ahead	**—**	(357)
Commodity Reference Price Index: winter 2023/24	Electricity N2EX UK Power Index Day Ahead	**(230)**	(2,324)
Commodity Reference Price Index: summer 2024	Electricity N2EX UK Power Index Day Ahead	**(2,178)**	—
Fair value		**167**	265

Notes to the unaudited interim condensed financial statements continued
For the period 1 October 2023 to 31 March 2024

11. Financial instruments

11.1 Capital management

The Company is funded from equity balances, comprising issued ordinary share capital, as detailed in note 9, and retained earnings, in addition to a RCF, as detailed in note 8.

The Company may seek to raise additional capital from time to time, to the extent the Directors and the Investment Adviser believe the Company will be able to make suitable investments, with consideration given to the alternatives of share buybacks and a reduction in leverage. The Company may borrow up to 20% of its NAV at any such time borrowings are drawn down. At the period end, the Company remains modestly geared with loan to value[1] of 10% (30 September 2023: 11%).

11.2 Financial risk management objectives

The Company has an investment policy and strategy, as summarised on page 9, that sets out its overall investment strategy and its general risk management philosophy. It also has established processes to monitor and control these in a timely and accurate manner. These guidelines are subject to regular operational reviews undertaken by the Investment Adviser to ensure the Company's policies are adhered to as it is the Investment Adviser's duty to identify and assist with the control of risk. The Investment Adviser reports regularly to the Directors, who have the ultimate responsibility for the overall risk management approach.

The Investment Adviser and the Directors ensure that all investment activity is performed in accordance with investment guidelines. The Company's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. Risk is inherent to the Company's activities and is managed through a process of ongoing identification, measurement and monitoring. The financial risks to which the Company is exposed include market risk (which includes other price risk), interest rate risk, credit risk and liquidity risk. Furthermore, the Company is exposed to a number of equity-like interests, 9% of the portfolio by value, either as a result of the specific targeting of these positions or through enforcing its security as a result of the occurrence of defaults. Such exposure is sensitive to changes in market factors, such as electricity prices, and the operational performance of projects, and is therefore likely to result in increased volatility in the valuation of the portfolio.

Geopolitical and market uncertainties

The wider financial market continues to face significant challenges, with economic uncertainty persisting across the UK. Significant political and economic uncertainty continued during the period, which included higher inflation and a cost-of-living crisis. The Company's infrastructure investments are generally low-volatility investments with stable, pre-determined, long-term, public sector backed revenues; 46% of the Company's investment portfolio is exposed to some form of inflation protection mechanism.

The war in Ukraine and the Israel-Hamas conflict continue to be monitored by the Board and the Investment Adviser for any potential impact on the Company. The uncertainty around the conflicts, and the associated global response through sanctions, has resulted in increased market volatility, particularly in energy and commodity markets. There have also been significant increases in gas and power prices, shortages of wheat and other supply chain disruptions.

There is also uncertainty regarding potential future Government intervention in the energy market, which may lead to forecast power prices not being realisable in reality. The implementation of the Electricity Generator Levy in January 2023 impacted the short-term profitability of certain assets in the portfolio in the 2023 financial year, however there has been no impact in the current financial year. The levy will be in place until 31 March 2028.

1. APM – for definition and calculation methodology, refer to the APMs section on pages 49 to 51.

Climate risk

For the second consecutive year, the Investment Adviser carried out a climate risk assessment for each underlying portfolio asset to assess the actual and potential impacts of climate-related risks and opportunities across the portfolio. The analysis considered both physical and transition risks for each asset. The data collated was based upon publicly available data on flood risk and EPC ratings, supplemented by inputs from the Investment Adviser's portfolio management team and its investment management team. Further information can be found in the Company's 2023 annual report, which is available on the Company's website. Based on the climate risk analysis undertaken, the Investment Adviser does not currently propose to make any material changes to financial forecasts due to climate risk.

11.3 Market risk

There is a risk that market movements in interest rates, credit markets and observable yields may decrease or increase the fair value of the Company's financial assets without regard to the assets' underlying performance. The fair value of the Company's financial assets is measured and monitored on a quarterly basis by the Investment Adviser with the assistance of the independent Valuation Agent.

The valuation principles used are based on a discounted cash flow methodology, where applicable. A fair value for each asset acquired by the Company is calculated by applying a relevant market discount rate to the contractual cash flows expected to arise from each asset. At period end, all investments were classified as Level 3; refer to note 11.7 for additional information.

The independent Valuation Agent determines the discount rate that it believes the market would reasonably apply to each investment taking into account, inter alia, the following significant inputs:

— Pound Sterling interest rates;

— movements of comparable credit markets; and

— observable yields on other comparable instruments.

In addition, the following are also considered as part of the overall valuation process:

— general infrastructure market activity and investor sentiment; and

— changes to the economic, legal, taxation or regulatory environment.

The independent Valuation Agent exercises its judgement in assessing the expected future cash flows from each investment. Given that the investments of the Company are generally fixed-income debt instruments (in some cases with elements of inflation protection) or other investments with a similar economic effect, the focus of the independent Valuation Agent is assessing the likelihood of any interruptions to the debt service payments, in light of the operational performance of the underlying asset. Where appropriate, the independent Valuation Agent will also consider long-term assumptions that have a direct impact on valuation, such as electricity prices, inflation and availability. Given fluctuating electricity prices, the Investment Adviser has continued the Company's hedging programme to reduce volatility in the portfolio. Further information can be found in notes 10 and 13.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

11. Financial instruments continued

11.3 Market risk continued

The table below shows how changes in discount rates affect the changes in the valuation of financial assets at fair value. The range of discount rates used reflects the Investment Adviser's view of a reasonable expectation of valuation movements across the portfolio over a period of six months.

31 March 2024 **Change in discount rate**	**0.50%**	**0.25%**	**0.00%**	**(0.25%)**	**(0.50%)**
Valuation of financial assets at fair value (£'000)	**985,381**	**999,199**	**1,013,414**	**1,028,042**	**1,043,101**
Change in valuation of financial assets at fair value through profit or loss (£'000)	**(28,033)**	**(14,215)**	**—**	**14,628**	**29,687**

At 31 March 2024, the discount rates used in the valuation of financial assets ranged from 6.58% to 13.00%, with a rate of 20.00% being applied to one financial asset due to changes in the perceived risk associated, with one project representing 0.60% of the portfolio. The weighted average discount rate used across the Company's portfolio at 31 March 2024 was 7.78%.

30 September 2023 (audited) Change in discount rate	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Valuation of financial assets at fair value (£'000)	1,016,759	1,031,449	1,046,568	1,062,134	1,078,166
Change in valuation of financial assets at fair value through profit or loss (£'000)	(29,809)	(15,119)	—	15,566	31,598

At 30 September 2023, the discount rates used in the valuation of financial assets ranged from 6.58% to 13.00%, with a rate of 20.00% applied to one financial asset due to changes in the perceived risk associated with the project, representing 0.58% of the portfolio. The weighted average discount rate used across the Company's portfolio at 30 September 2023 was 7.69%.

11.4 Interest rate risk

Interest rate risk has the following effect:

Fair value of financial assets

Interest rates are one of the factors which the independent Valuation Agent takes into account when valuing financial assets. Interest rate risk is incorporated by the independent Valuation Agent into the discount rate applied to financial assets at fair value through profit or loss. Discount rate sensitivity analysis is disclosed in note 11.3.

Future cash flows

The Company primarily invests in senior and subordinated debt instruments of infrastructure Project Companies. The financial assets have fixed interest rate coupons, albeit with inflation protection, and, as such, movements in interest rates will not directly affect the future cash flows payable to the Company.

Interest rate hedging may be carried out to seek protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its investment policy and strategy. No interest rate hedging was undertaken at period end.

Where the debt instrument is subordinated, the Company is indirectly exposed to the gearing of the infrastructure Project Companies. The Investment Adviser ensures as part of its due diligence that the Project Company debt, ranking senior to the Company's investment, has been, where appropriate, hedged against movements in interest rates through the use of interest rate swaps. At 31 March 2024, the Company had not entered into any interest rate swap contracts (30 September 2023: none).

Borrowings

During the period, the Company made use of its RCF, which is used to finance investments and manage its working capital requirements; details of the RCF are given in note 8.

The new facility has a three year term and was refinanced on similar terms to the previous RCF, with the most notable amendment being the introduction of additional flexibility in utilisations and repayments to allow the Company to enhance its working capital management.

The amounts drawn under the RCF were £96.0 million (31 March 2023: £154.0 million).

The following table shows an estimate of the sensitivity of the drawn amounts under the RCF to interest rate changes of 100, 200 and 300 basis points in a six month period, with all other variables held constant.

31 March 2024 **Change in interest rates**	**3.0%**	**2.0%**	**1.0%**	**0.0%**	**(1.0%)**	**(2.0%)**	**(3.0%)**
Interest expense (£'000)	**4,895**	**4,415**	**3,935**	**3,455**	**2,975**	**2,495**	**2,015**
Change in interest expense (£'000)	**1,440**	**960**	**480**	**—**	**(480)**	**(960)**	**(1,440)**

31 March 2023 Change in interest rates	3.0%	2.0%	1.0%	0.0%	(1.0%)	(2.0%)	(3.0%)
Interest expense (£'000)	7,067	6,297	5,527	4,757	3,987	3,217	2,447
Change in interest expense (£'000)	2,310	1,540	770	—	(770)	(1,540)	(2,310)

Other financial assets and liabilities

Bank deposits are exposed to and affected by fluctuations in interest rates. However, the impact of interest rate risk on these assets and liabilities is not considered material.

11.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the Company. The assets classified at fair value through profit or loss do not have a published credit rating; however, the Investment Adviser monitors the financial position and performance of the Project Companies on a regular basis to ensure that credit risk is appropriately managed.

The Company is exposed to different levels of credit risk across its assets. Per the unaudited interim condensed statement of financial position, the Company's total exposure to credit risk is £1,031.0 million (30 September 2023: £1,064.0 million), which is the balance of total assets less other receivables and prepayments. As a matter of general policy, cash is held at a number of financial institutions to spread credit risk, with cash awaiting investment held on behalf of the Company at banks carrying a minimum rating of A-1, P-1 or F1 from Standard & Poor's, Moody's or Fitch respectively or in one or more similarly rated money market or short-dated gilt funds. Cash is generally held on a short-term basis, pending subsequent investment. The amount of working capital that may be held at RBSI is limited to the higher of £4.0 million or one-quarter of the Company's running costs. Any excess uninvested/surplus cash is held at other financial institutions with minimum credit ratings described above. The maximum amount that can be held at any one of these other financial institutions is £25.0 million or 25% of total cash balances, whichever is largest. It is also recognised by the Board that the arrival of ring-fenced banking has impacted the availability of A-rated banks.

Before an investment decision is made, the Investment Adviser performs extensive due diligence by using professional third party advisers, including technical advisers, financial and legal advisers, and valuation and insurance experts. After an investment is made, the Investment Adviser uses detailed cash flow forecasts to assess the continued creditworthiness of Project Companies and their ability to pay costs as they fall due. The forecasts are regularly updated with information provided by the Project Companies in order to monitor ongoing financial performance.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

11. Financial instruments continued

11.5 Credit risk continued

The Project Companies receive a significant portion of revenue from government departments and public sector or local authority clients.

The Project Companies are reliant on their subcontractors, particularly facilities managers, continuing to perform their service delivery obligations such that revenues are not disrupted. The credit standing of each significant subcontractor is monitored by the Investment Adviser on an ongoing basis, and significant exposures are reported to the Directors on a quarterly basis.

The concentration of credit risk to any individual project did not exceed 10% of the Company's portfolio at the period end, which is the maximum amount permissible per the Company's investment policy. The Investment Adviser regularly monitors the concentration of risk, based upon the nature of each underlying project, to ensure there is appropriate diversification and risk remains within acceptable parameters.

The concentration of credit risk associated with counterparties is deemed low due to asset and sector diversification. The underlying counterparties are typically public sector entities which pay pre-determined, long-term, public sector backed revenue in the form of subsidy payments (i.e. FiT and ROCs payments) for renewables transactions, unitary charge payments for PFI transactions or lease payments for social housing projects. In the view of the Investment Adviser and Board, the public sector generally has both the ability and willingness to support the obligations of these entities.

As noted in the Company's 2023 annual report, and following the Russian invasion of Ukraine, there has been an increase in the volatility of electricity market prices. These dynamics have resulted in the collapse of some energy suppliers. The Company has exposure to certain electricity suppliers through offtake arrangements with renewable project borrowers. To date, the Company has not been directly impacted by suppliers that have collapsed.

Through its usual systems and processes, the Investment Adviser monitors the credit standing of all customers and suppliers and believes that where offtakers have supply businesses, they are in a strong position to continue such arrangements. In any case, the Investment Adviser considers the offtake market for renewable projects to be a liquid and competitive sector, meaning any arrangements terminated as part of an offtaker collapse could be easily replaced by a new third party.

The credit risk associated with each Project Company is further mitigated because the cash flows receivable are secured over the assets of the Project Company, which in turn has security over the assets of the underlying projects. The debt instruments held by the Company are held at fair value, and the credit risk associated with these investments is one of the factors which the independent Valuation Agent takes into account when valuing the financial assets.

Changes in credit risk affect the discount rate. The sensitivity of the fair value of the financial assets at fair value through profit or loss to possible changes to the discount rates is disclosed in note 11.3. The Directors have assessed the credit quality of the portfolio at the period end and, based on the parameters set out above, are satisfied that credit quality remains within an acceptable range for long-dated debt.

On 28 September 2023, the Company entered into a commodity swap agreement with Axpo Solutions AG under the ISDA's master agreement for risk management purposes. The ISDA master agreement is an internationally agreed document which is used to provide certain legal and credit protection for parties who enter into financial derivatives transactions. It includes standard terms which detail what happens if a default occurs to one of the parties and how derivative transactions are terminated following a default, including the grounds under which one of the parties can force close-out due to the occurrence of a default event by the other party. The agreement also includes full right of set off.

This commodity swap agreement expired on 31 March 2024 and was fully settled in April 2024 in line with the contractual terms.
On 27 March 2024, the Company entered into a new commodity swap agreement with Axpo Solutions AG under the same standard terms.

The Company has not been required to post collateral in respect of the commodity swap agreement. There is potential for credit risk in relation to the arrangement depending on whether the arrangement is an asset or a liability at any point in time. At the date of the report, the Company's exposure to credit risk relating to the commodity swap agreement is £0.2 million. Axpo Solutions AG is a Swiss-based energy supply and trading business and, together with its partners, operates over 100 power stations as the largest renewable generator in Switzerland. The business has over 5,000 employees and operates in 30 countries. Axpo Solutions AG is wholly owned by the cantons and cantonal utilities of North-eastern Switzerland. The Directors are satisfied that the credit risk associated with Axpo Solutions AG as a counterparty is minimal and remains within the Company's risk appetite.

Further information on derivative financial instruments is given in note 10.

11.6 Liquidity risk

Liquidity risk is defined as the risk that the Company will face difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's objective is to maintain a balance between the continuity of funding and flexibility through the use of bank deposits and interest bearing loans and borrowings.

The table below analyses the Company's financial assets and liabilities in relevant maturity groupings based on the remaining period from the period end to the contractual maturity date. The Directors have elected to present both assets and liabilities in the liquidity disclosure to illustrate the net liquidity exposure of the Company.

All cash flows in the table below are on an undiscounted basis.

31 March 2024	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
Non derivative financial assets					
Cash and cash equivalents	17,749	—	—	—	17,749
Other receivables and prepayments	—	—	165	—	165
Financial assets at fair value through profit or loss	11,763	50,529	98,153	1,653,083	1,813,528
Derivative financial instruments at fair value through profit or loss					
Inflows	753	726	1,096	—	2,575
Outflows	(585)	(698)	(1,124)	—	(2,407)
Total financial assets	29,680	50,557	98,290	1,653,083	1,831,610
Financial liabilities					
Other payables and accrued expenses	—	(3,020)	—	—	(3,020)
Interest bearing loans and borrowings	(600)	(1,220)	(5,480)	(109,741)	(117,041)
Total financial liabilities	(600)	(4,240)	(5,480)	(109,741)	(120,061)
Net exposure	29,080	46,317	92,810	1,543,342	1,711,549

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

11. Financial instruments continued

11.6 Liquidity risk continued

30 September 2023 (audited)	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
Non derivative financial assets					
Cash and cash equivalents	16,867	—	—	—	16,867
Other receivables and prepayments	—	—	575	—	575
Financial assets at fair value through profit or loss	—	3,498	107,523	1,785,689	1,896,710
Derivative financial assets at fair value through profit or loss					
Inflows	607	—	2,339	—	2,946
Outflows	(357)	—	(2,324)	—	(2,681)
Total financial assets	17,117	3,498	108,113	1,785,689	1,914,417
Financial liabilities					
Other payables and accrued expenses	—	(4,048)	—	—	(4,048)
Interest bearing loans and borrowings	—	(2,040)	(105,951)	—	(107,991)
Total financial liabilities	—	(6,088)	(105,951)	—	(112,039)
Net exposure	17,117	(2,590)	2,162	1,785,689	1,802,378

11.7 Fair values of financial assets

Basis of determining fair value

Loan notes

The independent Valuation Agent carries out quarterly valuations of the financial assets of the Company. These valuations are reviewed by the Investment Adviser and the Directors. The subsequent NAV produced is reviewed and approved by the Directors on a quarterly basis.

The basis for the independent Valuation Agent's valuations is described in note 11.3.

Derivative financial instruments

The valuation principles used are based on inputs from observable market data, which is a commonly quoted electricity price index, and most closely reflects a Level 2 input. The fair value of the derivative financial instrument is derived from its mark-to-market ("MtM") valuation provided by Axpo Solutions AG on a quarterly basis. The MtM value is calculated based on the fixed leg of the commodity swap offset by the market price of the floating leg which is indexed to the Electricity N2EX UK Power Index Day Ahead. The Investment Adviser monitors the exposure internally using its own valuation system. Further information on derivative financial instruments is given in notes 10 and 13.

Fair value measurements

Investments are measured and reported at fair value and are classified and disclosed in one of the following fair value hierarchy levels depending on whether their fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The table below analyses all investments held by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Fair value hierarchy	**31 March 2024 £'000**	(Audited) 30 September 2023 £'000
Financial assets at fair value through profit or loss			
Loan notes	Level 3	**1,013,414**	1,046,568
Derivative financial instruments at fair value through profit or loss	Level 2	**167**	265

Discount rates between 6.58% and 13.00% (30 September 2023: 6.58% and 13.00%) were applied to investments categorised as Level 3, with a rate of 20.00% applied to one financial asset representing 0.60% of the portfolio. This asset shows no change in perceived risk since 30 September 2023. The Directors have classified financial instruments depending on whether or not there is a consistent data set with comparable and observable transactions and discount rates. The Directors have classified all loan notes as Level 3. No transfers were made between levels in the period.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

11. Financial instruments continued

11.7 Fair values of financial assets continued

Fair value measurements continued

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and end of the period:

	31 March 2024 £'000	(Audited) 30 September 2023 £'000
Opening balance	**1,046,568**	1,087,331
Purchases of financial assets at fair value through profit or loss	**12,339**	138,698
Repayments of financial assets at fair value through profit or loss	**(19,503)**	(128,012)
Net realised gains on disposal of investments at fair value through profit or loss	**—**	137
Unrealised gains on investments at fair value through profit or loss	**12,645**	15,017
Unrealised losses on investments at fair value through profit or loss	**(38,635)**	(66,603)
Closing balance	**1,013,414**	1,046,568

The tables below show the reconciliation of purchases and repayments of financial assets at fair value through profit or loss to the statement of cash flows:

Purchases	31 March 2024 £'000	31 March 2023 £'000
Purchases of financial assets at fair value through profit or loss	**(12,339)**	(75,098)
Loan interest capitalised	**12,339**	10,018
Purchases of financial assets at fair value through profit or loss in statement of cash flows	**—**	(65,080)

Repayments	31 March 2024 £'000	31 March 2023 £'000
Repayments of financial assets at fair value through profit or loss	**19,503**	24,896
Repayments of financial assets at fair value through profit or loss in statement of cash flows	**19,503**	24,896

For the Company's financial instruments categorised as Level 3, changing the discount rates used to value the underlying instruments alters the fair value. A change in the discount rates used to value the Level 3 investments would affect the valuation as shown in the table in note 11.7.

In determining the discount rates for calculating the fair value of financial assets at fair value through profit or loss, movements to Pound Sterling interest rates, comparable credit markets and observable yields on comparable instruments could give rise to changes in the discount rate.

The Directors considered the inputs used in the valuation of investments and the appropriateness of their classification in the fair value hierarchy. Should the valuation approach change, causing an investment to meet the characteristics of a different level of the fair value hierarchy, it will be reclassified accordingly in the appropriate period.

12. Related party disclosures

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors

The non-executive Directors are considered to be the key management personnel of the Company. Directors' remuneration comprised of Directors' fees and expenses incurred in the period, which totalled £225,000 (31 March 2023: £215,000). This is in line with the Directors' remuneration policy as disclosed in the 2023 annual report. At 31 March 2024, liabilities in respect of these services amounted to £111,000 (30 September 2023: £106,000).

At 31 March 2024, the Directors, together with their family members, held the following shares in the Company:

	31 March 2024		(Audited) 30 September 2023	
Director	**Shares held**	**% of total voting rights**	Shares held	% of total voting rights
Andrew Didham	**132,896**	**0.015**	93,024	0.011
Dawn Crichard	**80,463**	**0.009**	75,261	0.009
Julia Chapman	**60,446**	**0.007**	60,446	0.007
Alex Yew	**55,000**	**0.006**	20,000	0.002
Steven Wilderspin	**15,000**	**0.002**	15,000	0.002

Andrew Didham is an executive vice chairman at Rothschild & Co, presently on a part-time basis. Rothschild & Co is engaged by the Company to provide ongoing investor relations support. The Company and Rothschild & Co maintain procedures to ensure that Mr Didham has no involvement in either the decisions concerning the engagement of Rothschild & Co or the provision of investor relation services to the Company.

Investment Adviser

The Company is party to an Investment Advisory Agreement with the Investment Adviser, which was most recently amended and restated on 26 January 2023, pursuant to which the Company has appointed the Investment Adviser to provide advisory services relating to the assets on a day-to-day basis in accordance with its investment objectives and policies, subject to the overall supervision and direction of the Board of Directors. As a result of the responsibilities delegated under this agreement, the Company considers it to be a related party by virtue of being 'key management personnel'.

Under the terms of the Investment Advisory Agreement, the notice period of the termination of the Investment Adviser by the Company is 24 months. The remuneration of the Investment Adviser is set out below.

For its services to the Company, the Investment Adviser receives an annual fee at the rate of 0.9% (or such lesser amount as may be demanded by the Investment Adviser at its own absolute discretion) multiplied by the sum of:

— the NAV of the Company; less

— the value of the cash holdings of the Company pro rata to the period for which such cash holdings have been held.

The Investment Adviser is also entitled to claim for expenses arising in relation to the performance of certain duties and, at its discretion, an arrangement fee of 1% of the value of qualifying transactions (where possible, the Investment Adviser seeks to charge this fee to the borrower).

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2023 to 31 March 2024

12. Related party disclosures continued

Investment Adviser continued

The Investment Adviser receives a fee of 0.25% of the aggregate gross proceeds from any issue of new shares in consideration for the provision of marketing and investor introduction services.

The Company's Investment Adviser is authorised as an AIFM by the FCA under the UK AIFM Regime. The Company has provided disclosures on its website, incorporating the requirements of the UK AIFM Regime. The Investment Adviser receives an annual fee of £70,000 in relation to its role as the Company's AIFM, increased annually at the rate of the RPI.

During the period, the Company expensed £4,191,000 (31 March 2023: £4,385,000) in respect of investment advisory fees, marketing fees and transaction management and documentation services. At 31 March 2024, liabilities in respect of these services amounted to £2,064,000 (30 September 2023: £2,132,000).

The Directors and employees of the Investment Adviser also sit on the boards of, and control, several SPVs through which the Company invests. The Company has delegated the day-to-day operations of these SPVs to the Investment Adviser through the Investment Advisory Agreement.

At 31 March 2024, the key management personnel of the Investment Adviser, together with their family members, directly or indirectly held 940,639 ordinary shares in the Company, equivalent to 0.106% of the issued share capital (30 September 2023: 1,017,800 ordinary shares, 0.115% of the issued share capital).

13. Subsequent events after the reporting date

The Company declared, on 25 April 2024, a second interim dividend of 1.75 pence per ordinary share, amounting to £15.2 million, which was paid on 4 June 2024 to ordinary shareholders who were recorded on the register at close of business on 3 May 2024.

On 3 April 2024, the Company's winter 2023/24 commodity swap, which matured on 31 March 2024, was settled in line with contractual terms.

Post period end, Andrew Didham and Alex Yew, together with their family members, purchased a further 13,499 and 20,000 shares in the Company, respectively.

In April 2024, the Company disposed of its interest in loan notes secured against Blackcraig Wind Farm, a 52.9MW onshore wind farm located outside Dumfries and Galloway in Scotland, for £31.0 million including principal and interest, at a 6.4% premium to its valuation at 31 March 2024.

Post period end, the Company made two advances totalling £0.2 million, all of which was capitalised interest. The Company received repayments totalling £28.8 million in respect of 15 investments including Blackcraig Wind farm as detailed above.

Post year end, the Company drew down an amount of £12.0 million and repaid an aggregate amount of £40.0 million on the RCF, resulting in a total drawn amount of £68.0 million.

14. Non-consolidated SPVs

As explained in note 2.2, the Company invests through certain SPVs which are not consolidated in these financial statements due to the Company meeting the criteria of an investment entity and therefore applying the exemption to consolidation under IFRS 10. The Company has measured its financial interests in these SPVs at fair value through profit or loss.

Refer to note 11 of the 2023 annual report for the details of contractual arrangements between the Company and the SPVs and to the risk disclosures in note 11 for details of events or conditions that could expose the Company to losses.

During the period, the Company did not provide financial support to the unconsolidated SPVs.

For details of the non-consolidated SPVs, refer to the Company's annual report and financial statements for the year ended 30 September 2023.

15. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

Alternative performance measures

The Board and the Investment Adviser assess the Company's performance using a variety of measures that are not defined under IFRS and are therefore classed as alternative performance measures ("APMs").

Where possible, reconciliations to IFRS are presented from the APMs to the most appropriate measure prepared in accordance with IFRS. All items listed below are IFRS financial statement line items unless otherwise stated.

APMs should be read in conjunction with the unaudited interim condensed statement of comprehensive income, the unaudited interim condensed statement of financial position, the unaudited interim condensed statement of cash flows and the unaudited interim condensed statement of changes in equity, which are presented in the unaudited interim condensed financial statements section of this report. The APMs below may not be directly comparable to measures used by other companies.

Adjusted earnings cover

Ratio of the Company's adjusted net earnings[1] per share to the dividend per share. This metric seeks to show the Company's right to receive future net cash flows by way of interest income from the portfolio of investments, by removing: (i) the effect of pull-to-par; and (ii) any upward or downward revaluations of investments, which are functions of accounting for financial assets at fair value under IFRS 9, and do not contribute to the Company's ability to generate cash flows.

	31 March 2024 £'000	31 March 2023 £'000
Adjusted earnings per share[1]	**3.6**	3.8
Dividend per share	**3.5**	3.5
Times covered	**1.0**	1.1

Adjusted earnings per share

The Company's adjusted net earnings[1] divided by the weighted average number of shares.

	31 March 2024 £'000	31 March 2023 £'000
Adjusted net earnings[1]	**31,273**	33,680
Weighted average number of shares	**868,068,252**	884,737,778
Adjusted earnings per share	**3.6**	3.8

Adjusted loan interest capitalised

In respect of a period, a measure of loan interest capitalised adjusted for amounts subsequently paid as part of repayments.

	31 March 2024 £'000	31 March 2023 £'000
Capitalised (planned)	**7,665**	8,301
Capitalised (unscheduled)	**4,674**	1,717
Loan interest capitalised	**12,339**	10,018
Capitalised amounts subsequently settled as part of repayments	**(4,910)**	(4,752)
Adjusted loan interest capitalised	**7,429**	5,266

Adjusted loan interest received

In respect of a period, a measure of loan interest received adjusted for loan interest capitalised and subsequently paid as part of repayments or disposal proceeds.

	31 March 2024 £'000	31 March 2023 £'000
Loan interest received	**32,622**	30,928
Capitalised amounts settled as part of final repayment or disposal proceeds	**–**	–
Capitalised amounts subsequently settled as part of repayments	**4,910**	4,752
Adjusted loan interest received	**37,532**	35,680

Adjusted net earnings

In respect of a period, a measure of the loan interest accrued[2] by the portfolio less total expenses and finance costs. This metric is used in the calculation of adjusted earnings cover[1].

	31 March 2024 £'000	31 March 2023 £'000
Total profit and comprehensive income	**9,929**	25,761
Less: income/gains on financial assets at fair value through profit or loss	**(18,971)**	(23,526)
Less: gains on derivative financial instruments at fair value through profit or loss	**(709)**	(11,853)
Less: other operating income	**(240)**	(171)
Add: loan interest accrued[2]	**41,264**	43,469
Adjusted net earnings	**31,273**	33,680

1. APM – refer to relevant APM on this page for further information.
2. APM – refer to relevant APM on page 50 for further information.

Alternative performance measures continued

Aggregate downward revaluations since IPO (annualised)

A measure of the Company's ability to preserve the capital value of its investments over the long term. It is calculated as total aggregate downward revaluations divided by total invested capital since IPO expressed as a time weighted annual percentage.

	31 March 2024 £'000	31 March 2023 £'000
Total aggregate downward revaluations since IPO	**(98,476)**	(74,896)
Total invested capital since IPO	**1,932,693**	1,877,849
Percentage (annualised)	**0.38%**	0.31%

Average NAV

The average of the six net asset valuations calculated monthly over the relevant period.

Discount

The price at which the shares of the Company trade below the NAV per share.

Dividend yield

A measure of the quantum of dividends paid to shareholders relative to the market value per share. It is calculated by dividing the dividend per share for the twelve month period to 31 March 2024 by the share price at the period end.

Earnings cover

Ratio of the Company's earnings per share to the dividend per share.

	31 March 2024 £'000	31 March 2023 £'000
Earnings per share	**1.1**	2.9
Dividend per share	**3.5**	3.5
Times covered	**0.3**	0.8

Interest cover

The ratio of total loan interest income to finance costs expressed as a percentage.

Loan interest accrued

The measure of the value of interest accruing on a loan in respect of a period, calculated based on the contractual interest rate stated in the loan documentation.

Loan interest accrued differs from net income/gains on financial assets at fair value through profit or loss, as recognised under IFRS 9, as it does not include:

- the impact of realised and unrealised gains and losses on financial assets at fair value through profit or loss;
- the impact of 'pull-to-par' in the unwinding of discount rate adjustments over time (where the weighted average discount rate used to value financial assets differs from the interest rate stated in the loan documentation);
- the impact of cash flows from loan interest received;
- the impact of loan interest capitalised; and
- the impact of loan principal indexation applied.

This metric is used in the calculation of adjusted net earnings[1].

1. APM – refer to relevant APM on page 49 for further information.

Loan to value
A measure of the indebtedness of the Company at the period end, expressed as interest bearing loans and borrowings as a percentage of net assets.

NAV total return
A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders, expressed as a percentage. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

This is a standard performance metric across the investment industry and allows for comparability across the sector.

Source: Investment Adviser

Ongoing charges ratio
Ongoing charges ratio is a measure of the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded.

This is a standard performance metric across the investment industry and allows comparability across the sector; it is calculated in accordance with the AIC's recommended methodology.

	31 March 2024 £'000	31 March 2023 £'000
Investment advisory fees	**4,191**	4,385
Directors' fees	**225**	215
Administration expenses	**1,224**	1,068
Total expenses	**5,640**	5,668
Less: non-recurring expenses	**(23)**	(44)
Annualised	**11,280**	11,424
Average NAV[1]	**963,209**	1,002,615
Ongoing charges ratio	**1.2**	1.1

Premium
The price at which the shares of the Company trade above the NAV per share.

Total shareholder return
A measure of the performance of a company's shares over time. It combines share price movements and dividends to show the total return to the shareholder expressed as a percentage. It assumes that dividends are reinvested in shares at the time the shares are quoted ex-dividend.

This is a standard performance metric across the investment industry and allows for comparability across the sector.

Source: Bloomberg

Weighted average annualised yield
The weighted average yield on the investment portfolio calculated based on the yield of each investment weighted by the principal balance outstanding on such investment, expressed as a percentage.

The yield forms a component of investment cash flows used for the valuation of financial assets at fair value through profit or loss under IFRS 9. It is calculated including borrower company leverage but before any Company level leverage.

The yield forms a component of investment cash flows used for the valuation of financial assets at fair value through profit or loss under IFRS 9.

1. APM – refer to relevant APM on page 50 for further information.

Glossary of key terms

Adjusted earnings cover
Refer to APMs section on pages 49 to 51

Adjusted earnings per share
Refer to APMs section on pages 49 to 51

Adjusted loan interest capitalised
Refer to APMs section on pages 49 to 51

Adjusted loan interest received
Refer to APMs section on pages 49 to 51

Adjusted net earnings
Refer to APMs section on pages 49 to 51

Aggregate downward revaluations since IPO (annualised)
Refer to APMs section on pages 49 to 51

AIC
Association of Investment Companies

AIFM
Alternative Investment Fund Manager

Average life
The weighted average term of the loans in the investment portfolio

Borrower
The special purpose company which owns and operates an asset

C shares
A share class issued by the Company from time to time. Conversion shares are used to raise new funds without penalising existing shareholders. The funds raised are ring-fenced from the rest of the Company until they are substantially invested

CIF Law
Collective Investment Funds (Jersey) Law 1988

The Company
GCP Infrastructure Investments Limited

Deferred shares
Redeemable deferred shares of £0.01 each in the capital of the Company arising from C share conversion

Discount
Refer to APMs section on pages 49 to 51

Dividend yield
Refer to APMs section on pages 49 to 51

DTR
Disclosure Guidance and Transparency Rules of the FCA

Earnings cover
Refer to APMs section on pages 49 to 51

ESG
Environmental, social and governance

EU
European Union

FCA
Financial Conduct Authority

FiT
Feed-in tariff

IFRS
International Financial Reporting Standards

Interest cover
Refer to APMs section on pages 49 to 51

IPO
Initial public offering

ISDA
International Swaps and Derivatives Association

Jersey Company Law
The Companies (Jersey) Law 1991 (as amended)

KPIs
Key performance indicators

KPMG
KPMG Channel Islands Limited

Loan interest accrued
Refer to APMs section on pages 49 to 51

Loan to value
Refer to APMs section on pages 49 to 51

LSE
London Stock Exchange

MW
Megawatt

NAV
Net asset value

NAV total return
Refer to APMs section on pages 49 to 51

OBR
The Office for Budget Responsibility

Official List
The Official List of the FCA

Ongoing charges ratio
Refer to APMs section on pages 49 to 51

Ordinary shares
The ordinary share capital of the Company

PFI
Private finance initiative

PPA
Power purchase agreement

PPP
Public-private partnership

Premium
Refer to APMs section on pages 49 to 51

Project Company
A special purpose company which owns and operates an asset

Public sector backed
All revenues arising from UK central Government or local authorities or from entities themselves substantially funded by UK central Government or local authorities, obligations of NHS Trusts, UK registered social landlords and universities and revenues arising from other Government-sponsored or administered initiatives for encouraging the use of renewable or clean energy in the UK

Pull-to-par
The effect on income recognised in future periods from the application of a new discount rate to an investment

RBSI
Royal Bank of Scotland International Limited

RCF
Revolving credit facility with AIB (UK) Plc, Lloyds Bank Plc, Clydesdale Bank Plc, (trading as Virgin Money), and Mizuho Bank Limited (formerly with RBSI, AIB Group (UK) plc, Lloyds Group plc, Clydesdale Bank plc and Mizuho Bank)

RHI
Renewable heat incentive

ROCs
Renewable obligation certificates

Senior ranking security
Security that gives a loan priority over other debt owed by the issuer in terms of control and repayment in the event of default or issuer bankruptcy

SONIA
Sterling Overnight Interbank Average rate

SPV
Special purpose vehicle through which the Company invests

Total shareholder return
Refer to APMs section on pages 49 to 51

UK AIFM Regime
Together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds sourcebook forming part of the FCA Handbook, as amended from time to time

Weighted average annualised yield
Refer to APMs section on pages 49 to 51

Weighted average discount rate
A rate of return used in valuation to convert a series of future anticipated cash flows to present value under a discounted cash flow approach. It is calculated with reference to the relative size of each investment

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