

## HICL COVID-19 Statement

The COVID-19 pandemic continues to evolve. InfraRed, as HICL's Investment Manager, is working on two key priorities:

- ▲ The health and safety of our people and those who use the facilities in HICL's portfolio every day; and
- ▲ Protecting the performance of HICL's portfolio.

The Board and InfraRed have been monitoring the unfolding COVID-19 situation very closely. In a context of market volatility and uncertainty, InfraRed is working hard to keep essential public assets available for their communities and in doing so, protect shareholder value.

This summary gives an update on the operations of the portfolio and how InfraRed are monitoring and managing risks to HICL arising from the global COVID-19 pandemic, and is, to the best of our knowledge, accurate as of Friday 20 March 2020.

### Portfolio Performance

- ▲ Portfolio companies are supporting the public sector to repurpose schools and hospital buildings, and to ensure assets remain available for use by their communities. Long-term, availability-based PPP contracts remain relatively protected from any material impact on revenues.
- ▲ The regulated assets continue to operate without material disruption.
- ▲ For those demand-based assets where revenue growth is correlated to GDP growth, there is expected to be an impact from current events, and stress scenarios are provided [here](#).

### Financial Considerations

- ▲ HICL has a strong liquidity position, with no cash drawings on its £400m debt facility and no forecast drawings on this facility over the next 12 months.
- ▲ Project structures are robust, with sound balance sheets funded on a non-recourse basis to HICL.
- ▲ Target dividend guidance of 8.25p per share for the year to 31 March 2020 is reaffirmed<sup>1</sup>.

### Operational resilience

- ▲ InfraRed's business continuity plans have been enacted, with remote-working performing well.
- ▲ Across the portfolio, long-established business continuity plans have been implemented, with project companies working proactively with subcontractors and clients.
- ▲ HICL has a well-diversified portfolio of investments in over 100 separate core infrastructure assets<sup>2</sup>:
  - No asset larger than c.7% of the portfolio.
  - Assets with exposure to GDP represent c. 20% of portfolio value.
  - Assets in construction represent c. 3% of portfolio value.

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<sup>1</sup> There can be no assurance that targets stated will be achieved or that investors will receive a return on their capital. Capital at risk.

<sup>2</sup> By value, as at 30 September 2019.