HICL Infrastructure PLC

Annual Results Presentation: Year to 31 March 2020

20 May 2020

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Past performance is not a reliable indicator of future returns. Capital and income at risk

Front cover image: Salford Hospital, UK

Agenda

HICL Infrastructure

HICL's entire investment business was transferred from HICL Infrastructure Company Limited to HICL Infrastructure PLC (the "Company") on 1 April 2019, by way of a scheme of arrangement as detailed in HICL Infrastructure PLC's Prospectus dated 4 March 2019. To enable an improved assessment of the Company's investment business comparative data throughout (for the year to 31 March 2019, and as at 31 March 2019) relates to HICL Infrastructure Company Limited, being the owner of HICL's investment business until 1 April 2019. All financial information from 1 April 2019 relates to the Company.
Throughout this presentation "HICL" means HICL Infrastructure Company Limited prior to 31 March 2019 and HICL Infrastructure PLC from 1 April 2019.

Long-term Income from Core Infrastructure

A portfolio positioned at the lower end of the risk spectrum

HICL Infrastructure

1 Core infrastructure investment characteristics

0.8
Correlation of portfolio returns to inflation[1] at 31 March 2020

27.8yrs
Weighted avg asset life at 31 March 2020

2 A diversified portfolio

117
Portfolio of investments across market segments and geographies

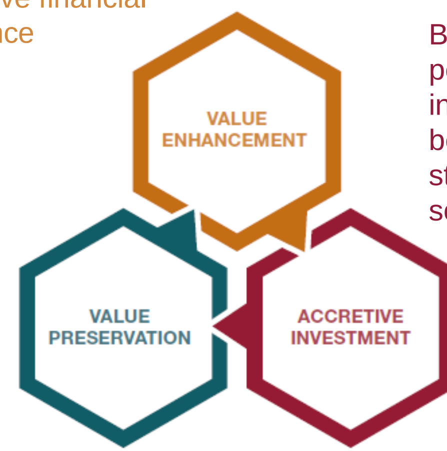
44%
Ten largest assets as a proportion of portfolio value at 31 March 2020

6%
Single largest asset as a proportion of portfolio value at 31 March 2020

3 Actively managed to deliver sustainable income

Outperformance

Enhance communities' experience of infrastructure and improve financial performance



Resilience

Build a sustainable portfolio of investments that benefits from a strong, long-term social purpose

Active management

Deliver well-maintained infrastructure for end users and generate base case cash flows

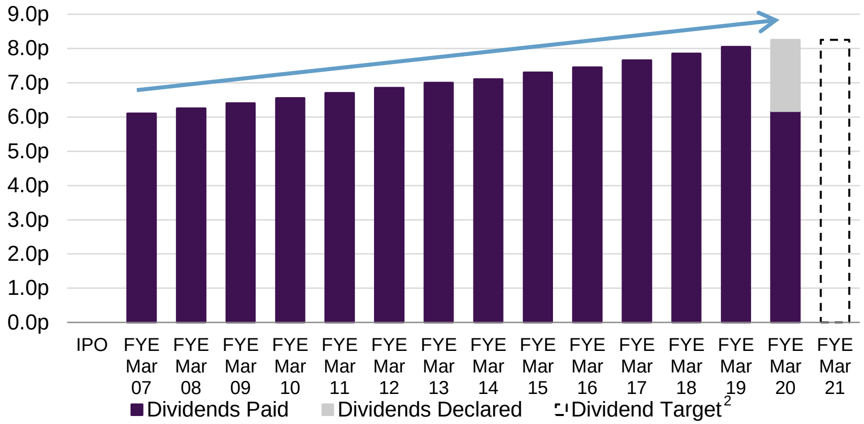
1. If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the portfolio (before Group expenses) would increase by 0.8%

HICL's Track Record[1]

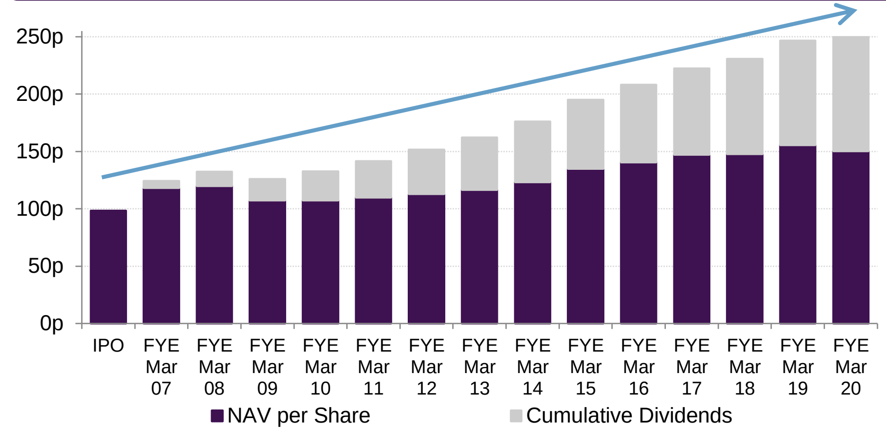
Consistent delivery over 14 years

HICL Infrastructure

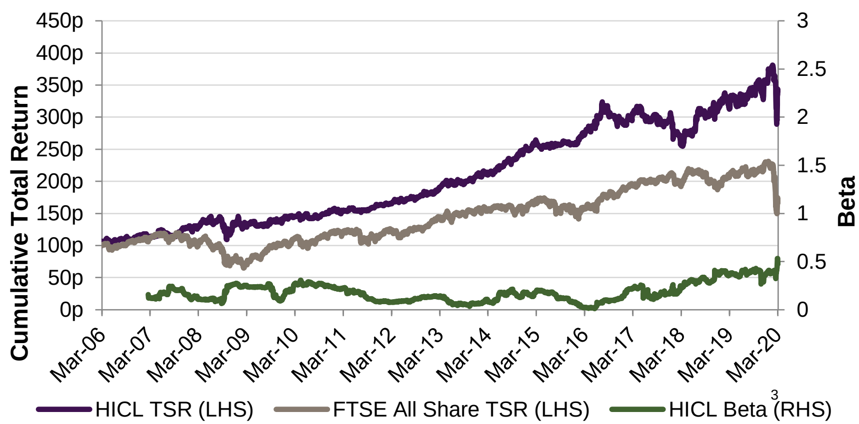
Dividend increased by 35% over 13 years



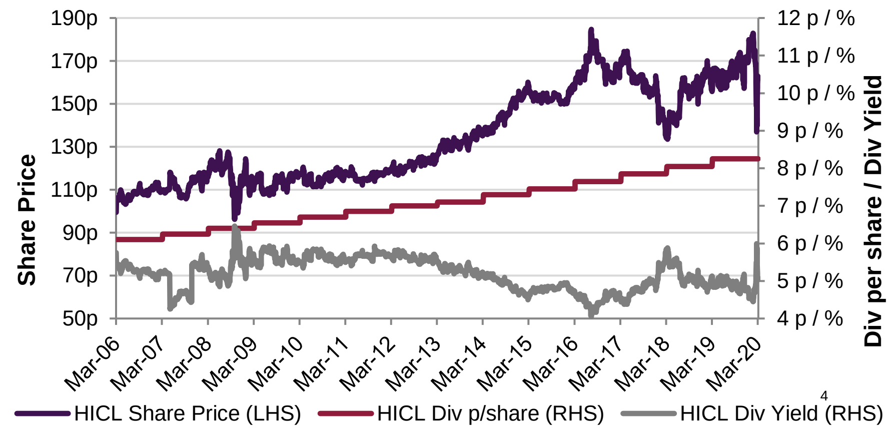
Total Return (NAV growth and dividends) of 9.0% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



Growing dividend has maintained a 4 - 6% yield



Source: InfraRed, Thomson Reuters Datastream.

1. HICL Infrastructure Company Limited prior to 31 March 2019, HICL Infrastructure PLC from 1 April 2019
2. This is a target only and not a profit forecast. There can be no assurance that this target will be met
3. 250-day rolling beta
4. Dividend yield calculated based on historic dividend paid (shown on the graph in red) divided by prevailing share price (shown on the graph in purple)

Past performance is not a reliable indicator of future returns. Capital and income at risk

Annual Results

Blackburn Hospital, UK

Overview

Managing the operational and financial impacts from Covid-19 is a key priority

HICL Infrastructure

Performance

- NAV per share decline of 5.2p to 152.3p; solid performance from the underlying portfolio offset by external factors: the exceptional impact of Covid-19 on the demand-based assets and macro-economic factors (forecast UK corporation tax rates and deposit interest rates)
- Dividend of 8.25p per share for the year ended 31 March 2020 is fully cash covered
- Strong balance sheet: £117m capital raised during the year and RCF refinanced (£321m available to draw)

Covid-19

- Operational resilience at asset-level and at InfraRed underpinned by robust continuity planning
- InfraRed is supporting the public sector to ensure assets remain available for use by their communities, particularly those providing front-line services (e.g. healthcare)
- Four of the demand-based assets (c.18% of the portfolio) have returns correlated to GDP. The impact of ongoing systemic restrictions on movement has been reflected in short- and medium-term cashflow modelling, as well as discount rates used to value these assets

Dividend guidance[1,2]

- In light of the implication of Covid-19 for near-term distributions from HICL's demand-based investments, the Board has decided to revise the Company's dividend guidance
- Target dividend of 8.25p per share[1] for the year ending 31 March 2021, matching the dividend paid for the financial year just ended[2], expected to be substantially cash covered

Governance

- Two new non-executive Directors appointed in the year, bringing additional breadth of experience to the Board

Investment Manager

- In December 2019, an agreement was announced whereby Sun Life Financial Inc. will purchase a majority stake in InfraRed

Outlook

- InfraRed is prioritising active management of HICL's portfolio to protect the delivery of essential public infrastructure and preserve value for shareholders
- Long-term cash yields from core infrastructure remain attractive to institutional investors in the current environment
- InfraRed is actively pursuing a pipeline of attractive investments for HICL

1. This is a target only and not a profit forecast. There can be no assurance that this target will be met
2. Past performance is not a reliable indicator of future returns. Capital and income at risk

Performance Highlights

Solid performance for the year to 31 March 2020

HICL Infrastructure

152.3p
NAV per share[1]

Down 5.2p from 157.5p at 31 March 2019

1.9%
Total Shareholder Return[2]

10.8% for the year to 31 March 2019

8.25p for 2021
Dividend Guidance[1,3] revised

8.25p per share declared in line with previous guidance for 2020[1]

£28m
Cash at 31 March 2020

£90m borrowings at 31 March 2019

7.2%
Weighted average discount rate

7.2% for the year to 31 March 2019

1.14x
Dividend cash cover[4]

1.27x at 31 March 2019

Past performance is not a reliable indicator of future returns. Capital and income at risk

1. Expressed in pence per ordinary share for financial years ending 31 March
2. Based on interim dividends paid plus change in NAV per share in the year
3. **This is a target only and not a profit forecast. There can be no assurance that this target will be met**
4. Including profits on disposals, excluding this dividend cash cover would have been 1.03x (2019: 1.03x)

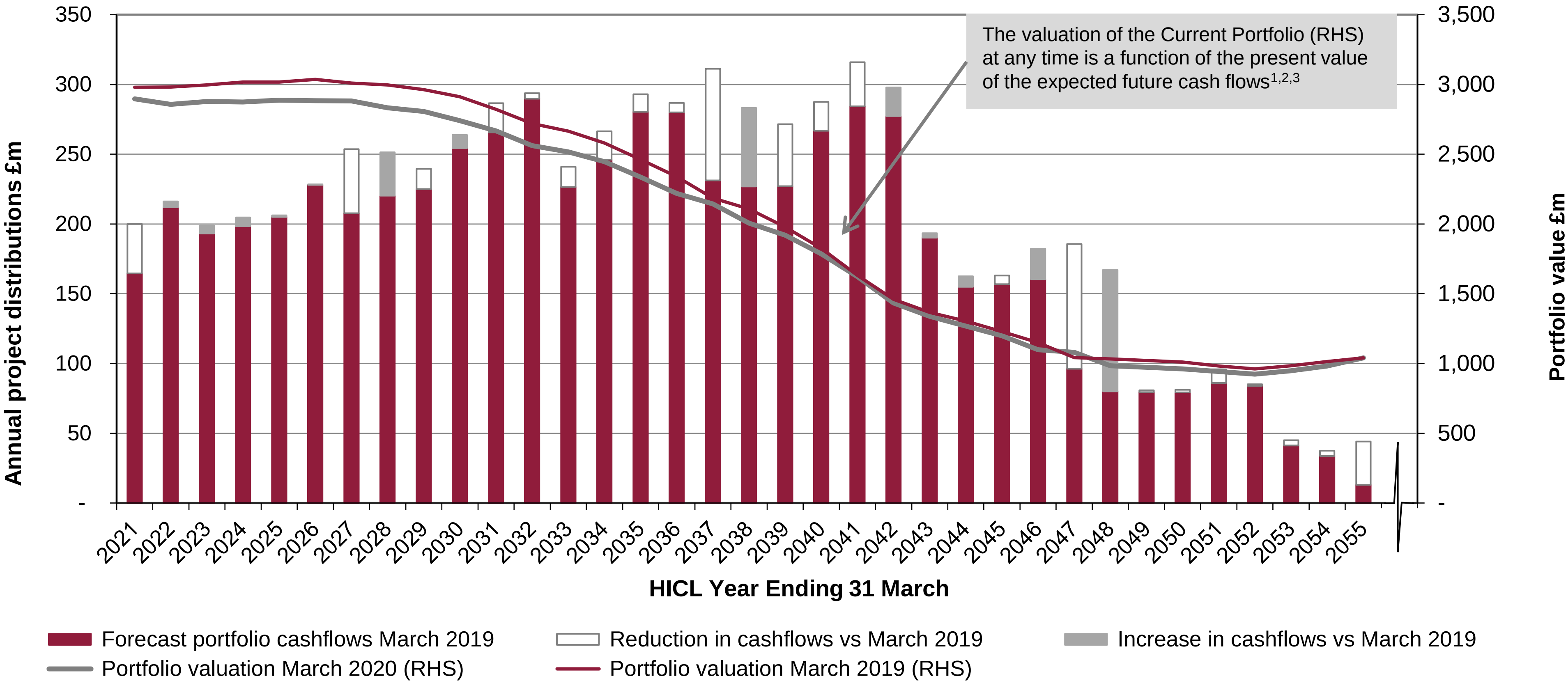
Valuation Overview and Sensitivities

A9 Road, Netherlands

Portfolio Overview – Cash Flow Profile[1,2,3]

Forecast steady long-term cash flows and a stable portfolio valuation in the medium term

- Portfolio cash flows underpin forward dividend guidance
- Hollow bars represent reductions in forecast cashflows, mainly from the demand-based assets as a result of Covid-19

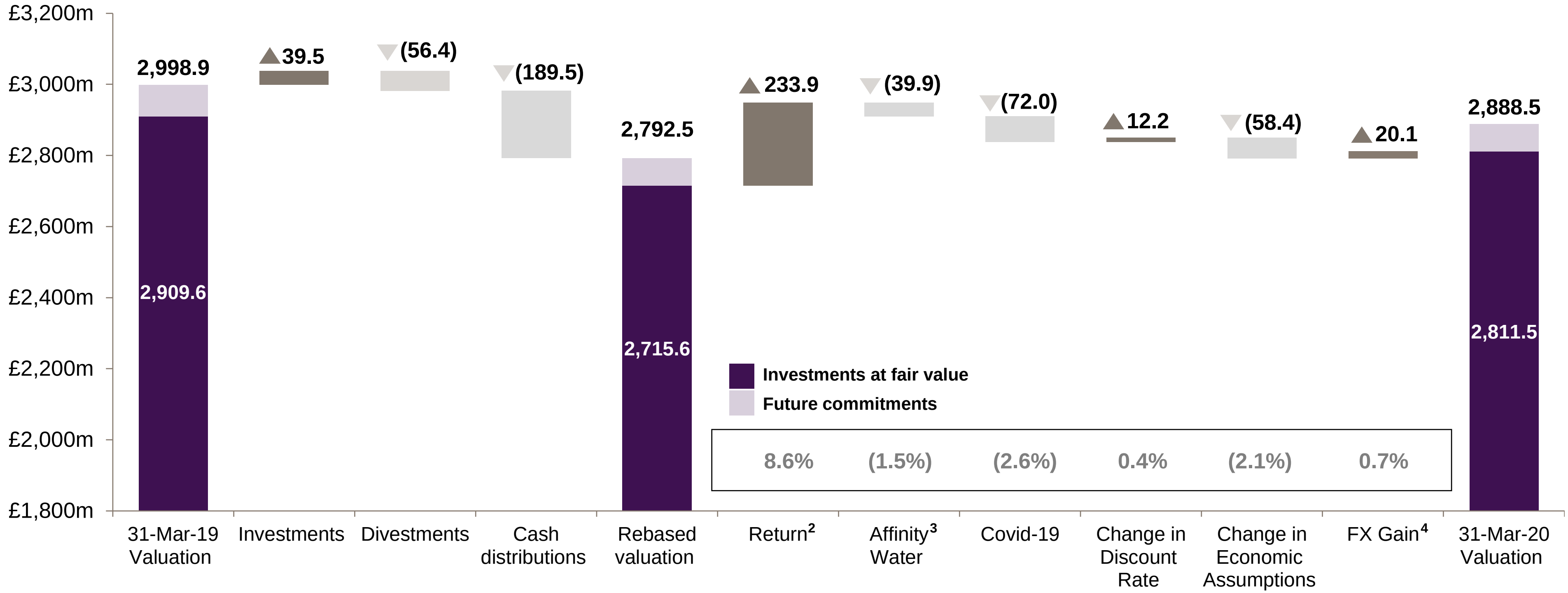


1. The illustration represents a target only at 31 March 2020 and is not a profit forecast. There can be no assurance that this target will be met and this information is not a reliable indicator of future performance

2. Valuation considers cash flows beyond 2055, for example for Northwest Parkway 87 years of cash flows are assumed
3. Subject to certain other assumptions, set out in detail in HICL's Annual Report for the year to 31 March 2020

Analysis of Change in Directors' Valuation

Directors' Valuation[1] of £2,888.5m as at 31 March 2020



- The percentage movements have been calculated on the Rebased Valuation as this reflects the returns on the capital employed in the period
- 7.1% annual return[2] from the underlying portfolio (including the value reduction taken on Affinity Water in September 2019)
- For details of the Covid-19 impact, see page 19
- Change in economic assumptions includes a prudent reduction in forecast deposit rates in all markets, reflecting reduced interest rate expectations

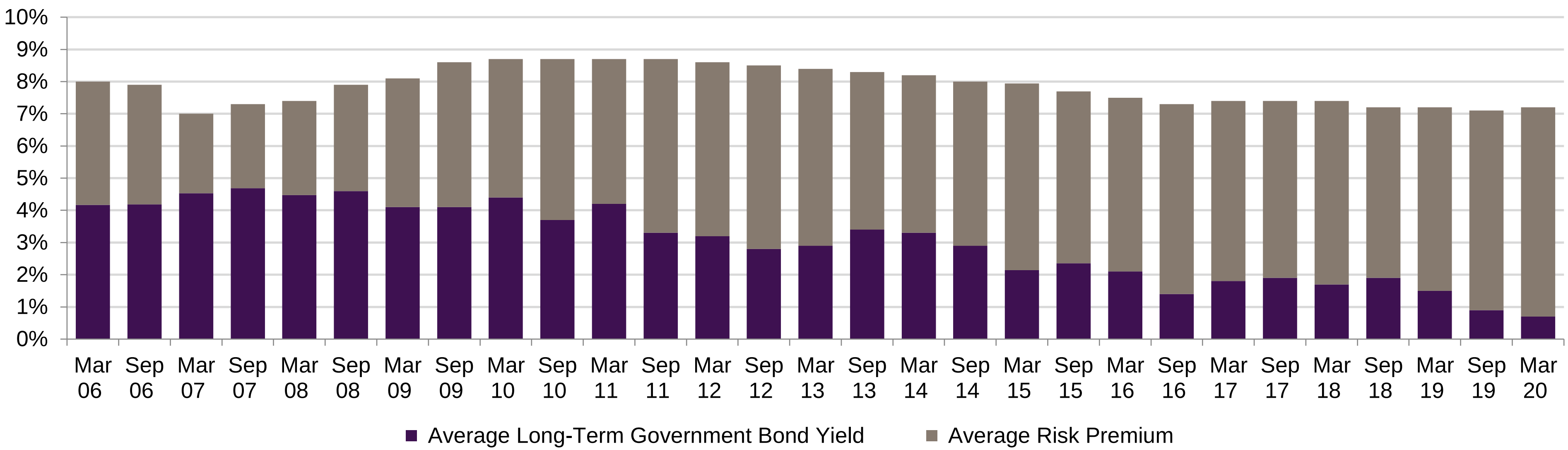
1. On an Investment Basis, split into investments at fair value (dark purple) and future commitments (light purple)
2. "Return" comprises the unwinding of the discount rate and portfolio outperformance, excluding the impact of changes in economic assumptions and discount rates, other than project specific changes such as projects moving from construction to steady-state operations for the year to 31 March 2020
3. As disclosed in the Company's Interim Report for the six months ended 30 September 2019
4. FX movement, net of hedging, is a £14.4m FX gain (being £20.1m FX gain less £5.7m hedging loss) for the year to 31 March 2020

Discount Rate Analysis

Overall weighted average discount rate unchanged from 31 March 2019

- Discount rates for investments range between 6.2%[1] and 9.3%
- Eurozone and North American discount rates have increased by 0.1% and 0.2% since September 2019 due to higher risk premia for demand-based assets in both regions
- At 6.5%, the average Risk Premium is at its highest level since IPO
- Lower discount rates had been anticipated before Covid-19 impact

	Appropriate Long-Term Government Bond Yield[2]		Risk Premium		Total Discount Rate[3]		
					31 March 2020	30 September 2019	31 March 2019
UK	0.8%	+	6.3%	=	7.1%	7.1%	7.0%
Eurozone	0.4%	+	6.8%	=	7.2%	7.1%	7.3%
N. America	1.1%	+	6.9%	=	8.0%	7.8%	8.0%
Portfolio	**0.7%**	**+**	**6.5%**	**=**	**7.2%**	**7.1%**	**7.2%**



1. Excludes A13 Senior Bonds
2. The long-term government bond yield for a region is the weighted average for all of the countries in which the portfolio is invested in that region. Source: Bloomberg
3. Weighted-average discount rate

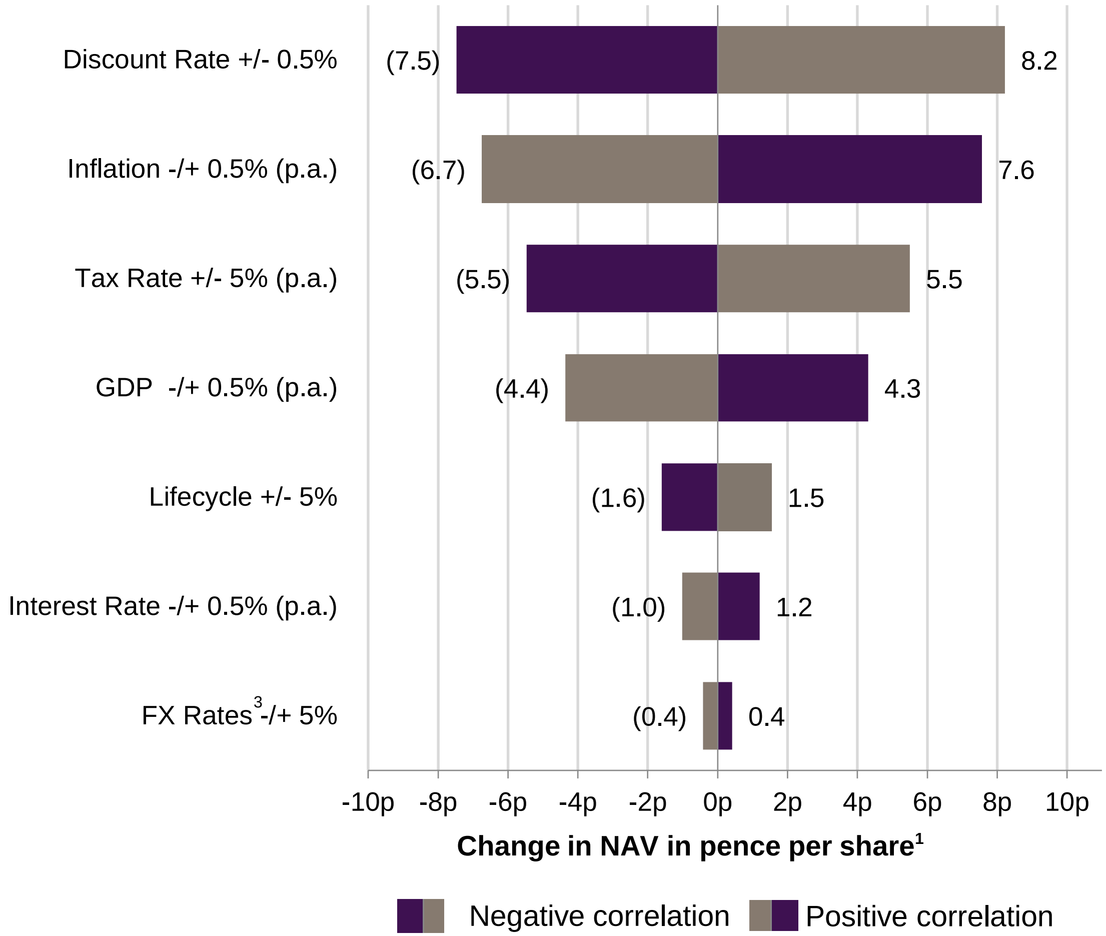
Key Valuation Assumptions

		Movement	31 March 2020	31 March 2019
Discount Rate	Weighted Average	↔	7.2%	7.2%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2]/CPIH[3]) Eurozone (CPI) Canada (CPI) USA (CPI)	↔	2.75% / 2.0% 2.0% 2.0% 2.0%	2.75% / 2.0% 2.0% 2.0% 2.0%
Interest Rates (p.a.)	UK Eurozone Canada USA	↓	0.5% to March 2023, 1.5% thereafter 0.0% to March 2023, 1.0% thereafter 1.0% to March 2023, 2.25% thereafter 1.0% to March 2023, 2.25% thereafter	1.0% to March 2022, 2.0% thereafter 0.5% to March 2022, 1.5% thereafter 2.0% to March 2021, 2.5% thereafter 2.0% to March 2021, 2.5% thereafter
Foreign Exchange	EUR / GBP CAD / GBP USD / GBP	↑	0.89 0.57 0.81	0.86 0.57 0.77
Tax Rate (p.a.)	UK	↑	19%	19% to March 2020, 17% thereafter
	Canada USA Eurozone	↔	26% and 27% 21% Federal & 4.6% Colorado State Ireland 12.5% France 25% - 33.3% Netherlands 20.5% by 2025	26% and 27% 21% Federal & 4.6% Colorado State Ireland 12.5% France 25% - 33.3% Netherlands 20.5% by 2025
GDP Growth (p.a.)	UK Eurozone USA	↓	(5.5%) in 2020, 4% in 2021, 2.0% thereafter (5.0%) in 2020, 4% in 2021, 1.8% thereafter (3.5%) in 2020, 3% in 2021, 2.5% thereafter	2.0% 1.8% 2.5%

1. Some portfolio company revenues are fully indexed, whilst some are partially indexed
2. Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
3. Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

Key Valuation Sensitivities

Sensitivity to key macroeconomic assumptions



- The FX rate, Lifecycle and GDP sensitivities are based on the relevant affected assets, and the discount rate sensitivities are based on analysis of the whole portfolio
- Remaining sensitivities are based on the largest 35 investments by value and then extrapolated across the whole portfolio
- The profits of each portfolio company are subject to corporation tax in the country where the project is located. The sensitivity considers a 5% per annum movement in tax rates in all jurisdictions
- The GDP sensitivity shows the impact of a 0.5% per annum change in GDP across the four assets[2] where revenues are to some degree correlated with economic activity
- If outturn GDP growth were 0.5% p.a. lower in all relevant geographies for all future periods than the valuation assumption, expected return[4] from the portfolio (before Group expenses) would decrease 0.2% from 7.2% to 7.0%

1. NAV per share based on 1,863m ordinary shares in issue at 31 March 2020
2. Assets subject to GDP movements are High Speed 1 (UK), Northwest Parkway (USA), A63 Motorway (France) and M1-A1 Link Road (UK)
3. Foreign exchange rate sensitivity is net of current Group hedging at 31 March 2020
4. **Expected return is the expected gross internal rate of return from the portfolio before group expenses, there is no assurance that returns will be met**

Portfolio Performance and Asset Management

Irish Grouped Schools, Ireland

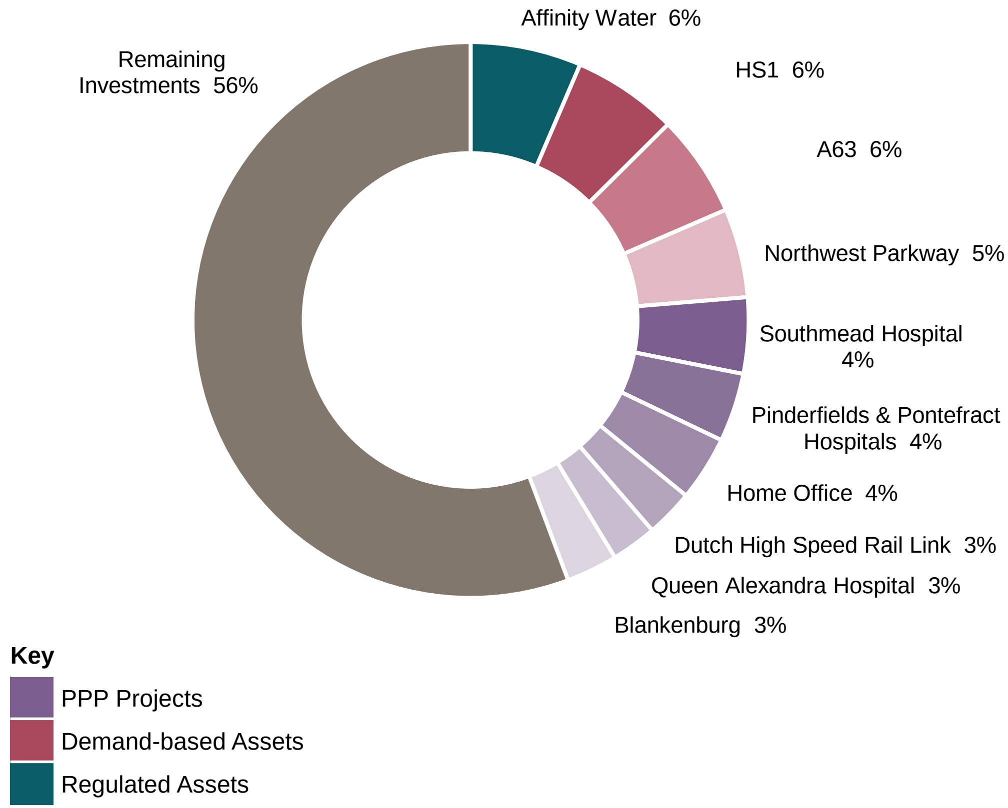
Portfolio Metrics

Ten largest assets accounted for c. 44% of the portfolio[1]

	31 March 2020[1,2]	31 March 2019
Number of investments	117	118
Percentage of portfolio by value – 10 largest assets	44%	45%
Weighted average asset life[2]	27.8 years	29.5 years
Average remaining maturity of long-term debt financing[3]	16.6 years	17.5 years

▲ The difference between asset life and debt maturity is predominantly due to two assets, Affinity Water and Northwest Parkway, having asset lives that exceed available financing options in their respective markets

10 Largest Investments[1]



1. By value using Directors' Valuation of £2,888.5m as at 31 March 2020
2. Assumes a 100-year asset life for Affinity Water. Excluding Affinity Water and Northwest Parkway, the weighted average asset life of the portfolio would be 18.7 years
3. Excludes investment in A13 Senior Bonds

Portfolio Performance I

PPP projects represent 72% of the portfolio, by value

HICL Infrastructure

Investment rationale

- ▲ Long-term contracts with strong public sector clients in developed economies
- ▲ Availability-based payment mechanisms produce revenues that are uncorrelated to the wider economy
- ▲ Long-term funding arrangements and maintenance contracts allocate risk to those parties that are best placed to manage it

Value Preservation and Enhancement

- ▲ PPPs remain at the heart of the Group's investment portfolio, representing 72% of the portfolio by value
- ▲ InfraRed completed on HICL's commitment to invest in the Blankenburg Connection PPP (The Netherlands), a tunnel construction project
- ▲ The delivery of construction PPP assets Paris-Sud University Accommodation (France) and Blankenburg Connection (The Netherlands) represents opportunity for future value enhancement in the portfolio
- ▲ Where construction is impacted by Covid-19, resulting delays are expected to be accommodated within current timetables or subject to relief action
- ▲ PPP contract variations enhance asset outcomes for clients and / or improve the end-user experience e.g. supporting the public sector through Covid-19 by repurposing space across HICL's health estate

Blankenburg Connection, The Netherlands

Portfolio Performance II

Demand-based assets represent 20% of the portfolio, by value

HICL Infrastructure

Investment rationale

- ▲ Operational assets are at the lower end of the risk spectrum when featuring strong usage history or limited uncertainty in forecast demand (absent widespread movement restrictions)
- ▲ Long-dated, good inflation correlation and returns at a premium to PPP projects
- ▲ Generally less sensitive to political and regulatory risks compared to PPP projects and regulated assets

Value Preservation and Enhancement

- ▲ Demand-based assets[1], representing 20% of the portfolio by value, performed well in the year to 31 March 2020, despite the impact of Covid-19:
  - Traffic was in line with expectations for the year on both the A63 Motorway (France) and Northwest Parkway (USA)
  - High Speed 1 ("HS1") also performed in line with forecasts for the year
- ▲ HS1 received the Final Determination on its five-year business plan for Control Period 3. This was in line with expectations and, as previously disclosed, there was little impact on HS1's financial performance as costs are passed down to train operating companies
- ▲ Demand on all three of these assets was severely impacted in March 2020 by the travel restrictions and social distancing measures imposed by governments with respect to Covid-19. Further detail of the impact of this can be found on page 19

A63 Motorway, France

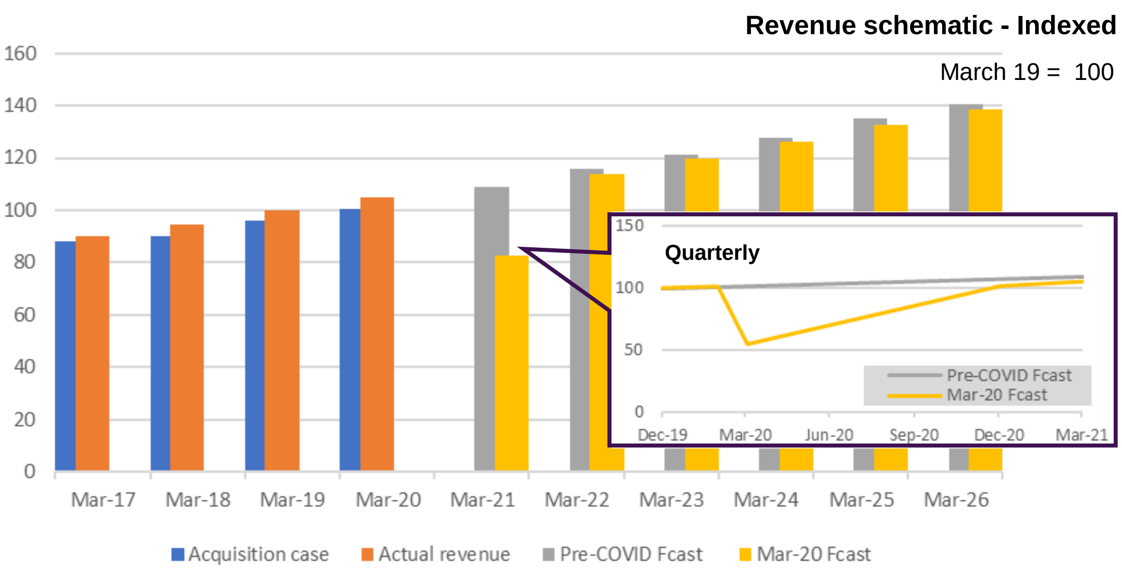
1. High Speed 1 (UK); A63 Motorway (France); Northwest Parkway (USA); Sheffield University Student Accommodation (UK); Helicopter Training Facility (UK); M1-A1 Road (UK)

Demand-based Assets Impacted by Covid-19

Four demand-based assets impacted by lockdowns[1]; well-positioned for economic recovery

- HICL has demand-based assets correlated to GDP (18% of portfolio), accounted predominantly by three assets: High Speed 1 (UK), Northwest Parkway (USA) and A63 Motorway (France)
- Lockdowns across HICL's core geographies have materially reduced usage and consequently project revenues
- HICL has new forecasts for revenues, including assumptions regarding the recovery in demand in the short and medium-term; and has raised discount rates leading to a total valuation reduction of £72m
- All three assets have strong strategic positions and are expected to benefit from the resumption of economic activity across markets

Downturn & recovery in FY21; longer-term permanent reduction in revenues



NB. Revenue schematic aggregates HS1, Northwest Parkway and the A63, converting project revenues to an index

Valuation approach has two key components:

1. Detailed asset-specific assessments of forecast cash flows to reflect the impact of Covid-19 and assumptions regarding a recovery in revenues[2]; and
2. A discount rate adjustment reflecting uncertainty regarding the trajectory of a recovery in economic activity

Assumptions have been calibrated based on a number of inputs, principally:

(i) the observable data and patterns of usage collected from the assets since March 2020; and

(ii) forecasts of GDP over 2020 and 2021; median[3] adopted to rebase the traffic growth trajectory

The effect of this recasting of the growth profile is that on average **underlying traffic takes approximately 2.5 years to reach pre-Covid-19 levels.**

1. High Speed 1 (UK), Northwest Parkway (USA) and the A63 Motorway (France), plus M1-A1 Link Road (UK), which is a shadow toll road
2. See pages 49 – 51 for the individual project details
3. GDP forecasts published between 20 March 2020 and 27 April 2020. Forecasts are not a reliable indicator of future performance

Portfolio Performance III

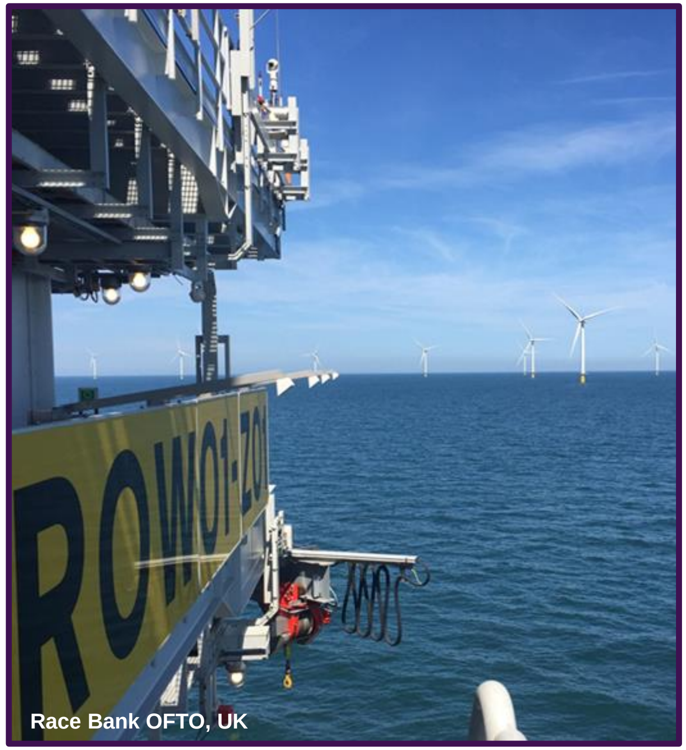
Regulated assets represent 8% of the portfolio, by value

Investment rationale

- ▲ Essential assets that are regulated due to monopoly market positions
- ▲ Regulated assets have a complementary risk profile to PPP projects and demand-based assets
- ▲ Assets are subject to licence periods, where operational delivery risk is often retained by portfolio companies, reducing single counterparty exposure

Accretive Investment and Value Preservation

- ▲ OFTOs are regulated assets that form part of the transmission network of renewable energy from offshore windfarms to the UK grid:
  - During the year, HICL completed two new investments in these types of assets – Race Bank and Galloper
  - HICL is preferred bidder in respect of a further OFTOs (Walney Extension) which is expected to reach financial close during 2020
- ▲ Affinity Water accepted the Final Determination from Ofwat on its business plan for AMP7
- ▲ The resolution of the PR19 process allows Affinity Water's management team to focus on achieving the agreed, challenging business plan for AMP7



Race Bank OFTO, UK

Portfolio Diversification I

HICL's Portfolio, as at 31 March 2020[1]

MARKET SEGMENT

	Mar-20	Mar-19
▲ PPP Projects	72%	71%
▲ Demand-based Assets	20%	21%
▲ Regulated Assets	8%	8%

GEOGRAPHIC LOCATION

	Mar-20	Mar-19
▲ UK	76%	77%
▲ Europe (exc UK)	17%	15%
▲ North America	7%	8%

INVESTMENT STATUS

	Mar-20	Mar-19
▲ Fully operational	97%	97%
▲ Construction	3%	3%

1. By value using Directors' Valuation of £2,888.5m as at 31 March 2020

Portfolio Diversification II

HICL's Portfolio, as at 31 March 2020[1]

OWNERSHIP STAKE

Mar-20

Mar-19

	Mar-20	Mar-19
▲ 100% ownership	26%	25%
▲ 50% - 100% ownership	34%	32%
▲ Less than 50% ownership	40%	43%

SECTOR

Mar-20

Mar-19

	Mar-20	Mar-19
▲ Accommodation	11%	11%
▲ Education	14%	15%
▲ Electricity, Gas & Water	8%	8%
▲ Health	30%	28%
▲ Fire, Law & Order	7%	7%
▲ Transport	30%	31%

1. By value using Directors' Valuation of £2,888.5m as at 31 March 2020

Investment Activity and Risk Management

Wooldale Centre for Learning, UK

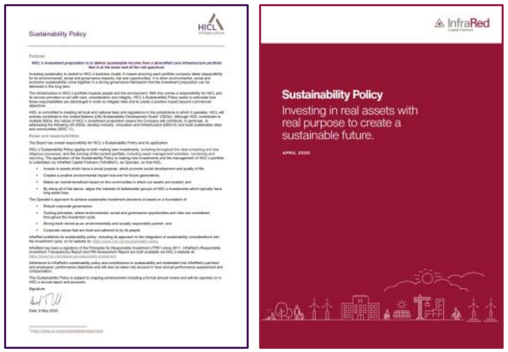
Sustainable Thinking

A long-term approach to investing in, and managing, core infrastructure

HICL Infrastructure

Policy and procedures

- Updated sustainability policies



- Integrated into Terms of Reference

HICL Board
has overall responsibility for HICL's Sustainability Policy

Risk Committee
oversees risk management

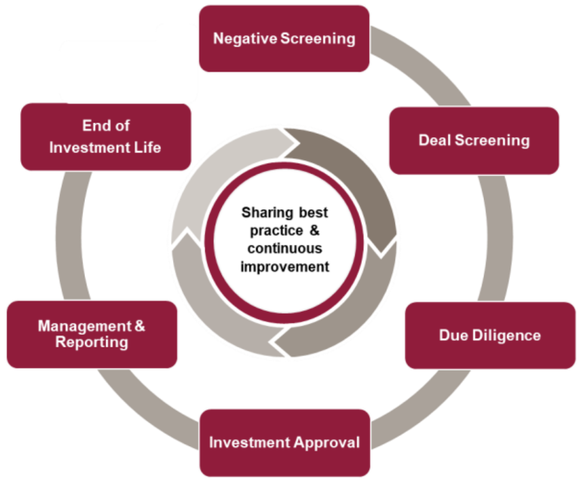
Audit Committee
oversees approach to disclosures

Nomination Committee
ensures diversity amongst Directors

Management Engagement Committee
oversees service providers

Action

- Embedded in InfraRed's investment process



- InfraRed has appointed a Sustainability Manager
- Sustainability incorporated into InfraRed's staff[1] objectives
- InfraRed on track to become a 'net zero' carbon firm

Reporting

- InfraRed is a signatory of the Principles of Responsible Investment

Signatory of:

PRI Principles for Responsible Investment

A+
for fifth consecutive year[2]

- Refreshed sustainability reporting in HICL's Annual Report
- Reporting against the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations, including Streamlined Energy and Carbon Reporting (SECR)

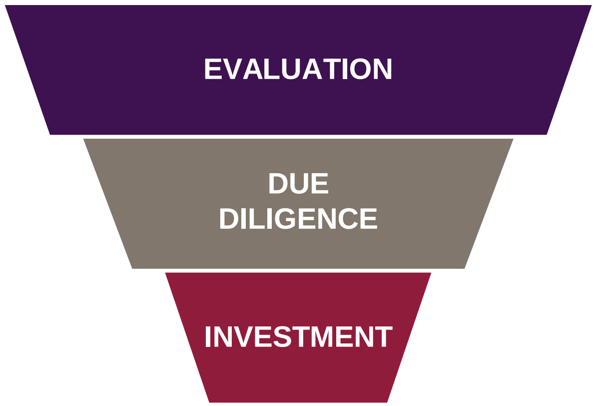
SUSTAINABLE DEVELOPMENT GOALS

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

1. Partners and employees
2. Rating for InfraRed's Infrastructure business. The PRI assessment methodology can be found on the PRI website: www.unpri.org/report/about-reporting-and-assessment. InfraRed's Responsible Investment Transparency Report and PRI Assessment Report are both available via HICL's website at: https://www.hicl.com/about-us/responsible-investment

Investment Activity

Market coverage filtered by focused acquisition strategy and investment discipline



44 New deals reviewed in the year

23 Transactions subject to detailed due diligence

3 Investments completed for HICL
11 live opportunities[1]

Acquisition Activity

Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired / Disposed	Current Stake	Date
£14m	New	Operational	Galloper OFTO	Regulated	Electricity, Gas & Water	49%	49%	Feb-20
£24m	New	Operational	Race Bank OFTO	Regulated	Electricity, Gas & Water	49%	49%	Oct-19
£50m[2]	New	Construction	Blankenburg Connection	PPP	Transport	70%	70%	Jul-19
Disposal Activity								
£52m	Disposal	Operational	Health & Safety Labs	PPP	Education	80%	0%	Nov-19
	Disposal	Operational	South West Hospital Enniskillen	PPP	Health	39%	0%	Nov-19

1. As at 20 May 2020
2. Commitment to invest approximately £50m in the form of a deferred equity subscription

Risk and Risk Management[1] I

HICL Infrastructure

Covid-19 and economic disruption

- ▲ Business continuity plans implemented by HICL's service providers and by the Investment Manager across the portfolio. The well-being of HICL's service providers' staff, portfolio company management teams and subcontractor staff who work within HICL's portfolio is of paramount importance
- ▲ The availability of the infrastructure in the portfolio to the public sector and end users has not been significantly impacted to date. Changes to service levels as a result of subcontractor staffing levels discussed and agreed proactively with public-sector clients where necessary
- ▲ Delays to the delivery of construction assets are possible, though expected to be accommodated within current timetables or trigger force majeure events resulting in relief action by public-sector clients
- ▲ Government-enforced restrictions on the movement of people has impacted those demand-based assets with returns correlated to GDP. The final impact is dependent on severity and duration of resulting economic disruption. Stress and sensitivity scenarios are provided on pages 61-63
- ▲ The financial impact of Covid-19 on HICL's demand-based assets is discussed on page 19

Political and regulatory risk

- ▲ Politics and regulation are key underlying risks that are inherent in infrastructure investment
- ▲ Easing of UK political risk since the December 2019 general election
- ▲ The resolution of the UK water sector's Price Review process (PR19) gives Affinity Water's management team clarity for the next five years

1. The key risks and the strategies employed by InfraRed to manage and mitigate those risks have not changed materially from those set out in detail in Section 3.7 of the Annual Report, which is available on the Company's website

Risk and Risk Management[1] II

Counterparty risk and construction defects

- Counterparty risk primarily manifests itself as either counterparty failure or underperformance of contractors
- InfraRed actively monitors the financial health of the portfolio's counterparties, including clients / customers, lenders / banks, and delivery partners such as construction and maintenance sub-contractors
- Construction defects are, in most cases, revealed through the regular programme of operations and maintenance activities, or as a result of surveys commissioned by InfraRed. If unresolved, these defects may impact asset availability and / or the ability for projects to make distributions to investors
- Remediation of defects detected within the statutory limitations period is the responsibility of the relevant construction subcontractor. An arbitration or court process is used where disputes arise and cannot be commercially resolved
- Where applicable, the resolution of construction defects is a key priority. However, the onset of Covid-19 is expected to affect the ability to investigate and remediate defects on certain assets (e.g. hospitals), which may delay resumption of distributions for certain projects

Climate change

- For most concessions, performance risk, including that arising from adverse climate change, is mitigated through risk pass-down to subcontractors, insurance coverage and public-sector client relief events
- HICL's Investment Committee provides oversight and challenge to ensure appropriate assessment of sustainability risks and opportunities, including those arising from climate change
- InfraRed's approach to climate change considerations has enabled HICL to start reporting against the Taskforce for Climate-related Financial Disclosures ("TCFD") guidance. Looking forward, InfraRed will be undertaking climate change related risk analysis on the portfolio and HICL will report on this next year
- 87% of HICL's portfolio companies reported having energy usage reduction initiatives in calendar 2019

1. The key risks and the strategies employed by InfraRed to manage and mitigate those risks have not changed materially from those set out in detail in Section 3.7 of the Annual Report, which is available on the Company's website

Market, Outlook and Concluding Remarks

Salford Hospital, UK

Market and Outlook

HICL Infrastructure

Market

- Long-term cash yields from core infrastructure assets continue to attract institutional investors in the current low interest rate environment
- Oxford Economics estimates that c. US$1.3tn must be invested in infrastructure in developed markets every year to 2040[1] to support forecast growth rates and demographic change
- In this context, new opportunities will arise to further enhance HICL's portfolio construction and improve key portfolio metrics

Outlook

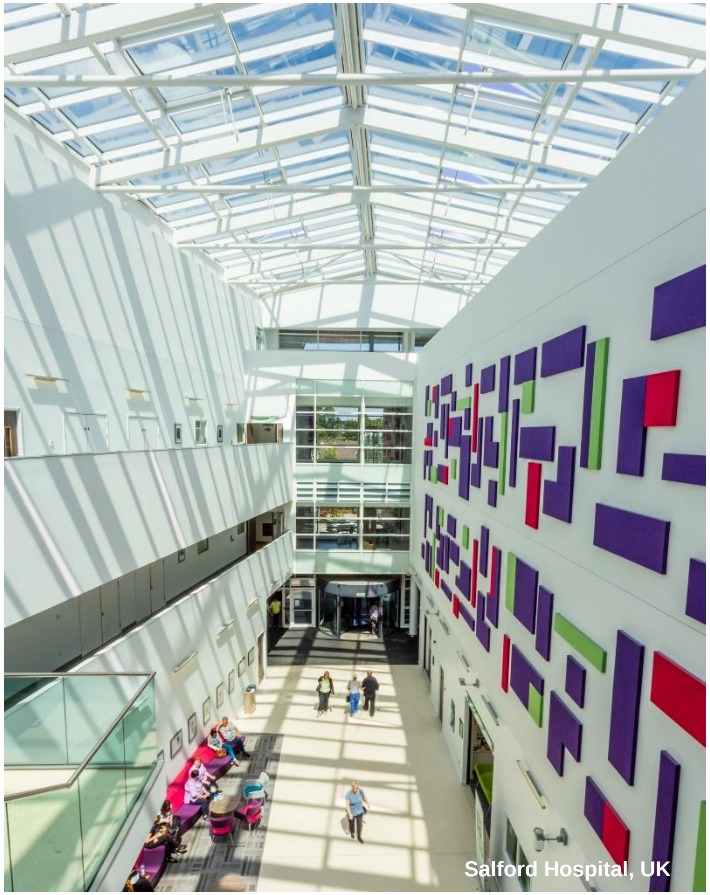
- InfraRed continues to prioritise active management of HICL's portfolio to protect the service delivery of essential public infrastructure and preserve the value in HICL's portfolio for shareholders during the Covid-19 pandemic
- InfraRed, on behalf of HICL, has developed an attractive pipeline of core infrastructure investment opportunities across markets and sectors - and will selectively progress transactions
- Selective disposals will continue to be pursued where these improve HICL's investment parameters, enabling the redeployment of capital into accretive acquisitions or managing the Group's funding position

1. Oxford Economics and Global Infrastructure Hub "*Global Infrastructure Outlook: Infrastructure investment needs, 50 countries, 7 sectors to 2040*", July 2017

Concluding Remarks

Delivering Real Value.

- Solid underlying portfolio performance offset by external factors: exceptional impact of Covid-19 and changes in forecast macro-economic assumptions
- HICL has further strengthened its balance sheet with successful capital raising and refinancing of its RCF
- Target dividend guidance of 8.25p per share[1] for the year ending 31 March 2021
- Investment characteristics of core infrastructure are as attractive as ever in the current environment, positioning HICL well for the future



Salford Hospital, UK

1. This is not a profit forecast; there can be no assurance that this target will be met. Capital and income at risk

Appendix I

The Investment Manager

Overview of InfraRed Capital Partners Ltd ("InfraRed")

InfraRed is the Investment Manager and Operator

HICL Infrastructure

- Strong, 25+ year track record of launching 19 infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$12bn of equity under management[1]
- Independent manager owned by senior management team[2]
- London based, with offices in Hong Kong, Mexico City, New York, Seoul and Sydney, with over 190 partners and staff
- In December 2019, InfraRed announced an agreement whereby Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life") will purchase a majority stake in InfraRed. The Sun Life acquisition will provide further support to InfraRed in its role as Investment Manager to HICL over the coming years

Infrastructure funds	Strategy	Amount[3] (m)	Years	Status
Fund I	Unlisted, capital growth	£125	2001-2006	Realised
Fund II	Unlisted, capital growth	£300	2004-2015	Realised
HICL Infrastructure PLC ("HICL")	Listed, income yield	£3,071[4]	Since 2006	Evergreen
Environmental Fund	Unlisted, capital growth	€235	Since 2009	Divesting
Fund III	Unlisted, capital growth	US$1,200	Since 2011	Divesting
Yield Fund	Unlisted, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group ("TRIG")	Listed, income yield	£2,017[4]	Since 2013	Evergreen
Fund V	Unlisted, capital growth	US$1,200	Since 2017	Investing

Source: InfraRed
1. As at 31 March 2020
2. InfraRed is an indirect subsidiary of InfraRed Partners LLP
3. For HICL and TRIG this relates to market capitalisation. For all others this relates to the initial fund investment amount, and not current fund valuations
4. Market capitalisation as at 30 April 2020. Source: Thomson Reuters Datastream

InfraRed – Infrastructure Team Skills and Experience

- Proven track record in target markets of UK, Europe, North America, Latin America and Australia / New Zealand
- Focused teams including:
  - Origination and Execution Team responsible for sourcing, diligencing and acquiring new investment opportunities;
  - Asset Management Team responsible for managing the portfolio;
  - Portfolio Management Team responsible for financial reporting and management;
  - With support from Finance, Compliance and Risk
- Strong sector and geographic experience with in-depth technical, operational and investment knowledge

90+ infrastructure professionals

5 continent coverage

20+ spoken languages

Investment Committee

Senior InfraRed team, experienced in making and managing infrastructure investments

Werner von Guionneau - Chief Executive Officer
Werner is the Chief Executive Officer of InfraRed and is one of InfraRed's Managing Partners. He is focused on developing strategy and driving the evolution and growth of the business.

Chris Gill - Deputy Chief Executive Officer
Chris joined InfraRed in 2008 as Deputy Chief Executive. Chris is one of InfraRed's Managing Partners. Chris has had extensive involvement with a variety of leverage, structured and cashflow based financings internationally.

Harry Seekings - Co-Head, Infrastructure
Harry joined InfraRed in 1998 and is one of InfraRed's Managing Partners. Harry leads the team that manages HICL.

Keith Pickard - Director, Infrastructure
Keith joined InfraRed in 2007 and is one of InfraRed's Partners. Keith is currently responsible for managing the financial activities carried out by InfraRed for HICL.

Stewart Orrell - Director, Asset Management
Stewart joined InfraRed in November 2015 and is one of InfraRed's Partners. Stewart is responsible for managing the activities of the asset management team.

Tony Roper - Senior Adviser
Tony joined InfraRed in 2006. Tony is a Senior Adviser to the infrastructure team and sits on a number of the infrastructure investment committees.

Appendix II
Company Information

HICL's Characteristics

Objective	▲ To deliver long-term, stable income from a diversified portfolio of core infrastructure investments ▲ Focused on investments at the lower end of the risk spectrum, which generate inflation-correlated long-term returns
History	▲ IPO in 2006, 13 successive years of dividend growth ▲ First infrastructure investment company to list on the main market of the London Stock Exchange ▲ Member of the FTSE 250 index
Portfolio	▲ 117 investments, as at 31 March 2020 (115 operational and two under construction) ▲ Assets spread across six sectors and seven countries
Net Asset Value	▲ Directors' Valuation of £2,888.5m at 31 March 2020 (31 March 2019: £2,998.9m)[1] ▲ NAV/share of 152.3p at 31 March 2020 (31 March 2019: 157.5p) ▲ Directors' Valuation based on a weighted average discount rate of 7.2% (31 March 2019: 7.2%)
Board and Governance	▲ Board comprises eight independent non-executive Directors ▲ Investment Manager and Operator is InfraRed, a leading international investment manager focused on infrastructure and real estate
Fees and ongoing charges	▲ Tapered annual management fee based on portfolio's Adjusted Gross Asset Value (GAV)[2] ▲ Ongoing charges percentage (as defined by the Association of Investment Companies) of 1.11% at 31 March 2020 (31 March 2019: 1.08%)
Liquidity[3]	▲ Good daily liquidity – average daily trading volume of over 2.8m shares ▲ Tight bid / offer spread

1. Including £77.0m of future investment obligations (31 March 2019: £89.3m)
2. Annually: 1.1% on GAV up to £750m, 1.0% thereafter up to GAV of £1.5bn, 0.9% thereafter up to GAV of £2.25bn, 0.8% thereafter up to GAV of £3.0bn, and 0.65% thereafter; plus a £0.1m investment advisory fee
3. Source: Thomson Reuters Datastream, year to 31 March 2020

Infrastructure Market Map

Schematic showing HICL's Investment Policy[1] Scope

Examples: hospitals, schools, government accommodation and availability transport (e.g. road/rail)

Examples: gas and electricity transmission and distribution; water utilities; district heating

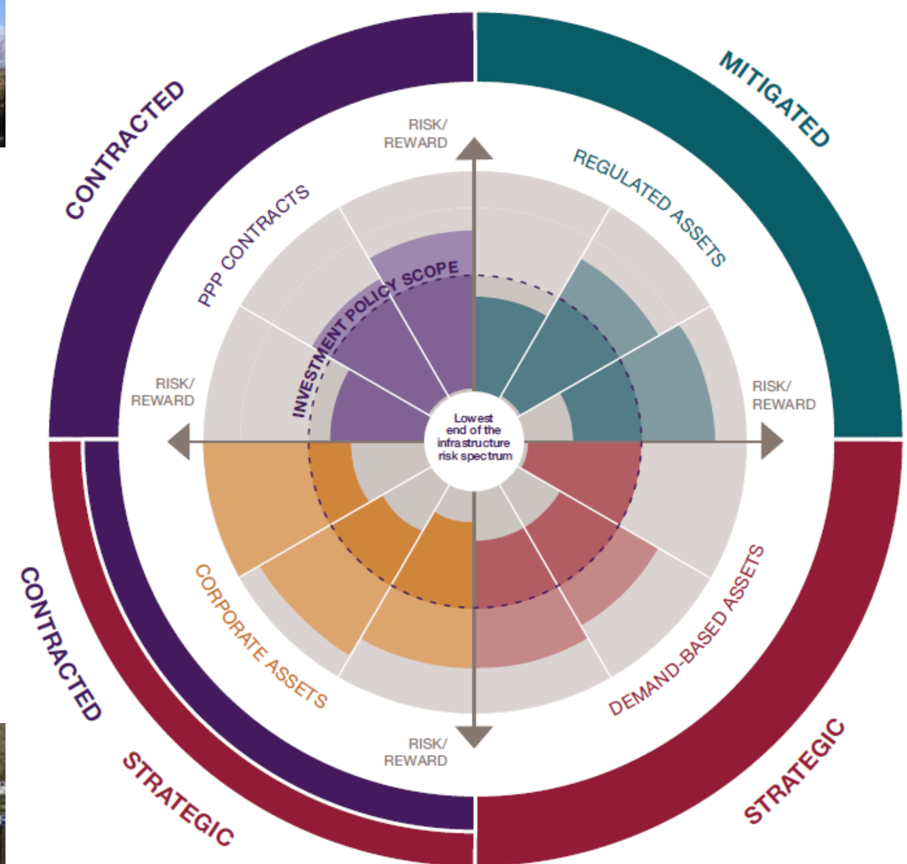


Chart Key
- Inner wheel denotes **Revenue Profile**
- Outer wheel denotes **Investment Categorisation**

Examples: rolling stock

Examples: operational toll roads, tunnels, bridges; student accommodation

1. The Investment Policy can be found on the HICL website

HICL Infrastructure PLC Group Structure Diagram

Independent Directors[1]

- Governance
- Oversight
- Strategy

Investment Manager

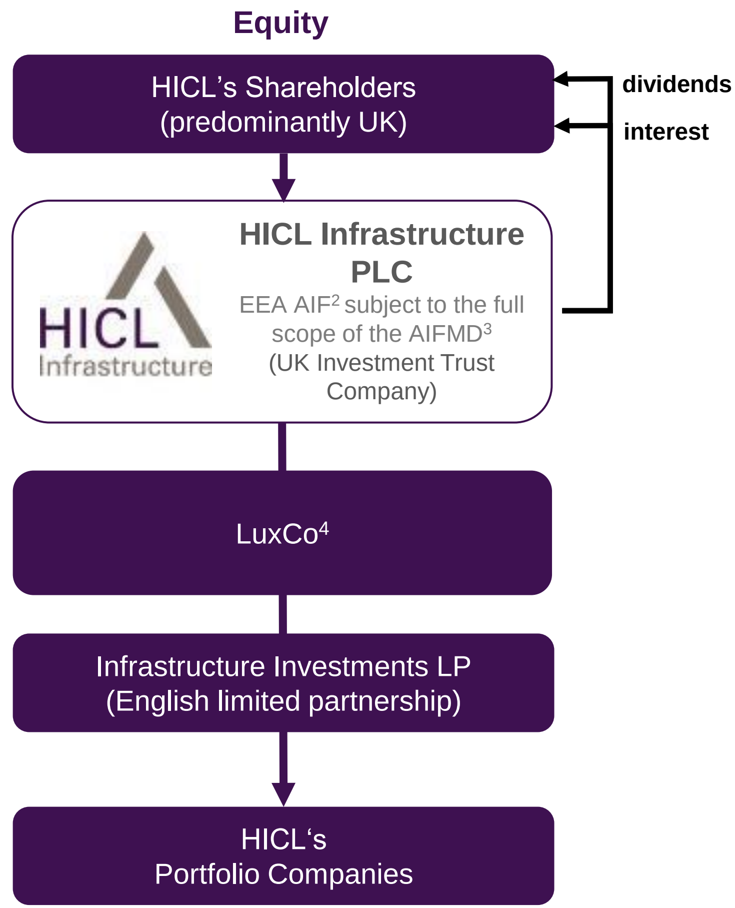
- HICL's AIFM
- Fund Management
- Strategy
- Reporting
- Acquisitions and Disposals
- Asset Management
- Risk and Portfolio Management

Company Secretary

- Aztec Financial Services (UK) Limited

Advisers and Service Providers

- Legal
- Corporate Broking
- Public Relations



1. Independent of the Investment Manager
2. Alternative Investment Fund, as defined by the EU's Alternative Investment Fund Managers Directive
3. Alternative Investment Fund Managers Directive
4. LuxCo2 and until 12 March 2020, LuxCo1

Governance

Independent board of non-executive Directors

- Approves and monitors adherence to strategy
- Monitors risk through Risk Committee
- Additional committees in respect of Audit, Remuneration, Management Engagement, Nomination and Market Disclosure
- Monitors compliance with, and implementation of actions to address, regulation impacting HICL
- Sets Group's policies
- Monitors performance against objectives
- Oversees capital raising (equity or debt) and deployment of cash proceeds
- Appoints service providers and auditors

Investment Manager: InfraRed

- Fulfils HICL's AIFM[1] responsibilities under the European Commission's Alternative Investment Fund Managers Directive
- All ongoing reporting
- Day-to-day management of portfolio within agreed parameters
- Utilisation of cash proceeds
- Full discretion within strategy determined by Board over acquisitions and disposals (through Investment Committee)
- Authorised and regulated by the Financial Conduct Authority

1. Alternative Investment Fund Manager

Sustainable Thinking

A long-term approach to investing and managing core infrastructure

The Board has overall responsibility for HICL's Sustainability Policy including the potential impact of climate change

InfraRed applies HICL's Sustainability Policy applies to making new investments and the management of HICL's portfolio

Risk Committee
oversees risk management process

Management Engagement Committee
ensures service providers adhere to HICL's Sustainability Policy

Nomination Committee
ensures diversity amongst Directors, to bring broad expertise to the Board's discussions and oversight

Audit Committee
oversees approach to disclosures, relating to climate change

Signatory of:

PRI Principles for Responsible Investment

A+
fifth consecutive year[1]

Of HICL's portfolio companies:

- ▲ 100% have a health & safety policy
- ▲ 97% use a risk register
- ▲ 90% have an ESG policy and 68% make voluntary contributions to charitable or community activities
- ▲ 87%, 80% and 78% have energy usage, water usage and waste reduction initiatives, respectively

InfraRed's four key stakeholder initiatives:

- ▲ Stakeholder mapping and strategic engagement;
- ▲ An industry knowledge centre - learnings from over 400 assets[1];
- ▲ Database of project history; and
- ▲ Critical issue management framework.

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

1. Rating for InfraRed's Infrastructure business. The PRI assessment methodology can be found on the PRI website: www.unpri.org/report/about-reporting-and-assessment. InfraRed's Responsible Investment Transparency Report and PRI Assessment Report are both available via HICL's website at: https://www.hicl.com/about-us/responsible-investment
2. Best-practice guidelines are developed, and lessons are learned, from both within HICL's portfolio of assets and the portfolio's management service providers who altogether manage a portfolio, including HICL investments, of over 400 assets

Board of Directors I

Non-executive Directors with a broad range of relevant experience and qualifications

Ian Russell, CBE
Chairman

Ian, HICL's Chairman, is resident in the UK and is a qualified accountant. He worked for Scottish Power plc between 1994 and 2006, initially as Finance Director and, from 2001, as its CEO. Prior to this, he spent eight years as Finance Director at HSBC Asset Management, in Hong Kong and London.

Ian is chair of Scottish Futures Trust and Herald Investment Trust.

Frank Nelson
Senior Independent Director

Frank, a UK resident, is a qualified accountant. He was Finance Director of the construction and house-building group Galliford Try plc from 2000 until October 2012, having held the position at Try Group plc from 1987.

After Galliford Try, he took on the role of interim CFO of Lamprell plc in the UAE.

Following his retirement, Frank was appointed as the Senior Independent Director of McCarthy and Stone and Eurocell. He is also Chair of a privately owned contracting and property development group.

Rita Akushie
Director

Rita has more than 20 years' experience acting in leadership and finance roles for housing associations and charities, including at Newlon Group, where she was Chief Financial Officer and then Deputy Chief Executive; and subsequently as Group Finance Director for Thames Valley Housing.

Currently, Rita serves as Chief Financial Officer and Executive Director, Corporate Resources, for Cancer Research UK, as well as acting as Chair of the Audit Committee for the Beatson Institute.

Rita graduated with a BA in Economics and French from the University of Ghana. She is a Fellow of the Institute of Chartered Accountants of England and Wales and a Fellow of the Association of Corporate Treasurers.

Mike Bane
Director

Mike, a Guernsey resident, is a chartered accountant with over 35 years of audit and advisory experience in the asset management industry including in relation to infrastructure investment companies. Mike led EY's services to the asset management industry in the Channel Islands and was a member of EY's EMEIA Wealth and Asset Management Board. Prior to EY, Mike was at PwC. Mike was president of the Guernsey Society of Charted and Certified Accountants from 2015 – 2017.

Mike graduated with a BA in Mathematics from the University of Oxford and is a long-standing member of the Institute of Chartered Accountants in England and Wales.

Board of Directors II

Non-executive Directors with a broad range of relevant experience and qualifications

Frances Davies
Director

Frances has more than 30 years of experience across various roles within the banking and asset management industries. Since 2007, she has been a partner of Opus Corporate Finance, a corporate finance advisory business. Prior to that she served as Head of Global Institutional Business at Gartmore Investment Management. Previously she held roles at Morgan Grenfell Asset Management and SG Warburg.

Frances currently serves as a non-executive director of JPMorgan Smaller Companies Investment Trust plc and Aegon Investments Ltd; an independent member of the Aviva With-Profits Committee; and is a member of the Hermes Property Unit Trust committee.

Susie Farnon
Audit Committee Chair

Sally-Ann (known as Susie), a Guernsey resident, is a Fellow of the Institute of Chartered Accountants in England and Wales, and is a non-executive director of a number of property and investment companies.

Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit at KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants, as a member of The States of Guernsey Audit Commission and as Vice-Chairman of The Guernsey Financial Services Commission, and is a director of the Association of Investment Companies.

Simon Holden
Risk Committee Chair

Simon, a Guernsey resident, brings Board experience from both private equity and portfolio company operations roles at Candover Investments then Terra Firma Capital Partners. Since 2015, Simon has become an active independent director to listed investment company, private equity fund and trading company Boards.

Simon holds the DipIoD in Company Direction from the Institute of Directors, graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering and is an active member of Guernsey's GIFA, NED Forum and IP Commercial Group.

Kenneth D. Reid
Director

Kenneth, a Singapore resident, has more than 30 years international experience in infrastructure development, construction and investment. Initially with Kier Group, and then from 1990 with Bilfinger Berger AG, Ken served globally in various senior management roles, including as a member of the Group Executive Board of Bilfinger between 2007 and 2010.

Ken graduated in Civil Engineering from Heriot-Watt University with First Class Honours and then Edinburgh Business School with an MBA. He is a Chartered Engineer, a non-executive director of Sicon Limited, and a member of the Singapore Institute of Directors.

Key Performance Indicators ("KPIs")

KPI	Measure[1]	31 March 2020	31 March 2019	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the period	**8.25p**	**8.05p**	An annual distribution of at least that achieved in the prior year	**Achieved**
Total Shareholder Return	NAV growth and dividends paid per share since IPO	**9.0% p.a.**	**9.4% p.a.**	A long-term IRR target of 7% to 8% as set out at IPO[1]	**Achieved**
Cash-covered Dividends	Operational cash flow / dividends paid to shareholders	**1.14x[2]**	**1.27x**	Cash-covered dividends	**Achieved**
Positive Inflation Correlation	Changes in the expected portfolio return for 1% p.a. inflation change	**0.8%**	**0.8%**	Maintain positive correlation	**Achieved**
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[3]	**1.11%**	**1.08%**	Efficient gross (portfolio level) to net (investor level) returns, with the intention to reduce ongoing charges where possible	**Market competitive cost proposition**

Past performance is not a reliable indicator of future returns. Capital and income at risk

1. Set by reference to the issue price of 100p per share, at the time of HICL's IPO in March 2006
2. Including profits on disposal. Excluding this, dividend cash cover would have been 1.03x (2019: 1.03x)
3. Calculated in accordance with Association of Investment Companies guidelines. Ongoing charges exclude non-recurring items such as acquisition cost

Key Quality Indicators ("KQIs")[1]

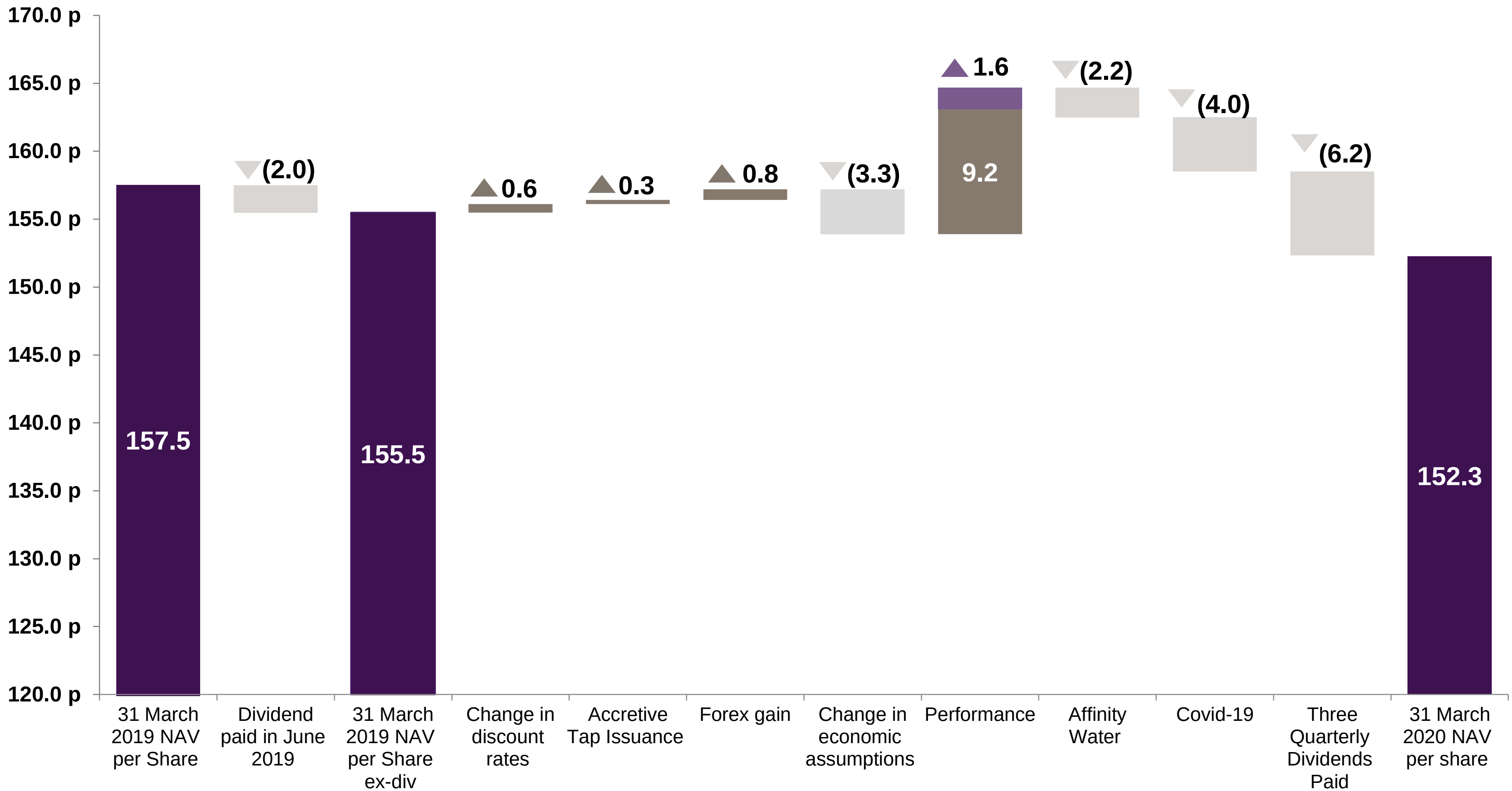
HICL Infrastructure

KQI	Measure[1]	31 March 2020	31 March 2019	Objective	Commentary
Investment Concentration Risk	Percentage of portfolio value represented by the ten largest investments	**44%**	**45%**	Maintain a diversified portfolio of investments (thereby mitigating concentration risk) and, at all times, remain compliant with HICL's Investment Policy	**Within acceptable tolerances**
	Percentage of portfolio value represented by the single largest investment	**6%**	**7%**		
Risk/Reward Characteristics	Percentage of portfolio value represented by the aggregate value of projects with construction and/or demand-based risk[2]	**23%**	**24%**	Compliance with HICL's Investment Policy, to be lower than the aggregate limit of 35% for such investments	**Achieved**
Unexpired Concession Length	Portfolio's weighted-average unexpired concession length	**27.8 years**	**29.5 years**	Seek where possible investments that maintain or extend the portfolio concession life	**Within acceptable tolerances**
Treasury Management	FX gain / (loss) as a percentage of the NAV	**0.5%**	**0.3%**	Maintain effective treasury management processes, notably: • Appropriate FX management (confidence in near-term yield and managing NAV gain / (loss) within Hedging Policy limits) • Efficient cash management (low net cash position)	**Within acceptable tolerances**
	Cash less current liabilities on an Investment Basis as a percentage of the NAV	**0.5%**	**(0.3%)**		
Refinancing Risk	Investments with refinancing risk as a percentage of portfolio value	**12%**	**13%**	Manage exposure to refinancing risk	**Achieved**

1. Performance data for the year to 31 March 2020. Refer to the Annual Report for details of the measures and supporting information
2. 'More diverse infrastructure investments' made with the intention 'to enhance returns for shareholders', as permitted by HICL's Investment Policy – namely pre-operational projects, demand-based projects and/or other vehicles making infrastructure investments. Further details are set out in the Investment Policy, available from HICL's website

Analysis of Change in NAV per Share[1]

Year to 31 March 2020



1. The sum of the movements (grey and light purple) may not equate to the overall change (dark purple bars), due to rounding

Summary Financials I

Figures presented on an Investment Basis[1]

Income Statement	For the year ended 31 March 2020	For the year ended 31 March 2019
Total income	£86.7m	£324.1m
Fund expenses & finance costs	(£36.7m)	(£38.4m)
Profit before tax	£50.0m	£285.7m
Earnings per share[2]	**2.7p**	**15.9p**
Ongoing charges[3]	**1.11%**	**1.08%**

Balance Sheet (as at)	31 March 2020	31 March 2019
Investments at fair value[4]	**£2,811.5m**	**£2,909.6m**
NAV per share[2] (before final dividend)	152.3p	157.5p
Interim dividend	(2.07p)	(2.01p)
NAV per share (after interim dividend)	**150.2p**	**155.5p**

Comparative data in the tables above (for the year to 31 March 2019, and as at 31 March 2019) relates to HICL Infrastructure Company Limited, being the owner of HICL's investment business until 1 April 2019

1. Investment Basis is the same basis as was applied in prior years. See the Annual Report for further details
2. Earnings per share and NAV per share are the same under IFRS and Investment Basis
3. Calculated in accordance with Association of Investment Companies' guidelines
4. Directors' Valuation at 31 March 2020 of £2,888.5m net of £77.0m of future investment obligations (31 March 2019: £2,998.9m net of £89.3m)

Summary Financials II

Figures presented on an Investment Basis[1]

Cash Flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening net debt	(£84.3m)	(£115.2m)
Net operating cash flow	**£169.1m**	**£178.9m**
Investments (net of disposals)	(£16.0m)	(£6.7m)
Equity raised (net of costs)	£115.2m	(£0.2m)
Forex movements and debt issue costs	(£6.9m)	(£0.5m)
Dividends paid	(£148.4m)	(£140.6m)
Net cash / (debt)	**£28.7m**	**(£84.3m)**
Dividend cash cover	**1.03x[2]**	**1.03x[3]**

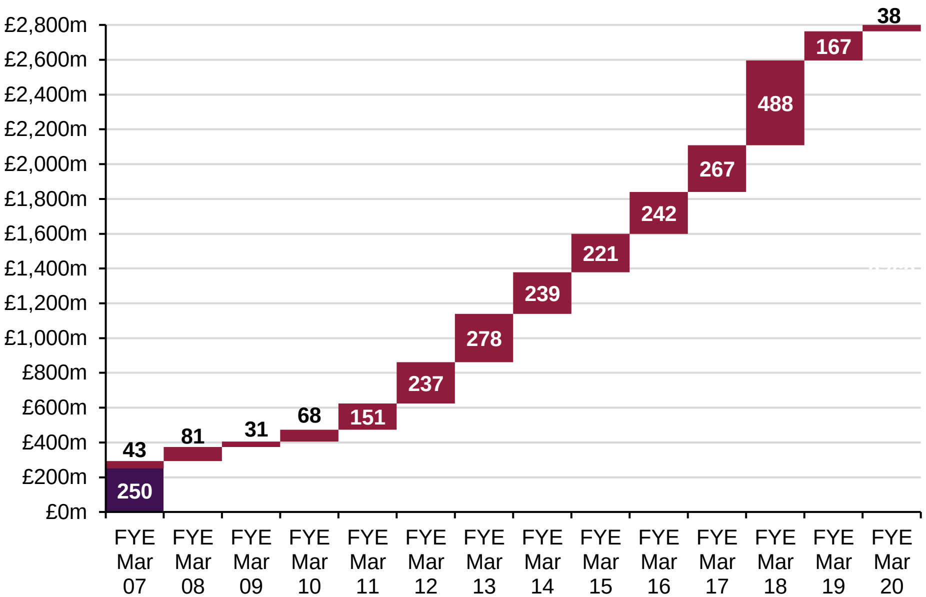
Comparative data in the tables above (for the year to 31 March 2019) relates to HICL Infrastructure Company Limited, being the owner of HICL's investment business until 1 April 2019

1. Investment Basis is the same basis as was applied in prior years. See the Annual Report for further details
2. Excluding profit on disposals in the period of £16.4m. Including this, dividend cash cover would have been 1.14x
3. Excluding profit on disposals in the period of £34.0m. Including this, dividend cash cover would have been 1.27x

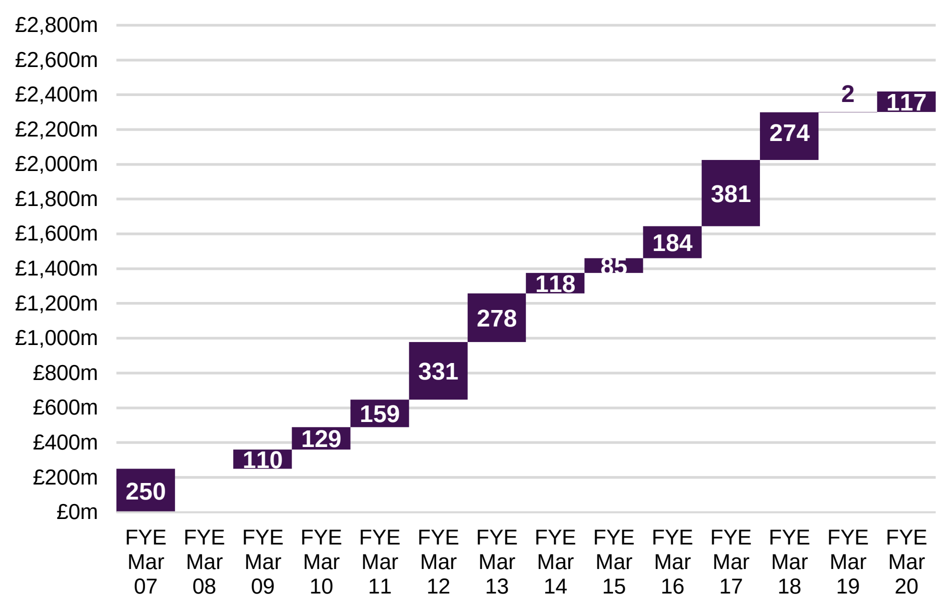
Investment and Capital Raising

- Acquisitions are identified which fit the Acquisition Strategy; facilitated by demand for HICL shares
- Acquisitions are initially debt-funded (using £400m committed Revolving Credit Facility at Group level), to avoid cash drag and to give shareholders visibility over the new investments, and then refinanced through equity issuance (subject to market conditions)
- HICL raised £250m at initial IPO and c.£2.2bn through subsequent share issues

194 Acquisitions[1] since IPO to 31 March 2020 totaling £2.8bn



Over £2.4bn of Equity Issuance from IPO to 31 March 2020[2]



1. Split into 117 investments, as at 31 March 2020. Excludes disposals, the proceeds of which have been reinvested
2. Includes primary and secondary issuance by way of tap and scrip issues

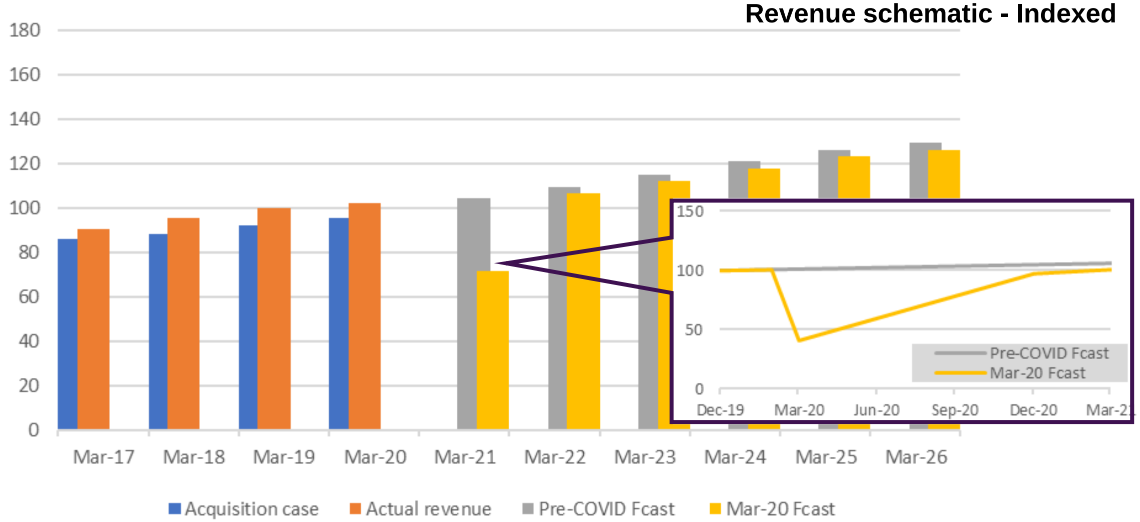
Demand-based Assets Impacted by Covid-19 I

A63 Motorway (France) revenue modelling

- ▲ The A63 Motorway in southwest France performs an important strategic link as part of the TEN-T trans-European network of roads, airports, railways and water infrastructure, establishing intermodal, long-distance and high-speed corridors in the EU
- ▲ Traffic impacted by the Spanish Border closure to passenger vehicles, though the order remains open to heavy goods vehicles. Revenues levels have decreased by 50% - 60%
- ▲ Project structured appropriately for the revenue risk; reserve account provides additional liquidity for six months of debt service
- ▲ Project well positioned to benefit from the resumption of economic activity

Downturn & recovery in FY21; longer-term permanent reduction in revenues

Revenue schematic - Indexed



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Lockdown conditions persist until 30 June 2020
- Revenues recover gradually each quarter, returning to normal operating conditions from 1 January 2021
- For longer-term forecasts assumed traffic is effectively rebased using median economic forecasts[1] for calendar years 2020 and 2021 (cumulative -1.0% in France) and then reverts to HICL's pre-Covid-19 growth assumptions
- The effect of this recasting of the growth profile is that underlying traffic takes approximately 2 years to reach pre-Covid-19 levels

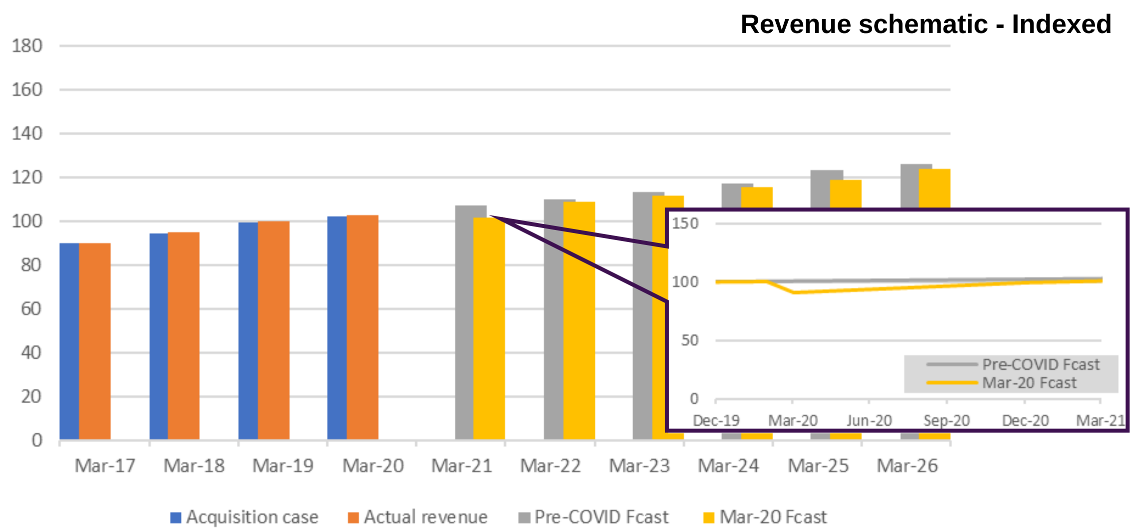
1. GDP forecasts published between 20 March 2020 and 27 April 2020

Demand-based Assets Impacted by Covid-19 II

High Speed 1 (UK) revenue modelling

- High Speed 1 ("HS1") has strong strategic positioning as the UK's only high speed rail link and the only rail connection between London and Europe
- Travel for business and leisure segments alike has largely ceased due to widespread restrictions on movement in both the UK and France. Contracted train path access revenues continue to be received in line with budget however income from retail units and car parking has decreased by c. 85%
- The project structured appropriately for the revenue risk; debt service covered by contracted revenues for 2020
- Well positioned to benefit from the easing of widespread travel restrictions and the economic recovery

Downturn & recovery in FY21; longer-term permanent reduction in revenues



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Contracted bookings for domestic and international train paths provide significant short-term revenue mitigation
- Lockdown conditions persist until 30 June 2020 impacting uncontracted revenues (retail units and car parking), returning to steady-state from 1 January 2021
- Longer-term assumptions for international train paths are rebased using median GDP forecasts for calendar years 2020 and 2021 (cumulative -1.5% for UK), after which revenue growth rates are in line with pre-Covid-19 assumptions
- Planned domestic growth in train paths has been assumed to be pushed back two years
- The effect of this recasting of the revenue profile is that underlying international and domestic train paths take approximately 3.25 years to reach the pre-Covid-19 levels

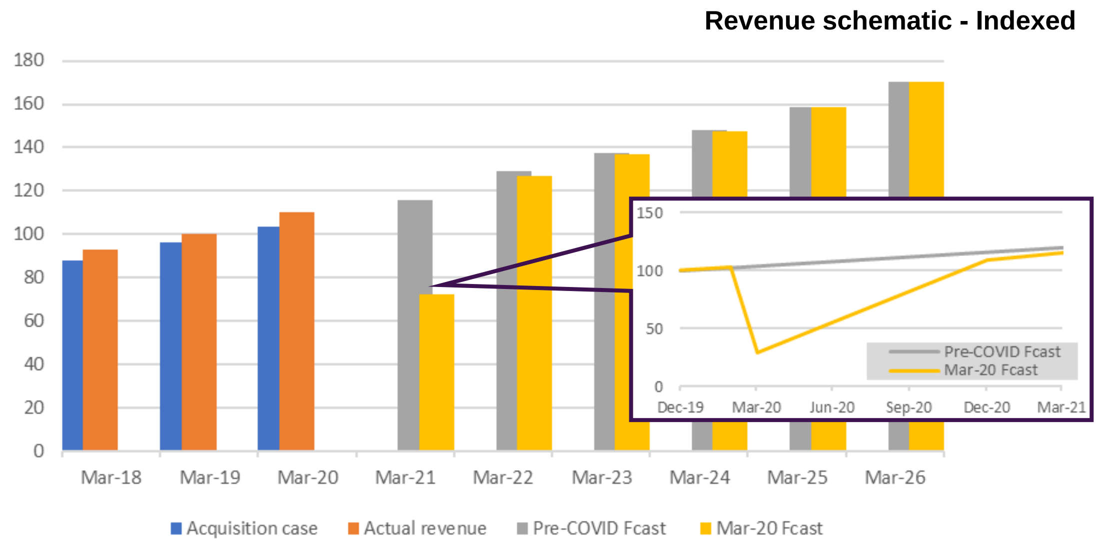
1. GDP forecasts published between 20 March 2020 and 27 April 2020

Demand-based Assets Impacted by Covid-19 III

Northwest Parkway (USA) revenue modelling

- The Northwest Parkway forms part of the orbital road around Denver, Colorado providing access to providing access to residential and employment centres within the north-western metropolitan area and the Denver International Airport
- Traffic has decreased significantly with the onset of Covid-19-related travel restrictions in March. Revenues levels have decreased by c.75%
- The project is appropriately structured with available project level liquidity sufficient to cover debt service to June 2023
- The asset's strong market position means it is well positioned to benefit from the economic recovery

Downturn & recovery in FY21; longer-term permanent reduction in revenues



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Lockdown conditions persist until 30 June 2020
- Revenues recover gradually each quarter, returning to normal operating conditions from 1 January 2021
- For longer-term forecasts assumed traffic is effectively rebased using median economic forecasts[1] for calendar years 2020 and 2021 (cumulative -0.5% in USA) and then reverts to HICL's pre-Covid-19 growth assumptions
- The effect of this recasting of the growth profile is that underlying traffic takes approximately 2 years to reach pre-Covid-19 levels

1. GDP forecasts published between 20 March 2020 and 27 April 2020

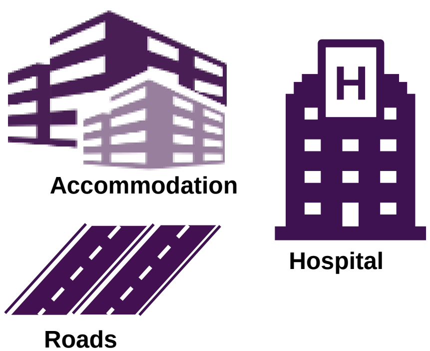
Acquisition Strategy

Investment Policy unchanged since IPO in 2006

HICL Infrastructure

PPP

Social infrastructure, availability-based transportation

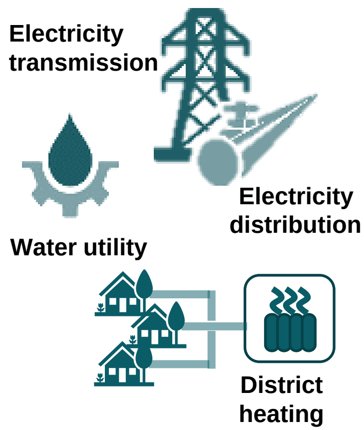


Northern Europe & North America; particularly greenfield opportunities. Acquisitions in the UK targeting incremental stakes

Contracted

Regulated

Water utilities, electricity transmission and distribution

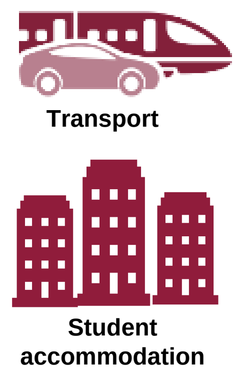


Further UK OFTOs in the immediate pipeline

Mitigated

Demand-based

Toll roads, student accommodation

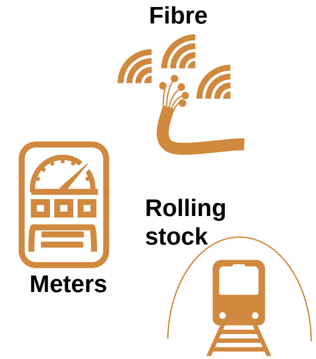


Pipeline of toll roads in Europe and North America; opportunities to be assessed as portfolio grows. Current portfolio limits reman

Strategic

Corporate

Rolling stock leasing or metering business with appropriate structure



Defensive assets with partially contracted revenues underpinned with creditworthy corporate counterparties; non-discretionary demand

Strategic **Contracted**

Appendix III

The Investment Portfolio

Portfolio I

Portfolio of 117 assets

HICL Infrastructure

Education — **14% of Directors' Valuation[1]**

Bangor & Nendrum Schools	Ealing Schools	Manchester School	Rhondda Schools
Barking & Dagenham Schools	East Ayrshire Schools	Newham BSF Schools	Salford & Wigan BSF Phase 1
Belfast Metropolitan College	Ecole Centrale Supelec (France)	Newport Schools	Salford & Wigan BSF Phase 2
Boldon School	Edinburgh Schools	North Ayrshire Schools	Salford Schools
Bradford Schools 1	Falkirk Schools NPD	North Tyneside Schools	Sheffield Schools
Bradford Schools 2	Fife Schools 2	Norwich Schools	Sheffield BSF Schools
Conwy Schools	Haverstock School	Oldham Schools	South Ayrshire Schools
Cork School of Music (Ireland)	Health & Safety Labs	Paris-Sud University (France)	University of Bourgogne (France)
Croydon School	Helicopter Training Facility	Perth & Kinross Schools	West Lothian Schools
Darlington Schools	Irish Grouped Schools (Ireland)	PSBP NE Batch	Wooldale Centre for Learning
Defence Sixth Form College	Kent Schools	Renfrewshire Schools	
Derby Schools			

Fire, Law & Order — **7%**

Addiewell Prison	Exeter Crown and County Court	Metropolitan Police Training Centre	Sussex Custodial Centre
Breda Court (Netherlands)	Gloucestershire Fire & Rescue	Royal Canadian Mounted Police HQ	Tyne & Wear Fire Stations
Dorset Fire & Rescue	Greater Manchester Police Stations	South East London Police Stations	Zaanstad Prison (Netherlands)
D&C Firearms Training Centre	Medway Police		

Transport — **30%**

A9 Road (Netherlands)	A249 Road	High Speed 1	N17/N18 Road (Ireland)
A13 Road	Blankenburg Connection (The Netherlands)	Kicking Horse Canyon (Canada)	Northwest Parkway (USA)
A63 Motorway (France)	Connect PFI	M1-A1 Link Road	NW Anthony Henday (Canada)
A92 Road	Dutch High Speed Rail Link	M80 Motorway	RD901 Road (France)

1. By value, at 31 March 2020, using the Directors' Valuation of £2,888.5m

Portfolio II

Portfolio of 117 assets

Health			30% of Directors' Valuation[1]
Barnet Hospital	Doncaster Mental Health Hospital	Oxford John Radcliffe Hospital	South West Hospital Enniskillen
Birmingham Hospitals	Ealing Care Homes	Oxford Nuffield Hospital	Staffordshire LIFT
Birmingham & Solihull LIFT	Glasgow Hospital	Pinderfields & Pontefract Hospitals	Stoke Mandeville Hospital
Bishop Auckland Hospital	Hinchingbrooke Hospital	Queen Alexandra Hospital	Tameside General Hospital
Blackburn Hospital	Irish Primary Care Centres (Ireland)	Redbridge & Waltham Forest LIFT	West Middlesex Hospital
Blackpool Primary Care Facility	Lewisham Hospital	Romford Hospital	Willesden Hospital
Brentwood Community Hospital	Medway LIFT	Salford Hospital	
Brighton Hospital	Newton Abbot Hospital	Sheffield Hospital	
Central Middlesex Hospital	Oxford Churchill Oncology	Southmead Hospital	

Accommodation			11%
Allenby & Connaught	Miles Platting Social Housing	Northwood MoD HQ	Royal School of Military Engineering
Health & Safety Headquarters	Newcastle Libraries	Oldham Library	University of Sheffield Accommodation
Home Office			

Electricity Gas & Water			8%
Affinity Water	Burbo Bank OFTO	Race Bank OFTO	Galloper OFTO

Key

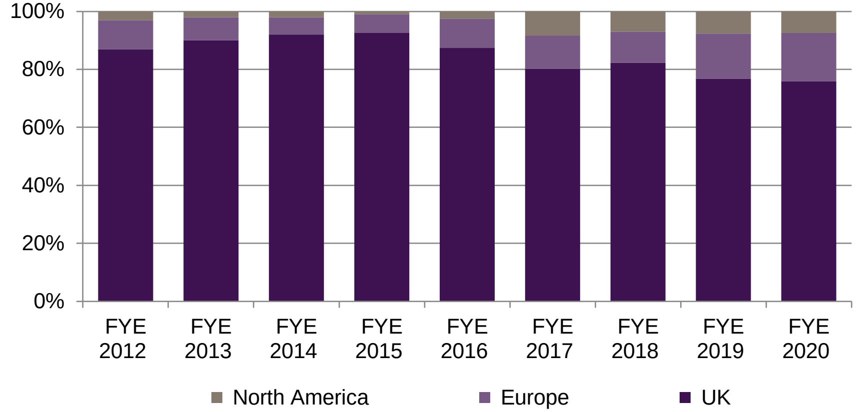
- ▲ New investment since 31 March 2019
- ▲ Disposal since 31 March 2019
- ▲ Handed back to the public-sector client following their voluntary termination in the year ended 31 March 2016

1. By value, at 31 March 2020, using the Directors' Valuation of £2,888.5m

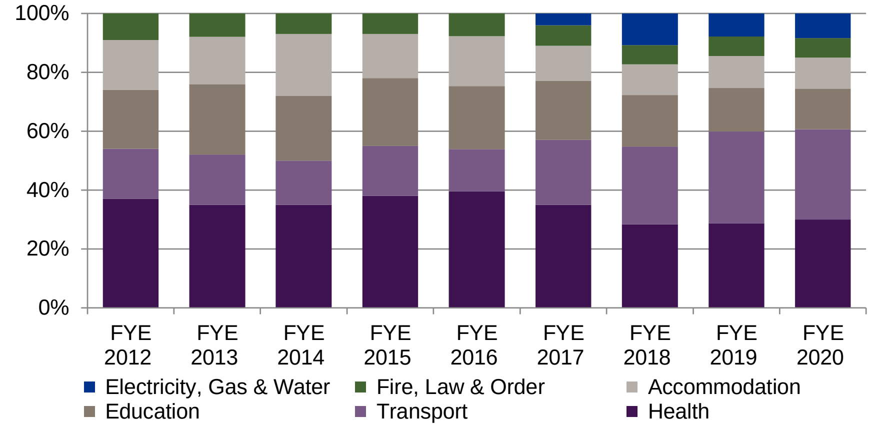
Portfolio – Key Attributes

Evolution of the Group's portfolio

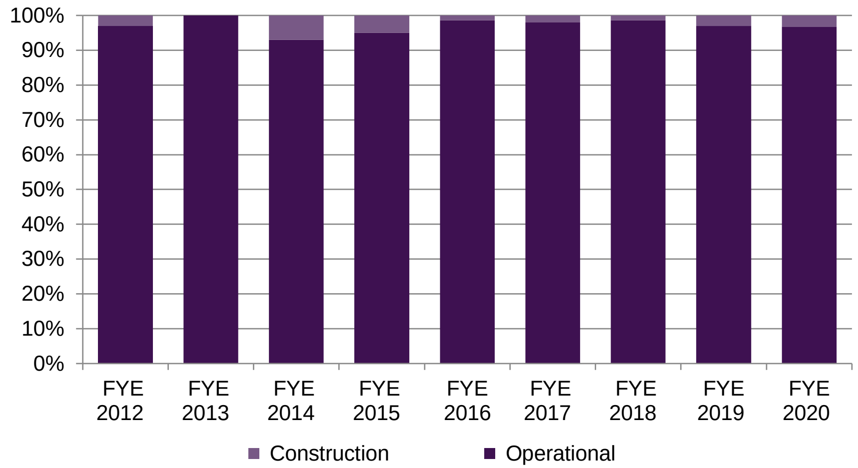
Geographically Diverse Portfolio



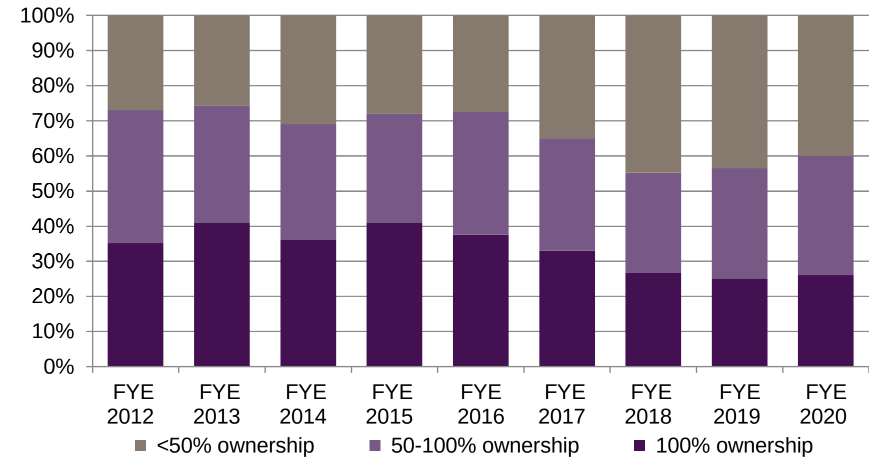
Diverse Sector Spread



Predominantly Operational Assets



Opportunities to Increase Ownership Stakes

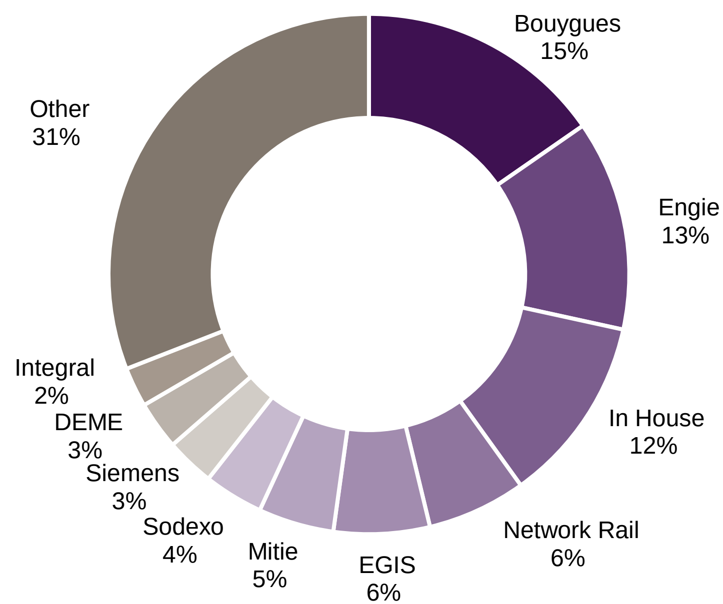


By value, using Directors' Valuation

Facilities Management and Operations Counterparty Exposure

- Exposure is reviewed quarterly and reported to the Risk Committee by InfraRed
- Contingency plans are in place to address scenarios where material issues lead to a failure of service provision by a subcontractor
- "In House" represents Affinity Water(UK) and Northwest Parkway (USA)
- Bouygues, Engie, Skanska and Integral sourced by InfraRed's Asset Management team to replace Carillion on nine projects

10 Largest Facilities Management and Operations Counterparty Exposures[1]

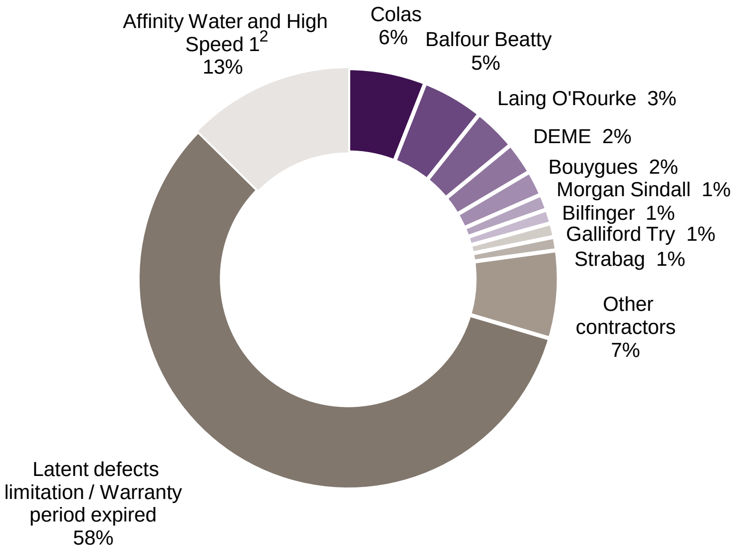


1. By value, at 31 March 2020. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by InfraRed). Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' Valuation. Projects where Kier or Interserve are the facilities management contractor together represent less than 2% of the portfolio, by value

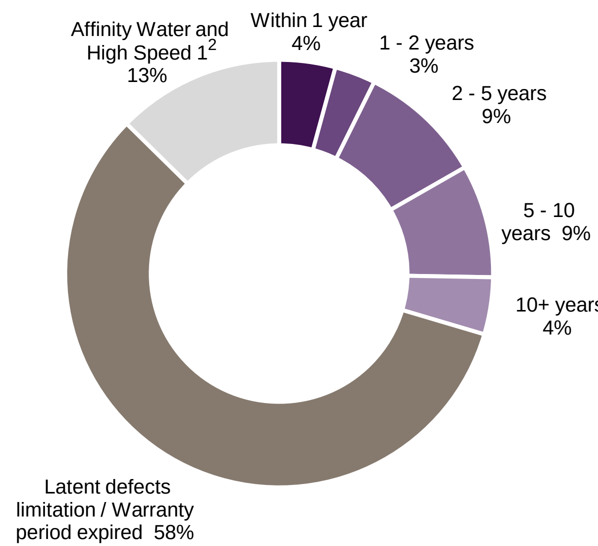
Construction Counterparty Exposure

- Following construction completion, the construction contractors are required to remediate construction defects for a specified period of time; in the UK the statutory period of limitations is 12 years
- As at 31 March 2020, 30% of the portfolio[1] benefited from this protection after having adjusted for those projects where Carillion was the construction contractor
- Where construction defects are detected within the defect limitations / warranty period, remediation is sought from the construction contractor; if negotiated solutions cannot reasonably be reached, then portfolio companies may seek to use contractual remedies to obtain resolution

10 Largest Construction Counterparty Exposures[1]



Latent Defects Limitations / Warranty Periods Remaining[1]



1. By value, at 31 March 2020, using Directors' Valuation. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Manager). Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' Valuation
2. Assets subject to regulatory regimes that help mitigate the potential impact of defects on equity

Appendix IV

Valuation Methodology and Cash Flow Sensitivities

Valuation Methodology

HICL's valuation methodology is rigorous and closely scrutinised

Semi-annual valuation and NAV reporting:

- Carried out by Investment Manager
- Independent opinion for Directors sourced from third-party valuation expert
- Audited by the Company's auditor
- Final valuation approved by Directors

Non traded - DCF methodology on investment cash flows

- Discount rate reflects market pricing for the investments and comprises the yield for government bonds plus an investment-specific premium (balancing item)
- For bond yield, average of 20 and 30 year government bonds (matching concession lengths)

Affinity Water

- DCF methodology with a terminal value assumed and a market discount rate applied to cash flows which incorporates forecast future regulatory outcomes as well as operational performance
- Regulated Capital Value multiple measures a company's Enterprise Value considered against comparable transaction data from the market and forms a useful cross-check to the DCF-derived valuation

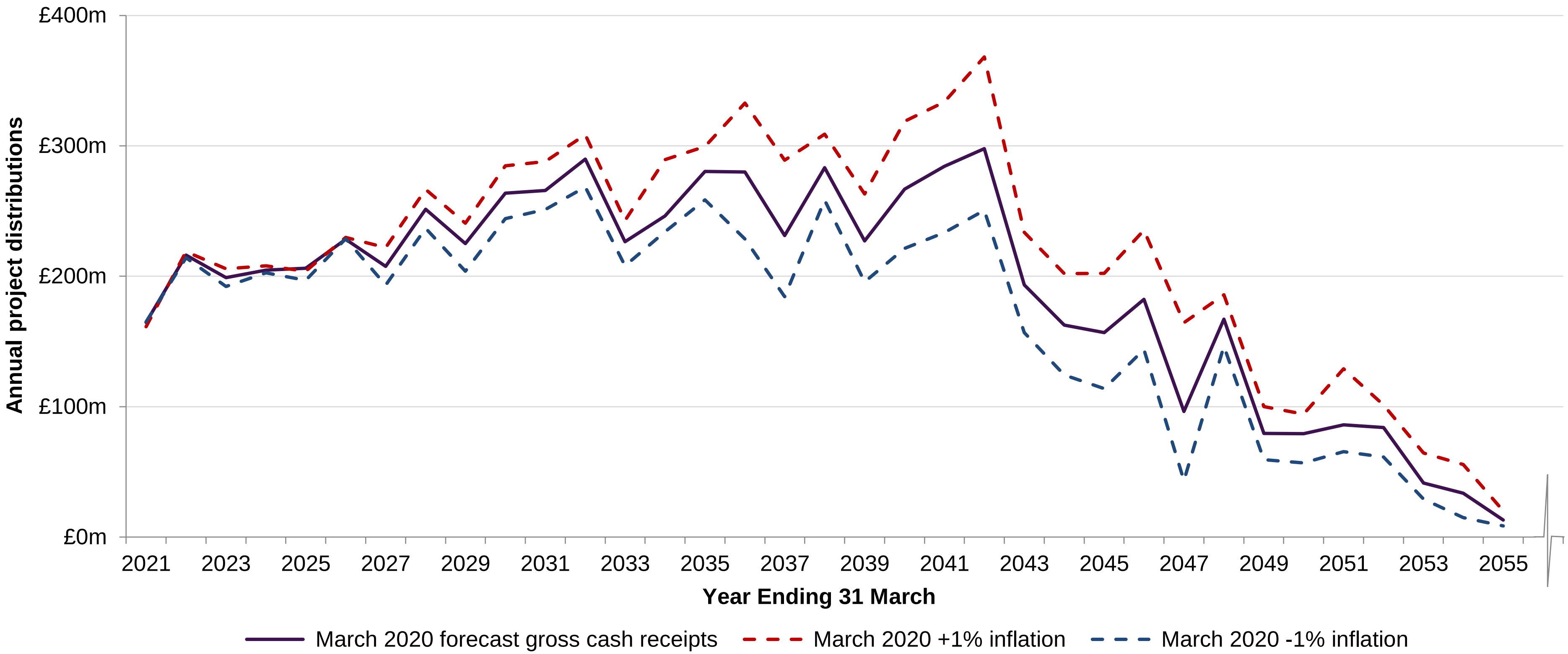
Traded

- Traded securities are valued at the quoted market price (as is the case with the listed senior debt in the A13 Road project)

Portfolio Cash Flow Sensitivity I

Inflation-correlated returns for long-term investors[1]

- If outturn inflation was 1.0% p.a. higher in all future periods than the rates in the valuation assumptions set out on page 13, the expected return from the portfolio[2] (before Group expenses) would increase by 0.8% from 7.2% to 8.0%



1. Sensitivity based on forecast gross portfolio cash flows as at 31 March 2020
2. Expected return is the expected gross internal rate of return from the portfolio before group expenses; there is no assurance that returns will be met

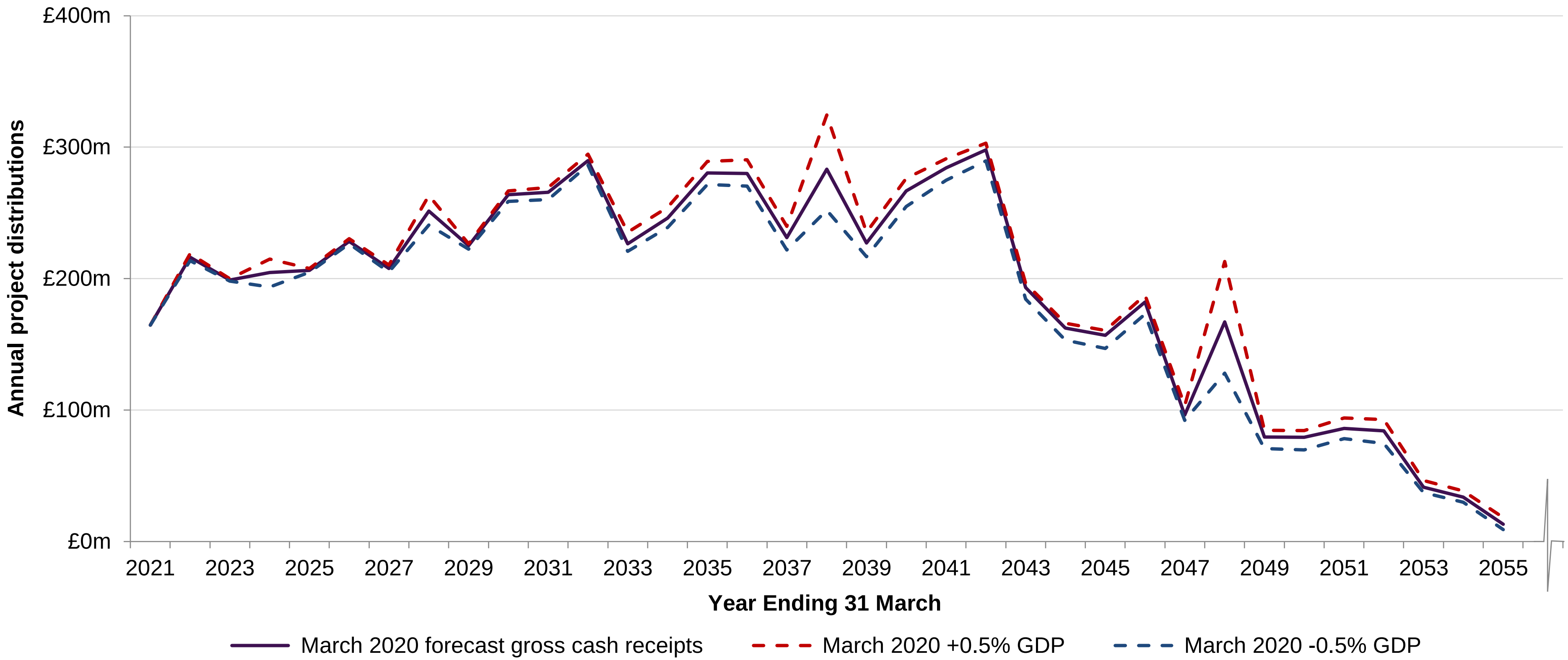
The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

Capital and income at risk

Portfolio Cash Flow Sensitivity II

Impact of changes in Gross Domestic Product on portfolio cash flows[1]

- If GDP assumptions were 0.5% p.a. lower for all future periods, expected return from the portfolio[3] (before Group expenses) decreases 0.2% from 7.2% to 7.0%
- In relation to the assumed Covid-19 recovery, if cumulative GDP for 2020 and 2021 is 1% lower the impact on the expected return from the portfolio[3] is (0.1%) or (0.8p) on NAV per share; if it is 1% higher the impact is 0.1% or 0.7p
- GDP sensitivity for 0.5% higher / lower in all future periods based on forecast gross portfolio cash flows as at 31 March 2020:



1. Sensitivity based on forecast gross portfolio cash flows as at 31 March 2020
2. Expected return is the expected gross internal rate of return from the portfolio before group expenses; there is no assurance that returns will be met

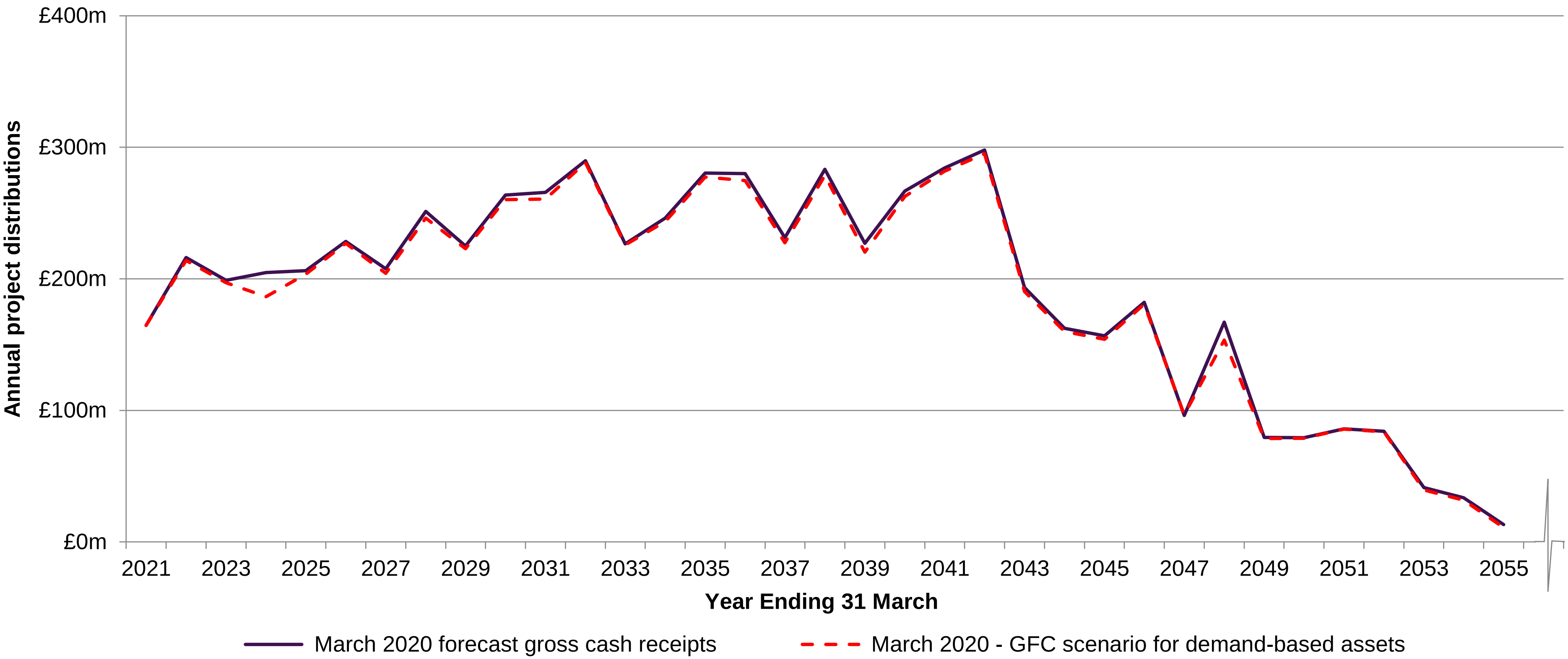
The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

Capital and income at risk

Portfolio Cash Flow Sensitivity III

Impact of Global Financial Crisis (“GFC”) type event on portfolio cash flows[1,2]

- In the event that there is a GFC similar to that experienced in 2008, where there is a short term contraction in the economy followed by HICL’s assumed growth rates thereafter, we estimate the NAV impact to be c. £36m (1.9p)



1. Sensitivity based on forecast gross portfolio cash flows as at 31 March 2020

The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

Capital and income at risk

Hedging Foreign Exchange Risk

HICL hedges foreign exchange ("FX") risk in relation to assets it owns where cash flows are denominated in currencies other than British Pounds

Hedging provides confidence in the near term yield and helps mitigate the impact on NAV per share of FX movements

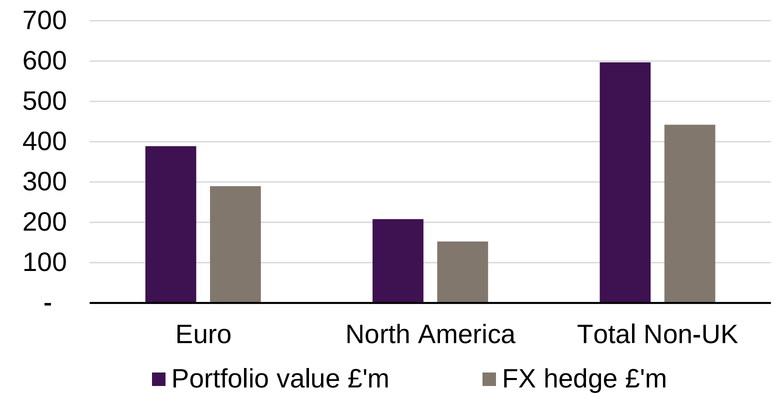
Objective

- Manage FX risk as part of aim to provide sustainable long-term income
- Balancing FX risk and opportunity with cost of hedging

How

- Hedging investment income forecast for up to 24 months and portion of portfolio value through forward sales
- Borrowing in foreign currencies from revolving credit facility
- Regularly reviewing non-Sterling exposure and adjusting level of hedging

Hedging at 31 March 2020



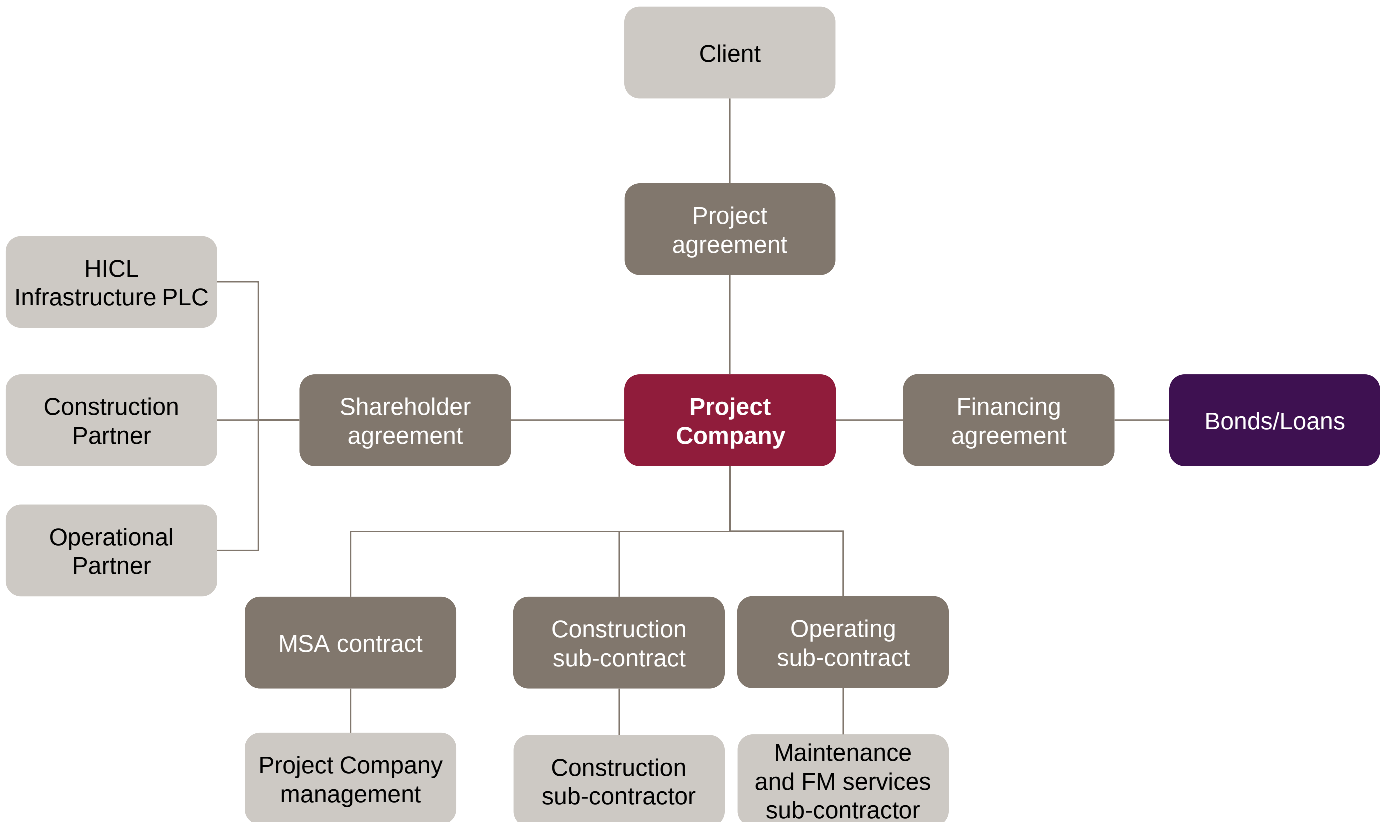
HICL's hedging policy

- Limit volatility of NAV per share to no more than 2% for a 10% movement in FX rates
- 0.5% net FX gain as percentage of NAV for the year ended 31 March 2020

Appendix V

The Infrastructure Asset Class

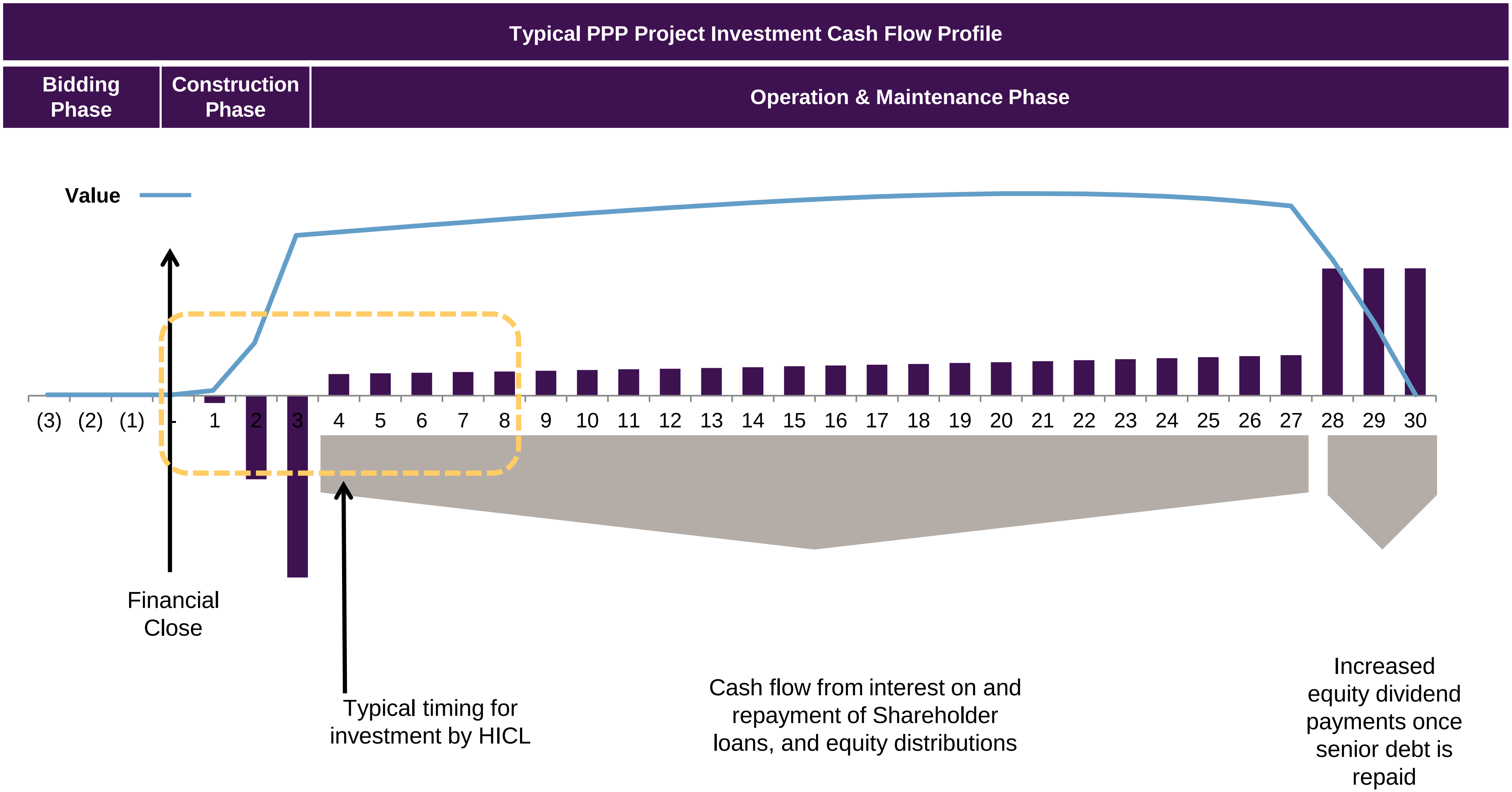
Typical PPP project structure



Source: InfraRed

Illustrative Investment Cash Flow Profile – PPP Project

Example: Social infrastructure return derived from an 'availability' revenue stream

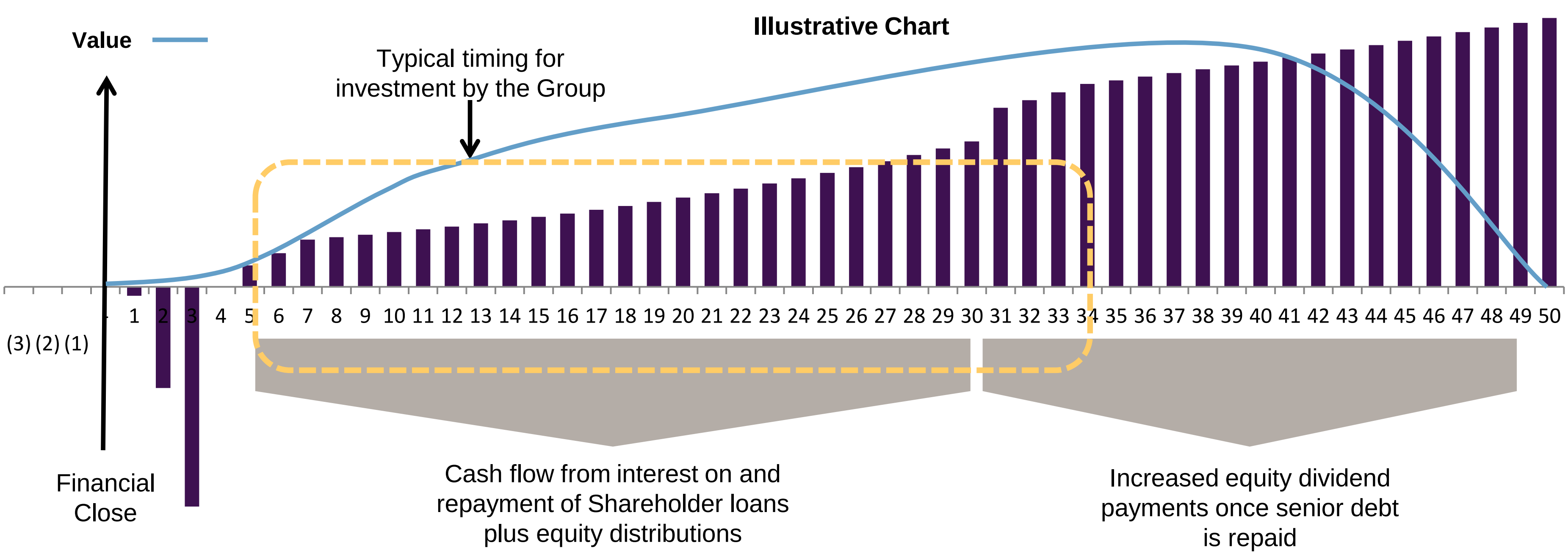


Source: InfraRed

Illustrative Investment Cash Flow Profile – Demand-based Asset

Example: Toll road return derived from a demand-based asset revenue stream

<table>
<tr><th colspan="4">Typical Toll Road Investment Cash Flow Profile</th></tr>
<tr><td>Bidding Phase</td><td>Construction Phase</td><td>Ramp-Up</td><td>Operation & Maintenance (Steady State)</td></tr>
</table>



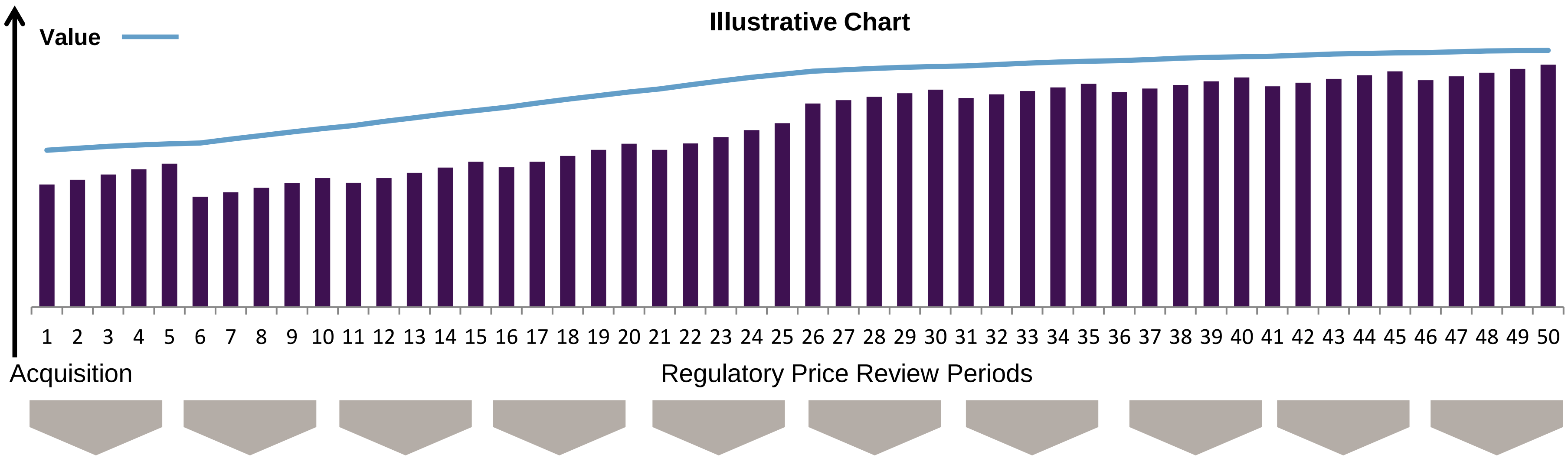
Source: InfraRed

Illustrative Investment Cash Flow Profile – Regulated Asset

Example: Utility company return derived from a regulated revenue stream

Typical Regulated Asset Investment Cash Flow Profile

Operational Network

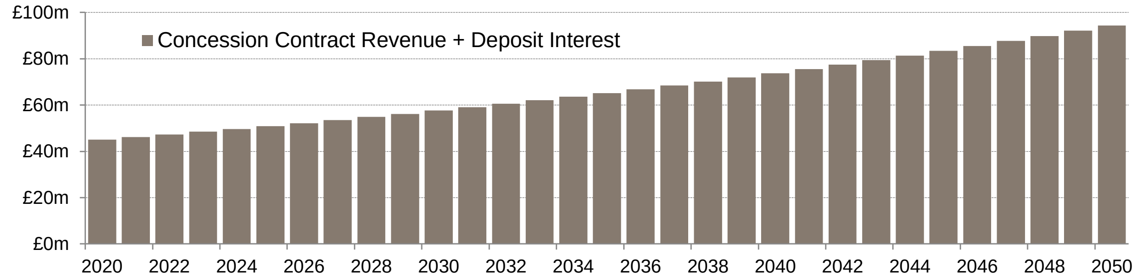


Source: InfraRed

Valuation – Methodology

Determining the net asset value of the portfolio and the Group (PPP project example)

Forecast Project Inflows



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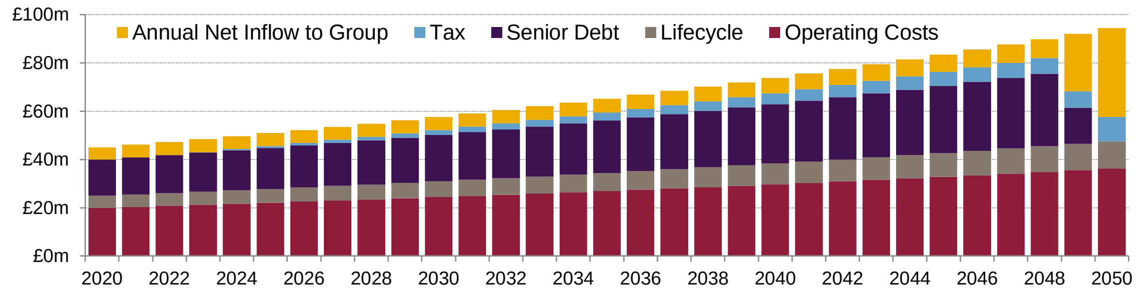
Forecast Project Outflows



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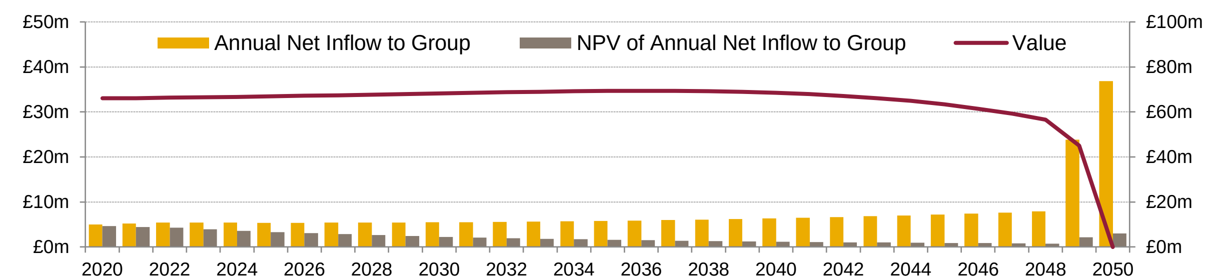
Net Inflow from Project to HICL



Key Variables / Assumptions

- Long-term Inflation Rate
- Interest Rate

- Whole-of-life concession revenue linked to inflation
- Interest income from cash reserves at individual project level

- Tax Rates

- Whole-of-life operating contracts fixed or linked to inflation
- Whole-of-life debt is fixed or inflation-linked
- Net Inflows to HICL in form of dividends, shareholder loan service & project co. directors' fees

- Discount Rate
- FX

- Net cash flows discounted to derive project valuation
- All project cash flows aggregated to give overall portfolio valuation
- Adjust for other Group net assets/liabilities to get Group NAV

Source: InfraRed