HICL Infrastructure PLC

Interim Results Presentation: Six months to 30 September 2020

25 November 2020

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

Front cover image: Largy College, Irish Grouped Schools, Ireland

Agenda

Long-term Income from Core Infrastructure

A diversified portfolio positioned at the lower end of the risk spectrum

1 Core infrastructure investment characteristics

0.8
Correlation of portfolio returns to inflation[1] at 30 September 2020

27.8yrs
Weighted avg asset life at 30 September 2020

2 A diversified portfolio

117
Portfolio of investments across market segments and geographies

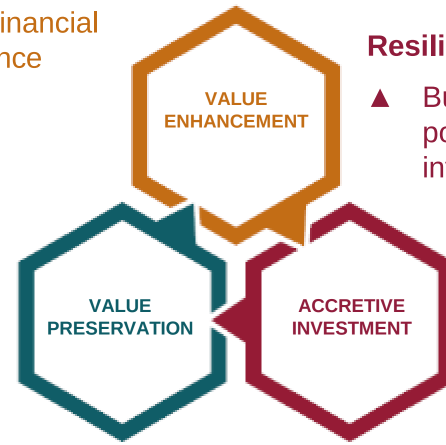
45%
Ten largest assets as a proportion of portfolio value at 30 September 2020

7%
Single largest asset as a proportion of portfolio value at 30 September 2020

3 Actively managed to deliver sustainable income

Outperformance

- Enhance communities' experience of infrastructure
- Improve financial performance



Resilience

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

Active management

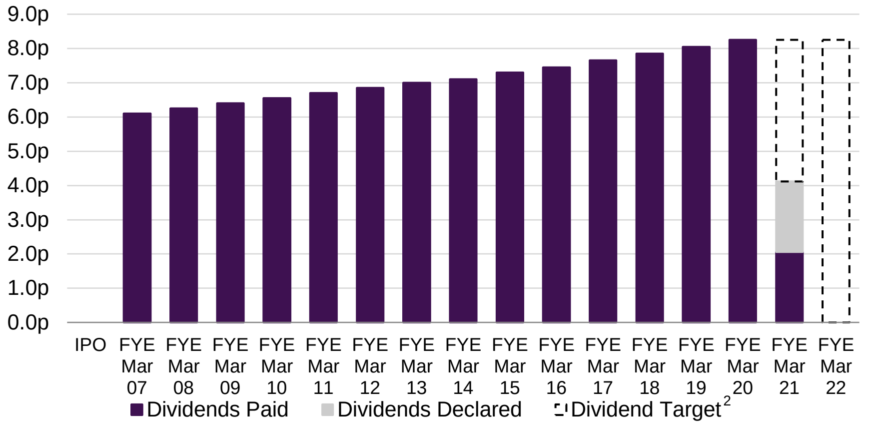
- Deliver well-maintained infrastructure for end users
- Generate base case cash flows

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%

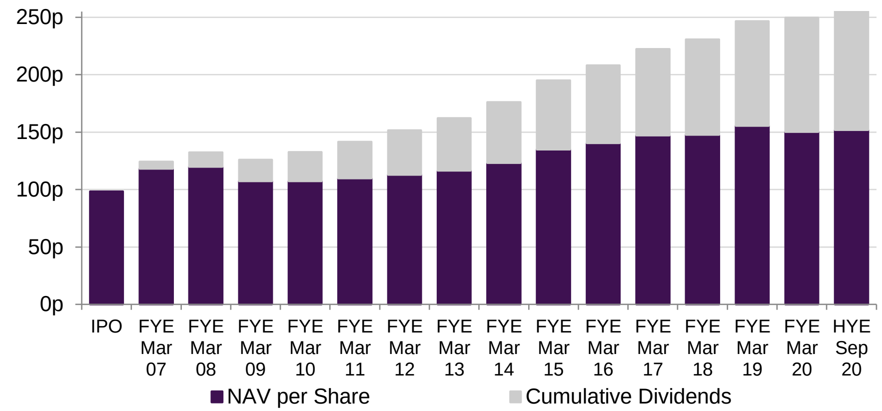
HICL's Track Record[1]

Consistent delivery over 14 years

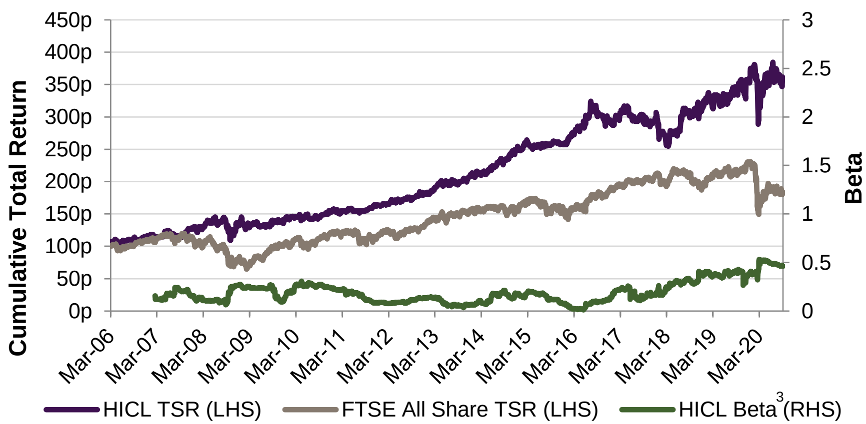
Dividend increased by 35% over 13 years



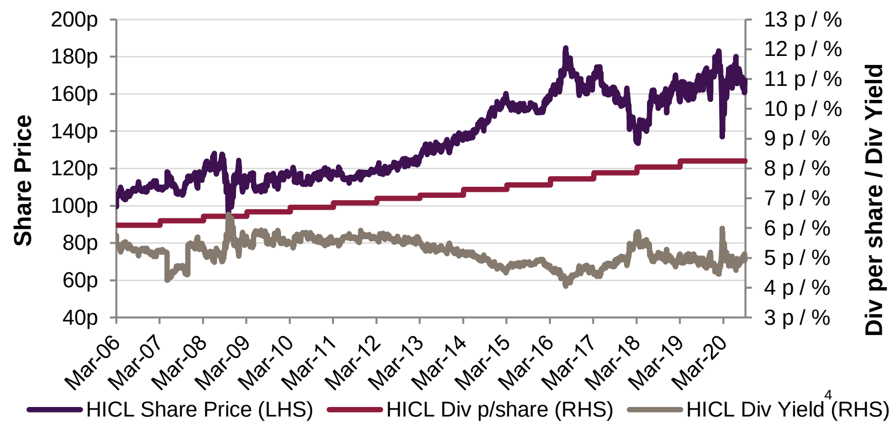
Total Return (NAV growth and dividends) of 9.0% p.a. since IPO



HICL has outperformed FTSE All Share while providing a low beta



HICL 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

Sustainable Thinking

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

Investment Manager's approach

- Sustainability factors are embedded in InfraRed's investment processes

- InfraRed is committed to upholding the PRI principles, having been a signatory since 2011, and has maintained an A+ rating since 2014[1]
- HICL and InfraRed are TCFD[2] Supporters, confirming the commitment to transparent and consistent climate-related financial disclosures
- A climate change impact assessment is underway across HICL's portfolio
- An investment in HICL inherently contributes towards UN SDGs[3] 9 and 11, and HICL's portfolio companies make a positive contribution towards 3, 4 and 13
- InfraRed is a certified CarbonNeutral® company effective from 1 January 2019[4]

Case Study: The operational response to Covid-19

Focus on the immediate needs of HICL's clients, end users and other stakeholders, prioritising asset quality, availability and flexibility

- A number of variations in healthcare and education assets to reconfigure facilities have been agreed between HICL's portfolio companies and public sector clients
- Prioritising implementation of client variation requests, with contractual arrangements following once the Covid-19 needs have been met
- Examples include: complex reconfigurations of hospital wards and installation of social distancing measures such as signage and perspex screens

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. Task Force on Climate-Related Financial Disclosures
3. https://www.un.org/sustainabledevelopment/
4. See page 30 for further details

Interim Results

PSBP NE Batch, UK

Overview

Delivering sustainable income from a diverse portfolio of core infrastructure investments

HICL Infrastructure

Performance	▲ Solid performance driven by a resilient, diversified portfolio of 117 core infrastructure investments ▲ NAV growth of 1.7p per share to 154.0p for the six months to 30 September 2020, with annualised total shareholder return[1] of 7.8%
Operational Resilience	▲ PPP and regulated assets (c. 80% of the portfolio) continue to perform as expected, with their revenues largely unaffected by wider market disruption ▲ Demand-based assets with GDP correlated returns (c. 18% of the portfolio[2]) continue to be impacted by government pandemic management policies and reduced economic activity
Sustainable Dividend[3,4]	▲ On track to deliver target dividend[3] of 8.25p for the year to 31 March 2021, 4.12p in dividends announced to date ▲ Visibility of long-term cashflows from HICL's portfolio allows the Board to announce further dividend guidance[3]; 8.25p per share for the year to 31 March 2022, which is expected to be cash covered
Attractive Asset Class	▲ Core infrastructure seen as attractive by institutional investors due to its predictable and stable yield, particularly during the current market turmoil which is reflected in asset valuations ▲ In July 2020, HICL raised £120m through NAV accretive tap issuance, with significant scale-back reflecting strong demand from institutional investors
Outlook	▲ Active asset management continues to be InfraRed's primary focus, working in partnership with public sector clients to ensure availability and service delivery in a challenging operating environment ▲ Climate change assessment work, led by InfraRed, will support greater TCFD / sustainability disclosures in the Annual Report at year-end ▲ InfraRed continues actively to pursue a healthy pipeline of investments within core infrastructure, which includes opportunities in telecommunications and energy transition as well as PPP and regulated assets

1. Based on interim dividends paid plus change in NAV per share in the period
2. Demand-based assets overall account for 19% of portfolio value, including those investments where returns are not correlated to GDP

3. This is a target only and not a profit forecast. There can be no assurance that this target will be met

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

Performance Highlights

Solid performance for the six months to 30 September 2020

HICL Infrastructure

154.0p
NAV per share

Up 1.7p from 152.3p at 31 March 2020

7.8%
Annualised Shareholder Return[2]

5.7% for the six months to 30 September 2019

8.25p for 2022
New Dividend Guidance[1,3]

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

7.0%
Weighted average discount rate

7.2% for the year to 31 March 2020

1.08%
Ongoing charges ratio

1.09% for the six months to 30 September 2019

0.83x
Dividend cash cover

1.05x at 30 September 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 period

3. This is a target only and not a profit forecast. There can be no assurance that this target will be met

HICL Infrastructure

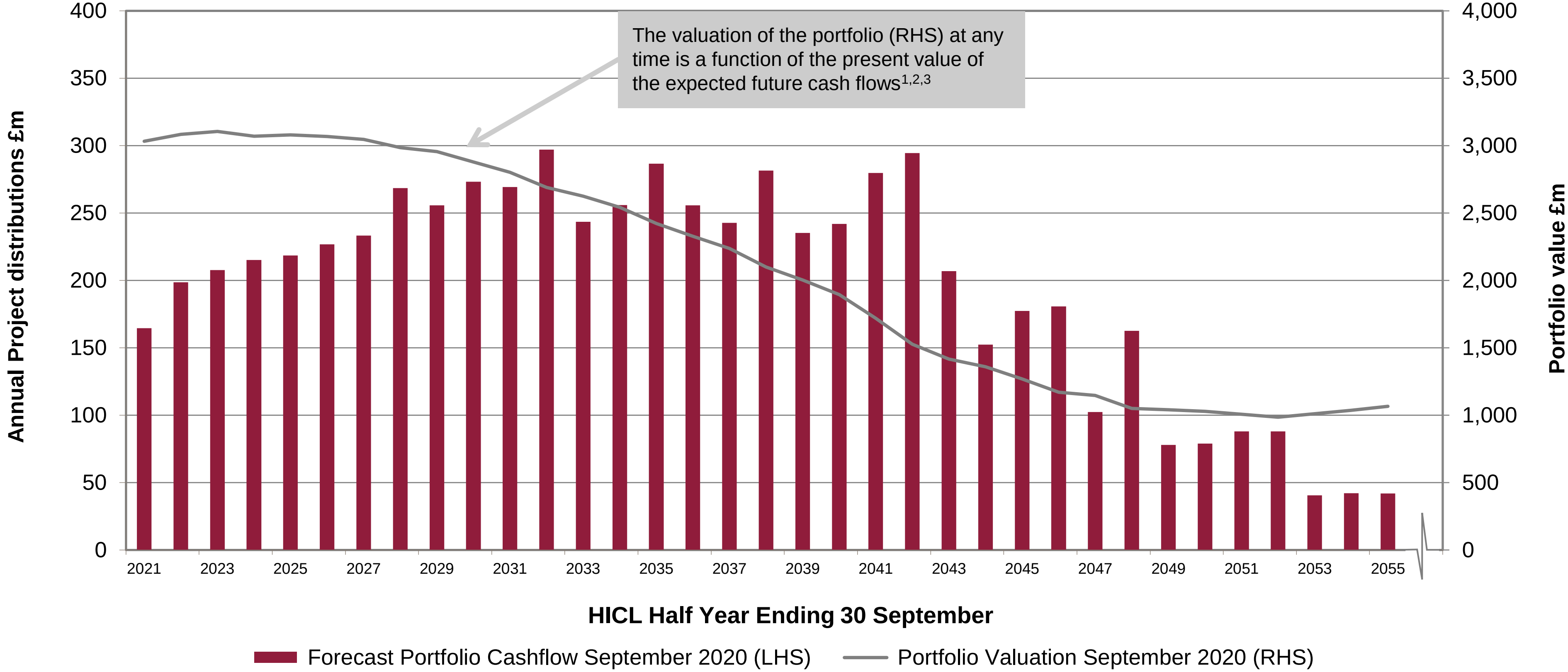
Valuation Overview and Sensitivities

Burbo Bank OFTO, UK

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

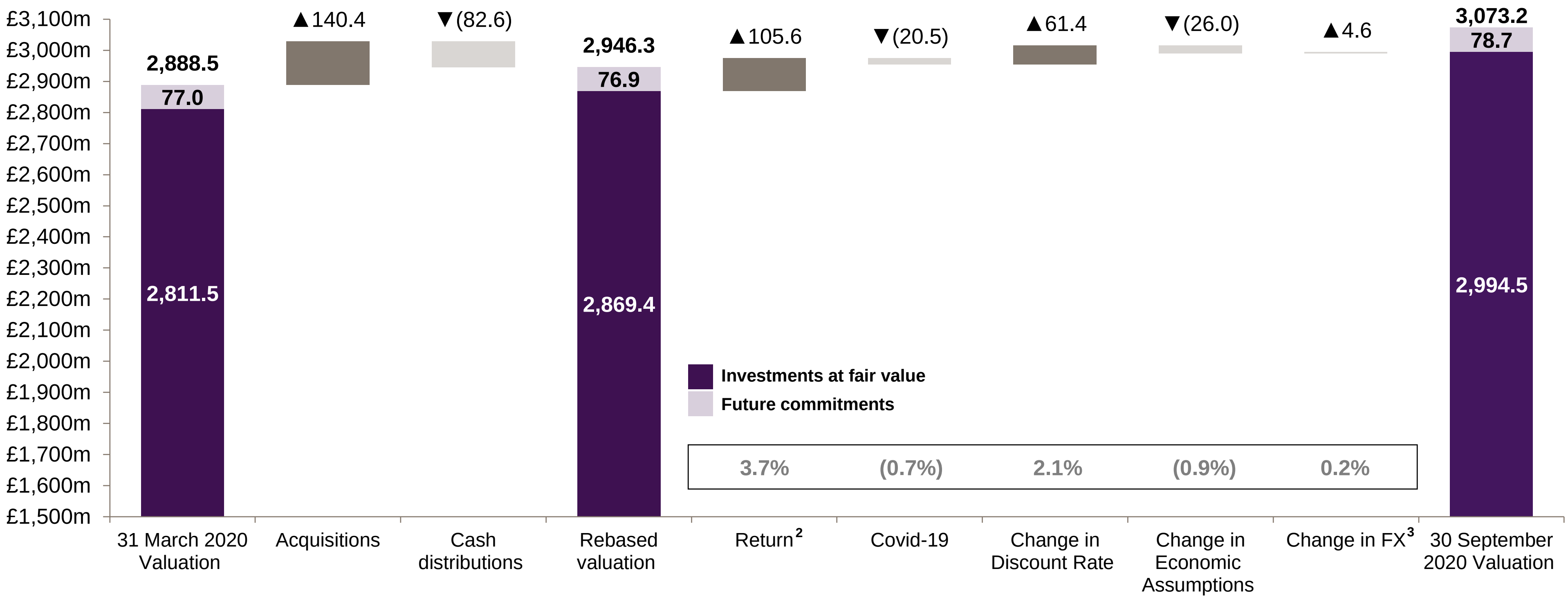


1. The illustration represents a target only at 30 September 2020 and is not a profit forecast. There can be no assurance that this target will be met or that distributions will be made. This information is not a reliable indicator of future performance

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 on page 21 of HICL's Interim Report for the six months to 30 September 2020

Analysis of Change in Directors' Valuation

Directors' Valuation[1] of £3,073.2m as at 30 September 2020



- The percentage movements have been calculated on the Rebased Valuation as this reflects the returns on the capital employed in the period
- Annualised return[2] from the portfolio of 7.5%
- For details of the Covid-19 impact, see page 25
- Change in economic assumptions includes a reduction in long-term interest rates in all markets

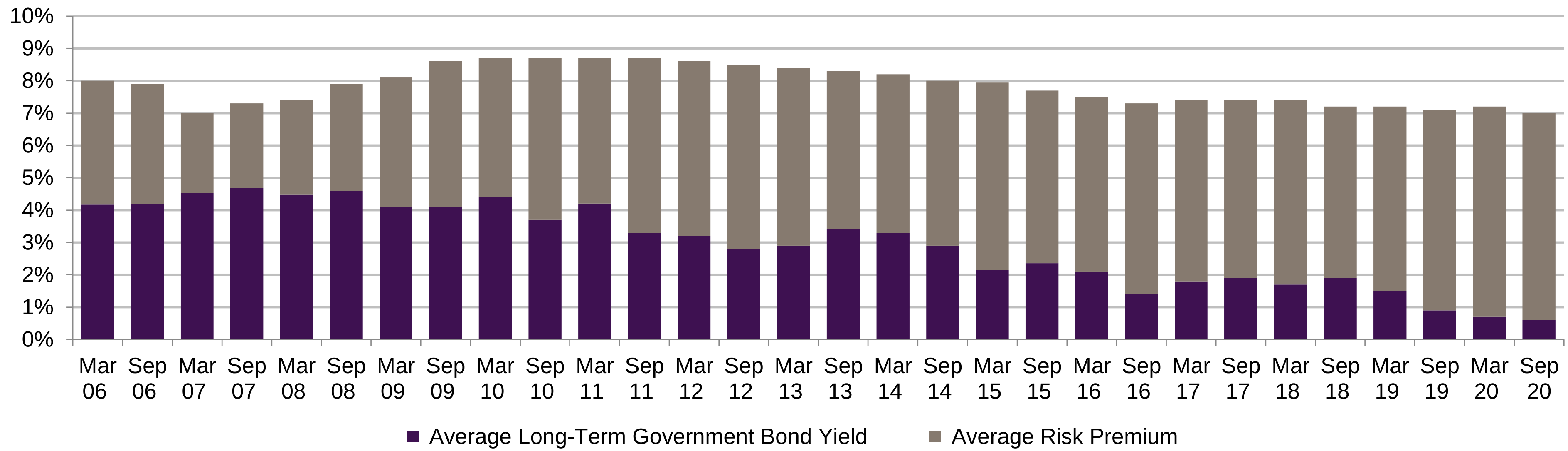
1. On an Investment Basis, split into investments at fair value (dark purple) and future commitments (light purple)
2. "Return" comprises the unwinding of the discount rate and portfolio outperformance, excluding the impact of changes in economic assumptions and discount rates, other than project specific changes such as projects moving from construction to steady-state operations for the six months to 30 September 2020
3. FX movement, net of hedging, is a £2.0m FX gain (being £4.6m FX gain less £2.6m hedging loss) for the six months to 30 September 2020

Discount Rate Analysis

Weighted average discount rate decreased to 7.0% from 7.2% at 31 March 2020

- Discount rates for investments range between 6.0%[1] and 9.1%
- Discount rates have seen reductions in all regions since March 2020, reflecting:
  - Increased core infrastructure appetite observed in the market amidst the uncertain Covid-19 environment; and
  - Continued decreases in long-term government bond yields

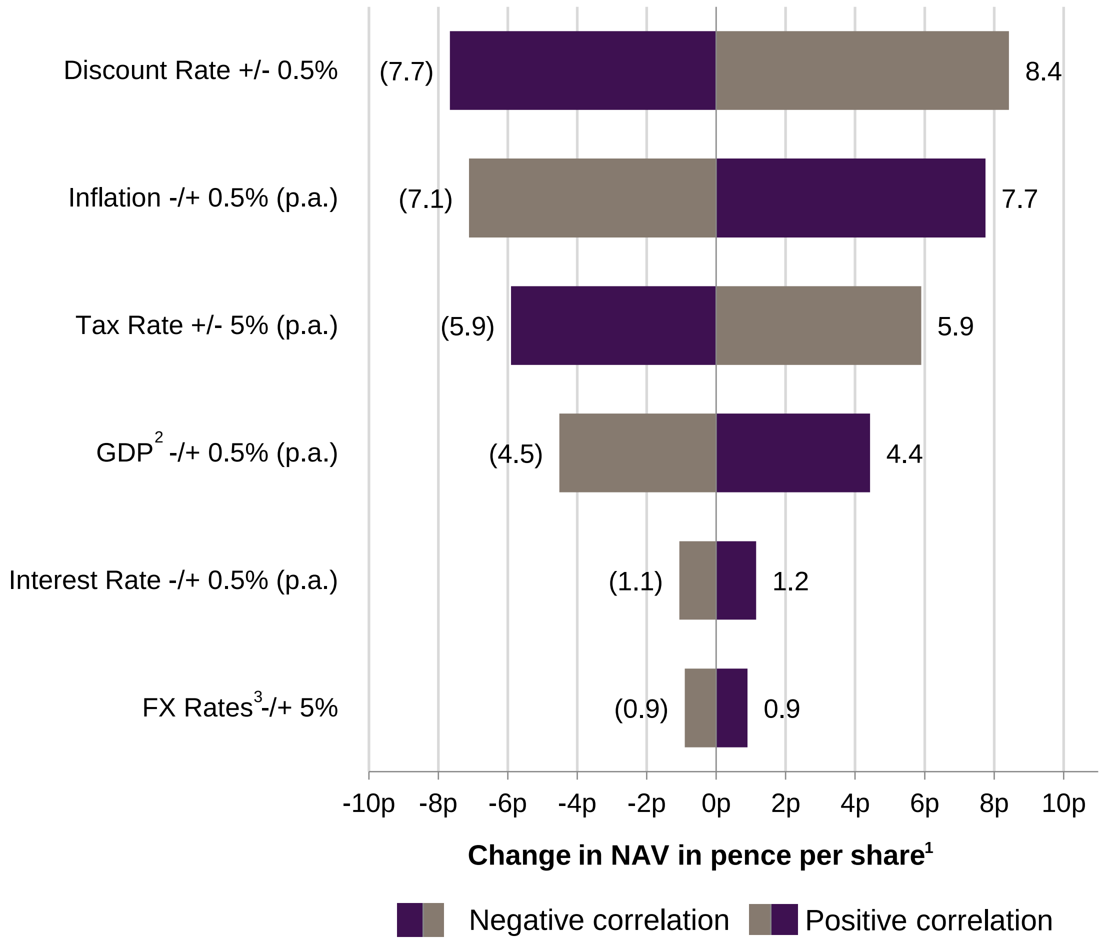
	Appropriate Long-Term Government Bond Yield[2]		Risk Premium		Total Discount Rate[3] 30 September 2020	31 March 2020	30 September 2019
UK	0.8%	+	6.2%	=	7.0%	7.1%	7.1%
Eurozone	0.1%	+	6.9%	=	7.0%	7.2%	7.1%
N. America	1.0%	+	6.7%	=	7.7%	8.0%	7.8%
Portfolio	**0.6%**	**+**	**6.4%**	**=**	**7.0%**	**7.2%**	**7.1%**



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 Sensitivities

Sensitivity to key macroeconomic assumptions



- The FX rate 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
- If the rate of UK corporation tax was 5% higher in each and every forecast period, NAV per share would decrease by 4.4p
- 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 7.0% to 6.8%

1. NAV per share based on 1,937m ordinary shares in issue at 30 September 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 30 September 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**

Market, Investment Activity and Investment Outlook

Cork School of Music, Ireland

Current Market

- Amid the global disruption associated with Covid-19, the predictable long-term yields from core infrastructure remain highly attractive to institutional investors
- Significant inflows of capital to listed and unlisted funds focused on core infrastructure investments, with evidence of further IRR compression in HICL's target markets as a result
- We believe the historically high risk premium indicates that even at reduced IRRs, core infrastructure remains an attractive investment
- Anticipated infrastructure spending associated with government responses to the pandemic across developed markets, supports the long-term asset pipeline. This may generate opportunities for HICL


University of Bourgogne, France

HICL's Core Infrastructure Focus I

- Core infrastructure is a distinct market segment at the lower end of the risk spectrum, comprising essential infrastructure assets that deliver resilient cash flows from a protected market position
- By its nature, such infrastructure is generally visible / located in the heart of communities, underpins economic activity and comprises long-life, capital intensive assets

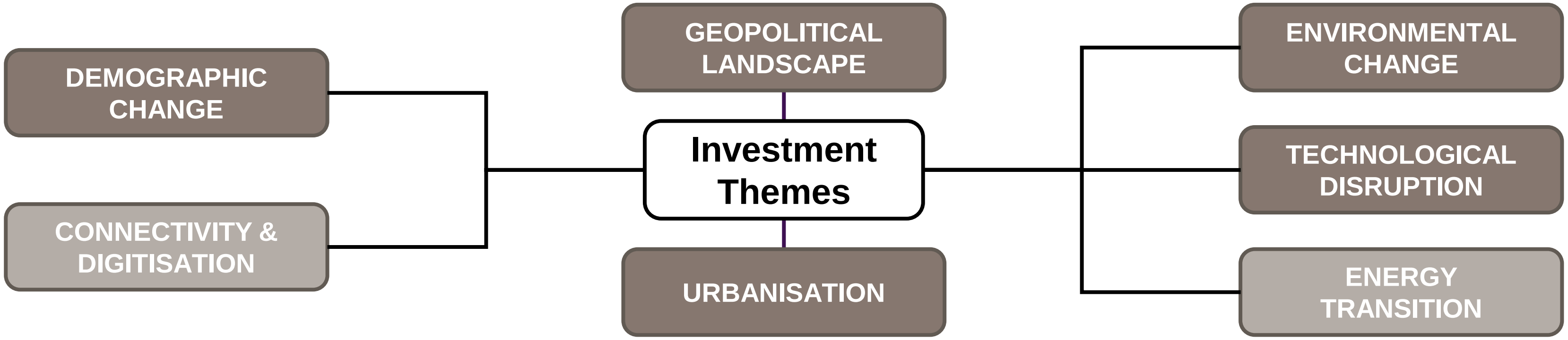
Cash Flow Quality
- Stable revenues
- Lower operational complexity

Market Positioning
- Defensive positioning
- Stable, high barriers to entry

Criticality
- Essential assets

Current Portfolio:	PPPs	Regulated	Demand-based
Cash Flow Quality	▪ Contracted revenue and costs ▪ Public sector counterparty	▪ Cost variability mitigated by regulatory review mechanism	▪ Predictable 'user pays' revenues ▪ Low operational gearing
Market Positioning	▪ Operate under exclusive licence/lease frameworks	▪ Regional monopolies ▪ Entrenched networks	▪ Strategic positioning with limited alternatives ▪ Non-discretionary demand
Criticality	▪ Facilitating the delivery of essential services	▪ Provision of essential goods / utilities	▪ Typically vital transport links

HICL's Core Infrastructure Focus II



Examples below

Regardless of sector, core infrastructure characteristics must remain constant:

Examples:

TREND: **Connectivity & Digitisation**
SECTOR: **Telecommunications**
CORE INFRASTRUCTURE: **European Fibre**

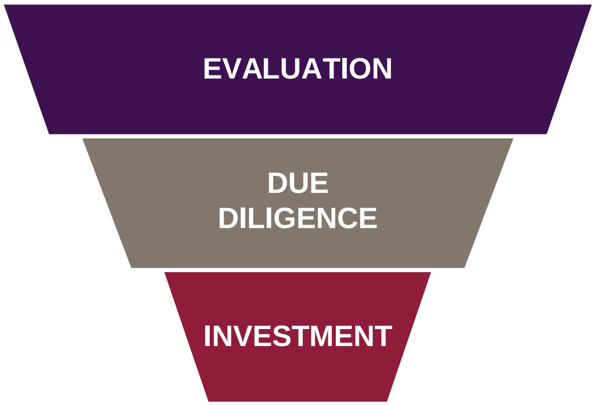
TREND: **Energy Transition**[1]
SECTOR: **Energy Enabling**
CORE INFRASTRUCTURE: **Smart Meters**

	European Fibre	Smart Meters
Cash Flow Quality	▪ Capital-intensive, long asset lives ▪ Non-discretionary, non-GDP linked underlying demand	▪ Capital-intensive, with long-asset lives ▪ Non-discretionary demand, with supportive government policies
Market Positioning	▪ Regional monopolies with strong corporate counterparties ▪ State-backed roll-outs with subsidies	▪ Entrenched positioning within value chain ▪ Termination payments create barriers to entry
Criticality	▪ Facilitates social connectivity and critical part of transformation to a digital economy	▪ Facilitate transition to lower carbon emissions from energy usage

1. Renewable energy generation with commodity price risk falls outside HICL's Acquisition Strategy

Investment Activity

Market coverage filtered by focused acquisition strategy and investment discipline



16 New deals reviewed in the period

13 Transactions subject to detailed due diligence in the period

3 Investments completed for HICL
9 live opportunities[1]

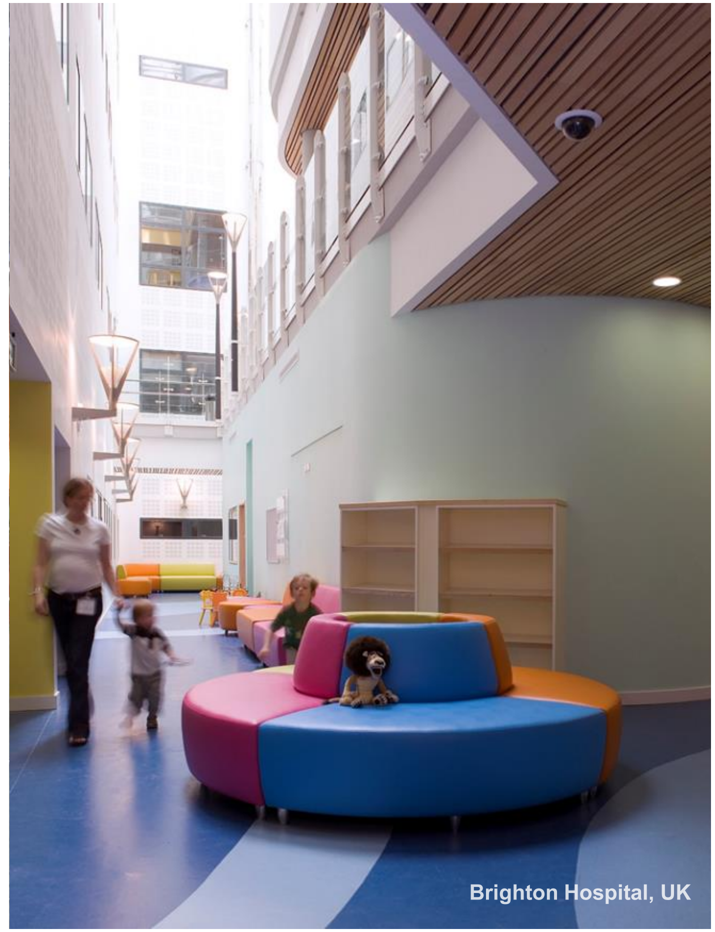
Acquisition Activity

Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired	Current Stake	Date
£18m	New	Operational	Walney OFTO	Regulated	Electricity, Gas & Water	29%	29%	Jun - 20
£85m	Incremental	Operational	Royal School of Military Engineering	PPP	Social Infrastructure	74%	100%	Jun - 20
€41m	Incremental	Operational	M17 / M18 Road	PPP	Transport	50%	100%	Jul - 20

1. As at 20 November 2020

Investment Outlook

- InfraRed, on behalf of HICL, has developed an attractive pipeline of diversified core infrastructure investment opportunities:
  - Greenfield PPP investments (e.g. PPP roads);
  - Operational PPP and regulated assets;
  - Opportunities within sectors that support the modern economy (e.g. fibre); and the energy transition to a low carbon economy (e.g. meters); and
  - Incremental acquisitions in assets HICL already holds
- The Board and InfraRed remain confident that the current market continues to present appropriate and attractive investment opportunities for HICL


Brighton Hospital, UK

Portfolio Performance, Asset Management and Risk

Blackburn Hospital, UK

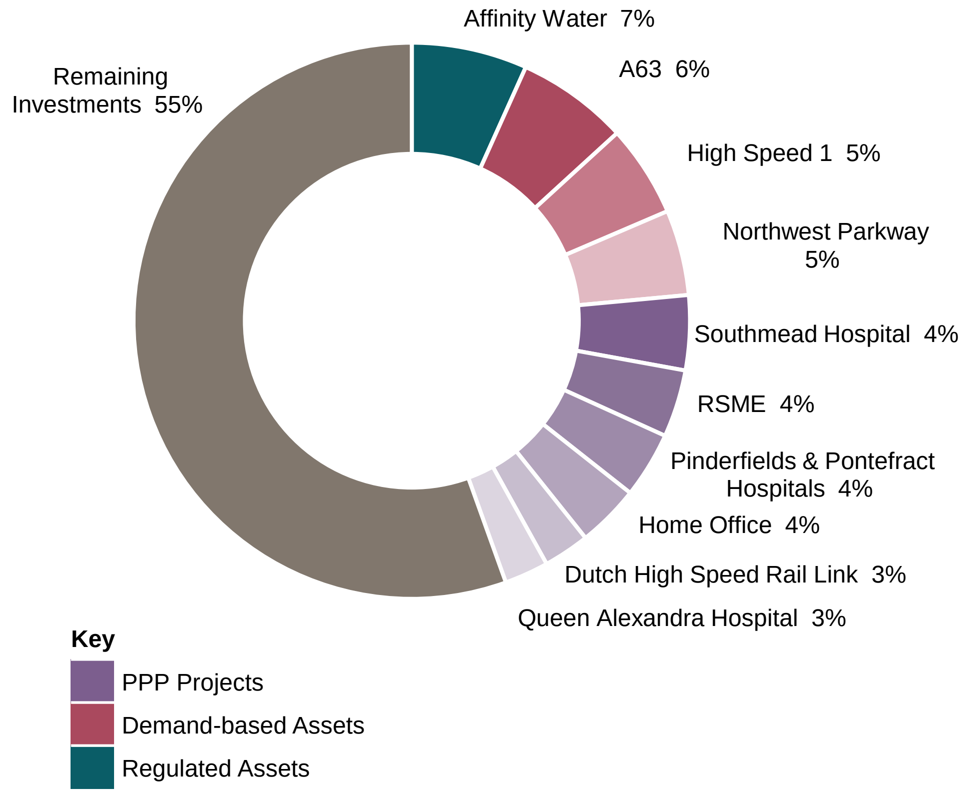
Portfolio Metrics

Ten largest assets accounted for c. 45% of the portfolio[1]

	30 September 2020[1,2]	31 March 2020
Number of investments	117	117
Percentage of portfolio by value – 10 largest assets	45%	44%
Weighted average asset life[2]	27.8 years	27.8 years
Average remaining maturity of long-term debt financing[3]	16.2 years	16.6 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 £3,073.2m as at 30 September 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 18.6 years
3. Excludes investment in A13 Senior Bonds

Portfolio Diversification

HICL's Portfolio, as at 30 September 2020[1]

HICL Infrastructure

MARKET SEGMENT

	Sep-20	Mar-20
PPP Projects	72%	72%
Demand-based Assets	19%	20%
Regulated Assets	9%	8%

GEOGRAPHIC LOCATION

	Sep-20	Mar-20
UK	74%	76%
Europe (ex UK)	19%	17%
North America	7%	7%

INVESTMENT STATUS

	Sep-20	Mar-20
Fully operational	97%	97%
Construction	3%	3%

1. By value using Directors' Valuation of £3,073.2m as at 30 September 2020

Portfolio Performance I

PPP projects represent 72% of the portfolio, by value

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 & Enhancement and Accretive Investment

- Incremental acquisitions made in the Royal School of Military Engineering and the M17/18 Gort to Tuam Road (Ireland) PPPs have taken HICL's ownership in both investments to 100%, strategically increasing HICL's stake in high-quality core infrastructure assets that are well known to the Manager
- These represent proprietary deal flow for the Company, acquired via bilateral, off-market arrangements sourced through InfraRed's relationships
- Value preservation activities focused on supporting public sector clients through evolving patterns of use at facilities affected by Covid-19, seeking to at all times ensure availability of critical public assets
- Large number of variations seen across the education and health sectors of the portfolio, prioritising rapid response and flexibility to support public sector clients and enhance value for stakeholders

RSME, UK

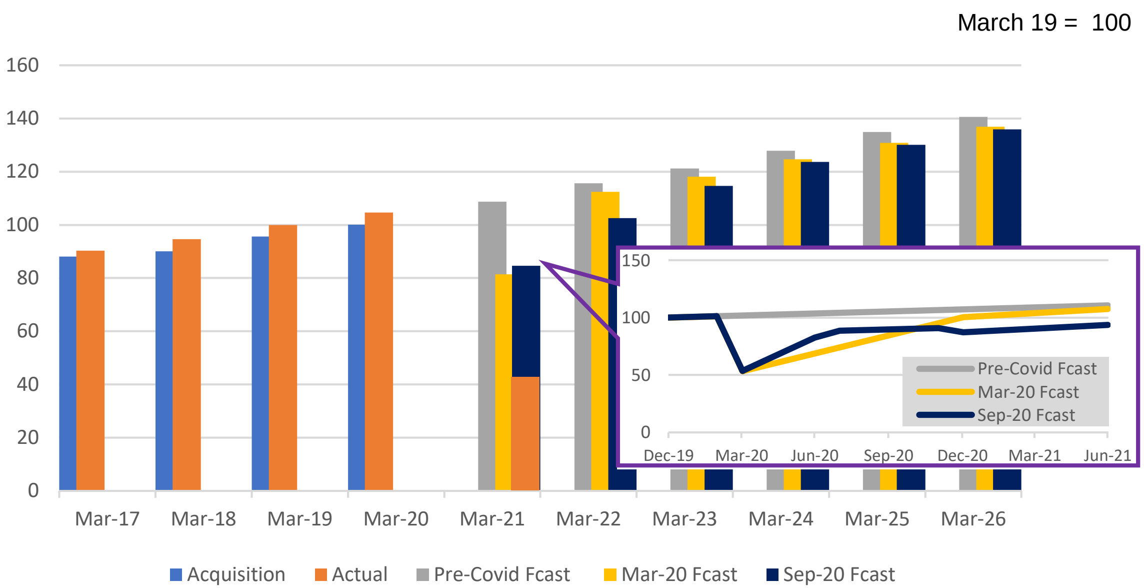
Portfolio Performance II

Demand-based assets represent 19% of the portfolio, by value

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 than PPP projects and regulated assets

Initial recovery ahead of expectations; slower growth expected in medium term



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

Value Preservation

- ▲ The proportion of demand-based assets that are correlated to GDP is 18% of the portfolio[1]
- ▲ Northwest Parkway (USA) and A63 (France) have experienced a recovery in traffic albeit at a differing rate; international train paths on High Speed 1 have been significantly impacted by government-enforced quarantine measures and are likely to remain suppressed until restrictions are eased[2]
- ▲ HICL has revised its forecasts for demand-based assets with the benefit of over six months of Covid-19-affected traffic and revenue data, resulting in a total valuation reduction of £18m across the three assets[3]

1. High Speed 1 (UK); A63 Motorway (France); Northwest Parkway (USA); Sheffield University Student Accommodation (UK); Helicopter Training Facility (UK); M1-A1 Road (UK)
2. See pages 48-50 for individual project assumptions
3. As per valuation bridge on page 12 which includes an additional £2.5m reduction as a result of Covid-19 impacts on Affinity Water

Forecasts are not a reliable indicator of future performance

Portfolio Performance III

Regulated assets represent 9% 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

Value Preservation & Enhancement and Accretive Investment

- ▲ OFTOs[1] are regulated assets that enable the transmission of renewable energy from offshore windfarms to the UK grid:
    - The Walney OFTO acquisition is accretive to the portfolio and brought further diversification to HICL's regulated assets
    - HICL's four OFTO's now facilitate the transmission of enough renewable energy to power over 1.7 million UK homes
- ▲ The UK Competition and Markets Authority issued their interim findings in relation to the appeal of Ofwat's PR19 Final Determination which recognised the need to strike a fair balance between delivering material investment and allowing shareholders an appropriate risk / reward profile, including with respect to allowable cost of capital (with a read across to the broader sector)
- ▲ Affinity Water have voluntarily turned off a major groundwater abstraction site at the head of the Chess Valley in the Chilterns as part of an initiative to protect globally rare chalk stream habitats. The action was well received by Ofwat, local stakeholders and the Environment Agency

River Chess chalk stream - Affinity Water, UK

1. Offshore Transmission Owner Assets

Risk and Risk Management[1]

Political and regulatory risk	▲ Easing of UK political and regulatory risk since the December 2019 general election, the conclusion of Price Review ("PR19") in the water sector and positive messaging from the CMA on the PR19 process ▲ Governments may respond to increased levels of pandemic-linked spending by increasing taxes, including corporation tax rates, and the UK Government is due to publish its response to the UKSA's proposed reform of RPI[2] in late November 2020 ▲ The sensitivity of HICL's NAV to changes in corporation tax and inflation rates are provided on page 14
Brexit	▲ Uncertainty around the conclusion of the UK's Brexit negotiations remains a risk for the Company and a disorderly exit is likely to lead to a worsening macro-economic environment in the near term ▲ HICL's foreign exchange policy is designed to dampen the volatility that may arise from foreign exchange movements, including as a result of Brexit ▲ InfraRed's asset managers continue to work with portfolio company management teams on Brexit resilience and are comfortable with the operational readiness of those assets more likely to be affected
Changes in GDP	▲ The impact of the Covid-19 pandemic on economic activity, including Government policies restricting the movement of people, has affected those demand-based assets with returns correlated to GDP ▲ HICL's valuation models benefit from over 7 months of actual data and management input. Further deterioration in macro-economic conditions, including GDP, would be expected to decrease net asset value ▲ Sensitivity and stress scenarios are provided on pages 14 and 62
Counterparties[3]	▲ HICL expects to make a further investment to support necessary remediation works identified at a healthcare asset constructed by the now-liquidated Carillion ▲ Remediation of identified construction defects may impact the timing of distributions from affected PPP assets, and the portfolio valuation and cash flow forecast reflect reasonable assumptions on these timelines ▲ InfraRed's in-house credit team actively monitors the financial strength of HICL's counterparty relationships

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
2. To potentially align it to CPIH
3. HICL's counterparty exposures are provided on pages 56 and 57

Concluding Remarks

Miles Platting, UK

Concluding Remarks

Delivering Real Value.

- Solid portfolio performance driven by a resilient and diversified portfolio:
  - NAV increase of 1.7p
  - Annualised total shareholder return[1] of 7.8%
- The Company remains on track for the target dividend of 8.25p per share[2] for the year ending 31 March 2021
- Additional dividend guidance of 8.25p per share[2] for the year ending 31 March 2022, expected to be cash covered
- InfraRed continues to prioritise active management of HICL's portfolio, working in partnership with public sector clients to ensure availability and service delivery in a challenging operating environment
- The Board and InfraRed remain confident that the current market continues to present appropriate and attractive investment opportunities for HICL
- The predictable yield available from core infrastructure assets seen as attractive in the current environment, positioning HICL well for the future


University of Bourgogne, France

1. Based on interim dividends paid plus change in NAV per share in the period

2. 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)
- Over US$12bn of equity under management at 30 September 2020
- London based, with offices in Hong Kong, Mexico City, New York, Seoul and Sydney, with over 190 partners and staff
- In July 2020 the acquisition of a majority stake in InfraRed by Sun Life Financial Inc. completed
- InfraRed is a TCFD[1] Supporter and a certified CarbonNeutral® company* (effective from 1 January 2019)

Infrastructure funds	Strategy	Amount[2] (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	£3,405[3]	Since 2006	Evergreen
Environmental Fund	Unlisted, capital growth	€235	Since 2009	Divesting
Fund III	Unlisted, capital growth	US$1,000	Since 2011	Divesting
Yield Fund	Unlisted, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group ("TRIG")	Listed, income yield	£2,355[3]	Since 2013	Evergreen
Fund V	Unlisted, capital growth	US$1,200	Since 2017	Investing

Source: InfraRed

1. Task Force on Climate-related Financial Disclosures
2. 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. Fund III size net of cancellation of c.$200m of commitments in March 2016
3. Market capitalisation as at 31 October 2020. Source: Thomson Reuters Datastream

* The www.carbonneutral.com/protocol was created and is managed by Natural Capital Partners. First developed and published in 2002, The Protocol is revised and updated annually to reflect developments in climate science, international policy, standards and business practice. The Protocol is updated annually with input from an Advisory Council of external experts to ensure it reflects the latest industry and scientific best practice

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

InfraRed
Capital Partners

90+	5	20+
infrastructure professionals	continent coverage	spoken languages

HICL 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 Management Committee. 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 Management Committee. Chris has had extensive involvement with a variety of leverage, structured and cashflow based financings internationally.

Harry Seekings – Head of Infrastructure
Harry joined InfraRed in 1998 and is one of InfraRed's Management Committee. 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.

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 and 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 30 September 2020 (115 operational and two under construction) ▲ Assets spread across six sectors and seven countries
Net Asset Value	▲ Directors' Valuation of £3,073.2m at 30 September 2020 (31 March 2020: £2,888.5m)[1] ▲ NAV/share of 154.0p at 30 September 2020 (31 March 2020: 152.3p) ▲ Directors' Valuation based on a weighted average discount rate of 7.0% (31 March 2020: 7.2%)
Board and Governance	▲ Board comprises eight independent non-executive Directors ▲ Investment Manager and Operator is InfraRed, an 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 1.08% at 30 September 2020 (31 March 2019: 1.11%)
Liquidity[3]	▲ Good daily liquidity – average daily trading volume of over 2.8m shares ▲ Tight bid / offer spread

1. Including £78.7m of future investment obligations (31 March 2020: £77.0m)
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 30 September 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

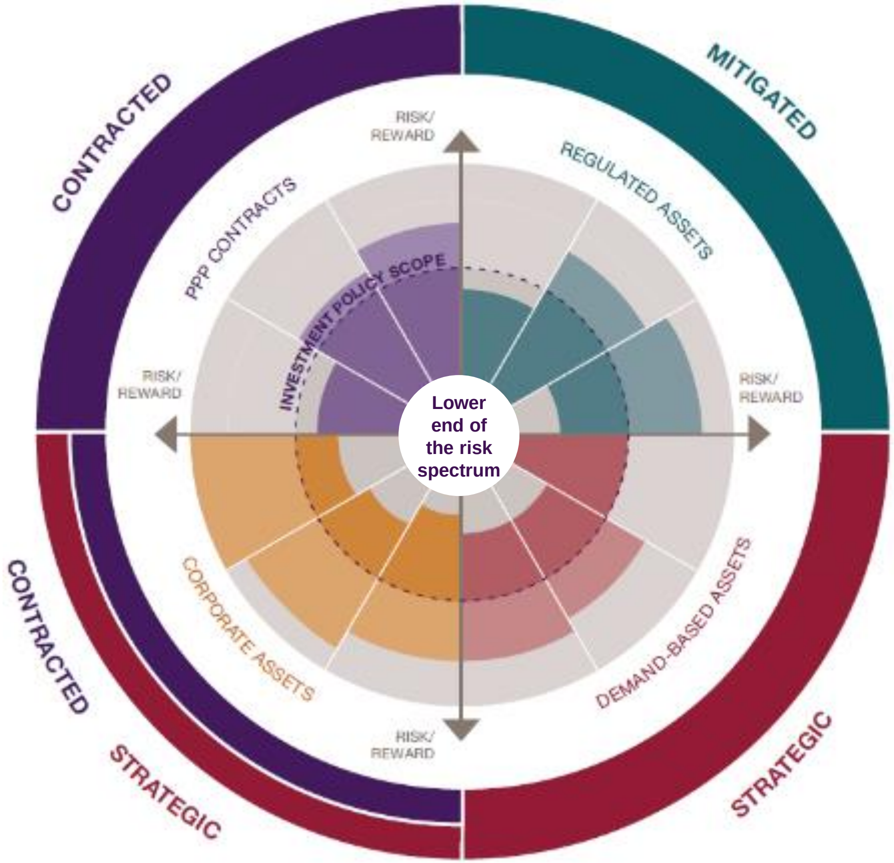


Chart Key
- Inner wheel denotes **Revenue Profile**
- Outer wheel denotes **Investment Categorisation**

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

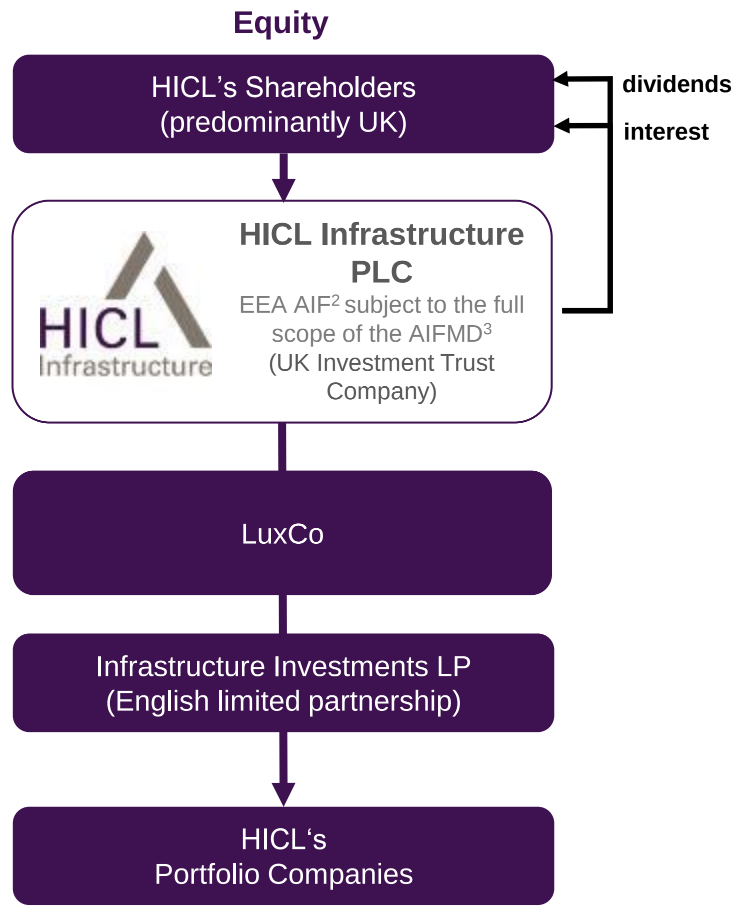
- HICL's AIFM
- Fund Management
- Strategy
- Reporting
- Acquisitions and Disposals
- Asset Management
- Risk and Portfolio Management

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

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

HICL Infrastructure

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

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

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

Signatory of:

PRI Principles for Responsible Investment

A+
sixth consecutive year[1]

Of HICL's portfolio companies (March 2020):

- 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.

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, a UK resident, 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 ("CFO") and then Deputy Chief Executive; and subsequently as Group Finance Director for Thames Valley Housing. Rita has recently served as CFO for Cancer Research UK. Currently, Rita serves as CFO for the University of London.

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, a UK resident, 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 is a Chartered Director (CDir) accredited by the UK Institute of Directors, graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering and is an active member of UK and Guernsey fund management interest groups.

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.

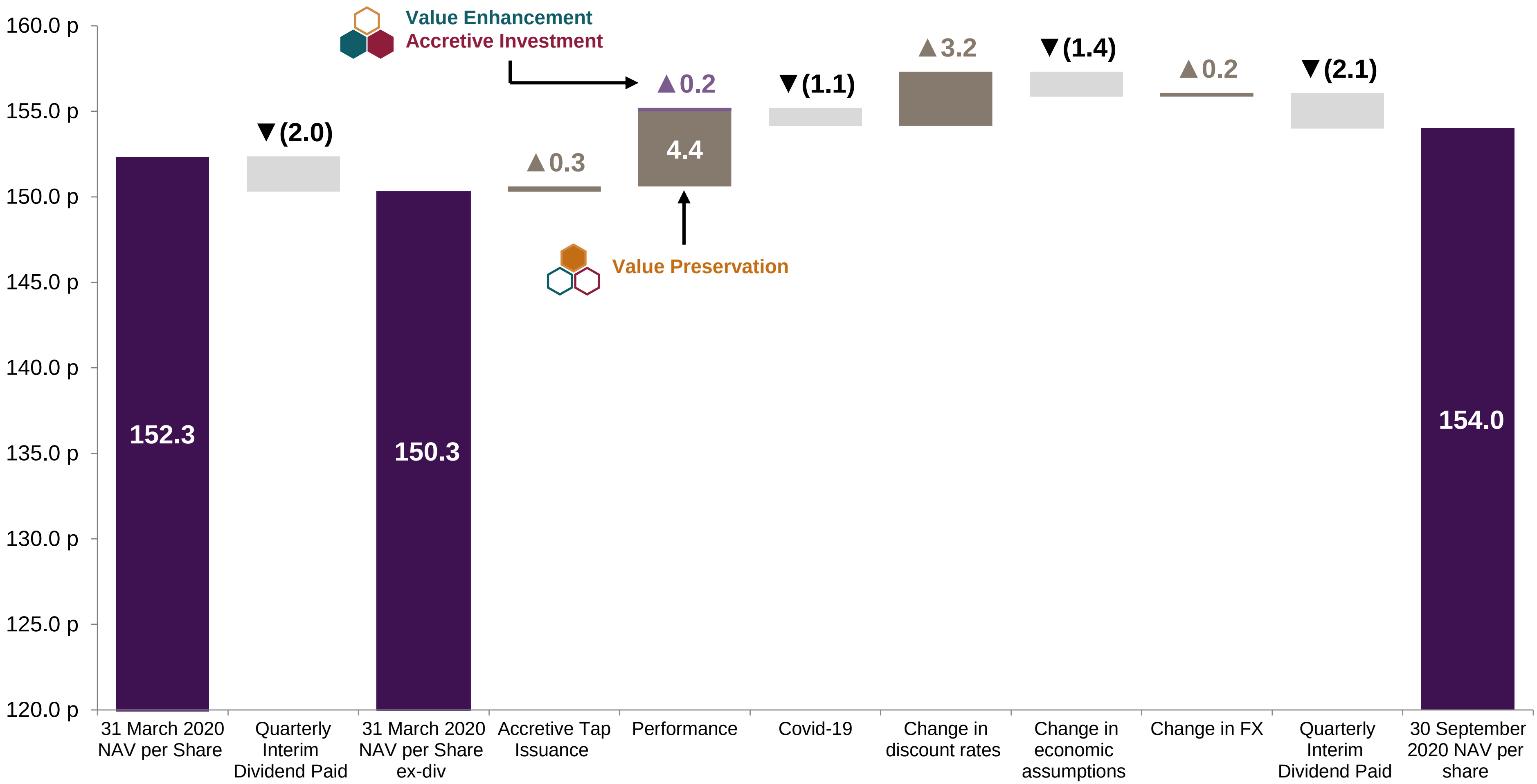
Key Performance Indicators ("KPIs")

KPI	Measure[1]	30 September 2020	30 September 2020	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the period	4.12p	4.12p	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.	9.3% 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	0.83x	1.05x	Cash-covered dividends	Not achieved in line with guidance provided to the market
Positive Inflation Correlation	Changes in the expected portfolio return for 1% p.a. inflation change	0.8%	0.8%	Maintain positive correlation with a correlation of at least 0.5x	Achieved
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[3]	1.08%	1.09%	Efficient gross (portfolio level) to net (investor level) returns, with the intention to reduce ongoing charges where possible. Maintain within the range for FTSE250 listed infrastructure peers	Achieved

1. Set by reference to the issue price of 100p per share, at the time of HICL's IPO in March 2006
2. Calculated in accordance with Association of Investment Companies guidelines. Ongoing charges exclude non-recurring items such as acquisition cost

Analysis of Change in NAV per Share[1]

Six months to 30 September 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 six months to 30 September 2020	For the six months to 30 September 2019
Total income	£121.9m	£97.9m
Fund expenses & finance costs	(£17.8m)	(£18.4m)
Profit before tax	£104.1m	£79.5m
Earnings per share[2]	**5.5p**	**4.4p**
Ongoing charges[3]	**1.08%**	**1.09%**

Balance Sheet (as at)	30 September 2020	31 March 2020
Investments at fair value[4]	**£2,994.5m**	**£2,811.5m**
NAV per share[2] (before final dividend)	154.0p	152.3p
Interim dividend	(2.06p)	(2.07p)
NAV per share (after interim dividend)	**151.9p**	**150.2p**

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 30 September 2020 of £3,073.2m net of £78.7m of future investment obligations (30 March 2020: £2,888.5m net of £77.0m)

Summary Financials II

Figures presented on an Investment Basis[1]

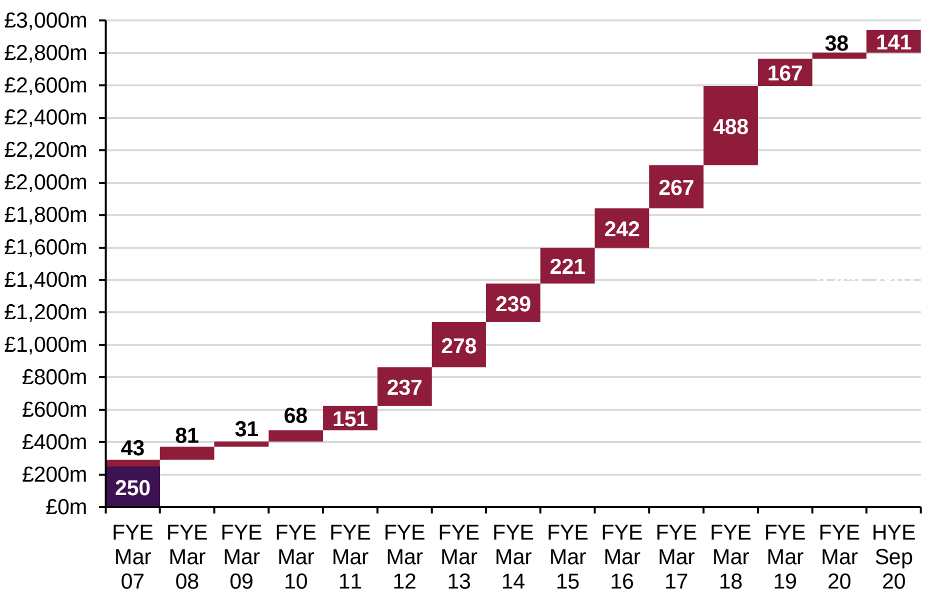
Cash Flow	For the six months to 30 September 2020	For the six months to 30 September 2019
Opening net cash/(debt)	£28.7m	(£84.3m)
Net operating cash flow	**£65.1m**	**£76.5m**
Investments (net of disposals)	(£140.6m)	(£18.0m)
Equity raised (net of costs)	£118.8m	(£0.7m)
Forex movements and debt issue costs	£0.5m	(£1.6m)
Dividends paid	(£78.5m)	(£73.1m)
Net (debt)	**(£6.0)m**	**(£101.2m)**
Dividend cash cover	**0.83x**	**1.05x**

1. Investment Basis is the same basis as was applied in prior years. See the Annual Report for further details

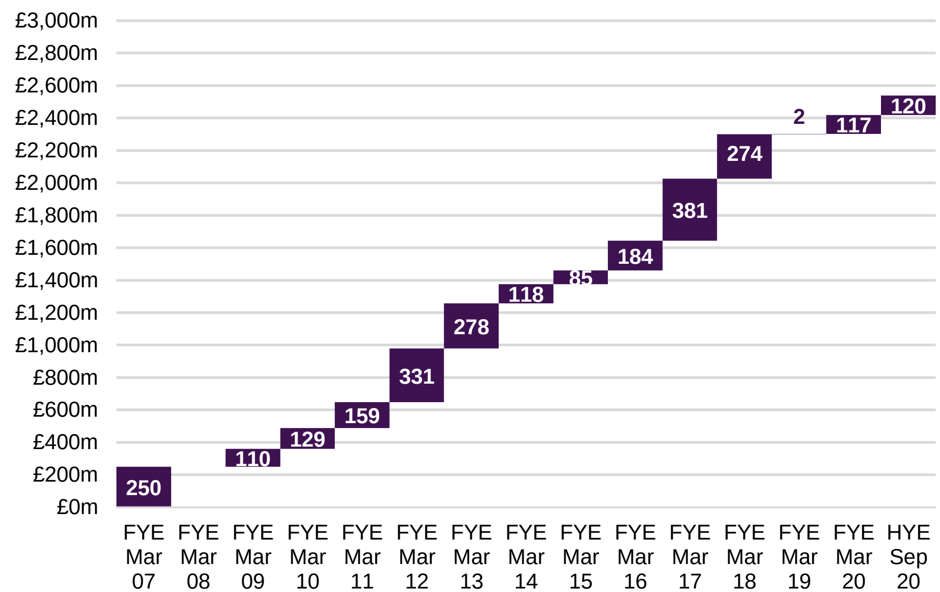
Investment and Capital Raising

- 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.£2.3bn through subsequent share issues

198 Acquisitions[1] since IPO to 30 September 2020 totaling £2.9bn



Over £2.5bn of Equity Issuance from IPO to 30 September 2020[2]



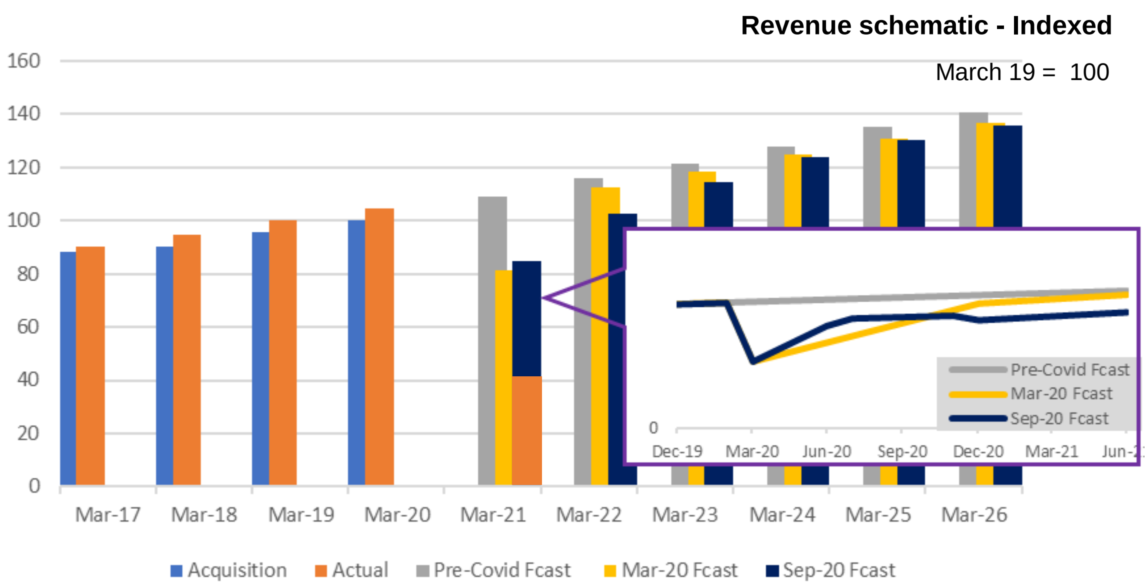
1. Split into 117 investments, as at 30 September 2020. Excludes disposals, the proceeds of which have been reinvested
2. Includes primary and secondary issuance by way of tap and scrip issues

Demand-based Assets Impacted by Covid-19 I

Differing recovery trajectories

- HICL has demand-based assets correlated to GDP (18% of portfolio), predominantly accounted for by three assets: High Speed 1 (UK), Northwest Parkway (USA) and A63 Motorway (France)
- Northwest Parkway and A63 have experienced a recovery in traffic albeit at a differing rate; international train paths on High Speed 1 have been severely impacted by government-enforced quarantine measures and are likely to remain suppressed until restrictions are eased (see pages 48-50 for individual project assumptions)
- HICL has revised its forecasts for demand-based assets with the benefit of over six months of Covid-19-affected traffic and revenue data, resulting in a total valuation reduction of £18m across the three assets[1]

Initial recovery ahead of expectations; slower growth expected in medium term



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; 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 between 2020 and 2022; median[2] adopted to rebase the traffic growth trajectory

Across the three assets we have modelled a more protracted path to revenue recovery

1. As per valuation bridge on page 12 which includes an additional £2.5m reduction as a result of Covid-19 impacts on Affinity Water
2. GDP forecasts published between 24 June 2020 and 5 Oct 2020

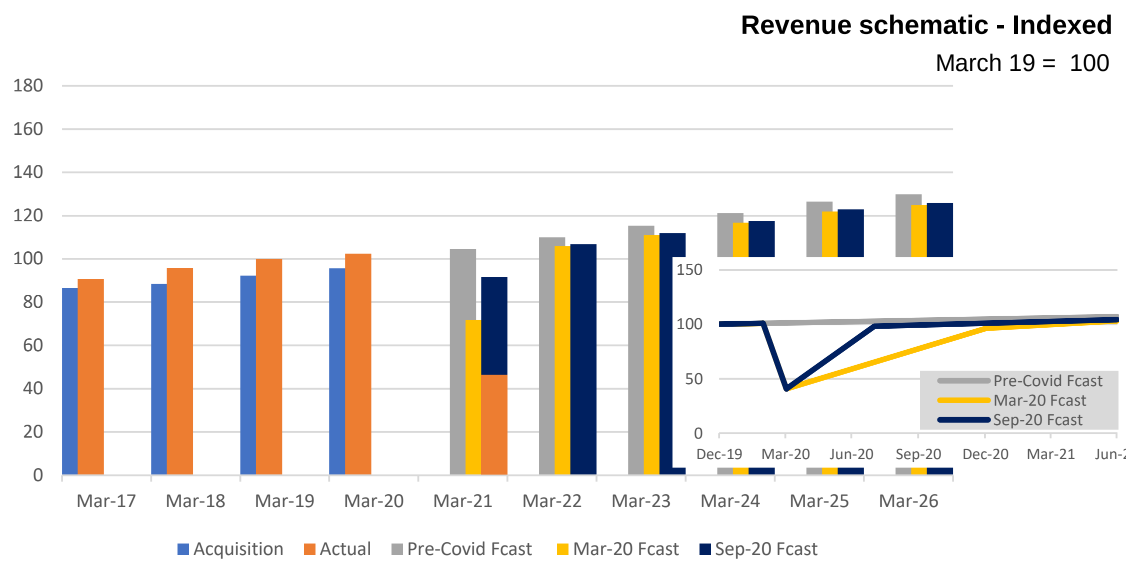
Forecasts are not a reliable indicator of future performance

Demand-based Assets Impacted by Covid-19 II

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
- Revenue on the A63 rebounded strongly and averaged c.95% of pre-Covid levels between 1 July 2020 and 31 October 2020. The sector-specific economic contractions witnessed over the period have not significantly impacted traffic on the road, and as a result long-run traffic growth is based on pre-Covid forecasts rather than being rebased using short term GDP forecasts
- Lockdown restrictions announced after period end present a downside risk to the valuation; the impact is not expected to be material and traffic is expected to rebound strongly once the measures are eased by the French Government

Recovery ahead of expectations; reduced long-term impact



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Conditions as at 30 September 2020 persist until 31 December 2021, with both light and heavy vehicle traffic only slightly below HICL's pre-Covid forecasts
- From 1 January 2021, traffic is forecast to be almost in line with HICL's pre-Covid 19 expectation; a 10% reduction has been applied to light vehicle volumes to reflect greater uncertainty on private leisure trips
- Traffic growth rate assumptions from 1 January 2021 are in line with HICL's pre-Covid-19 forecast
- As a result of the valuation adjustments above, underlying traffic is expected to reach pre-Covid levels by March 2021, although this may be impacted by further restrictions on movement announced after period end

Demand-based Assets Impacted by Covid-19 III

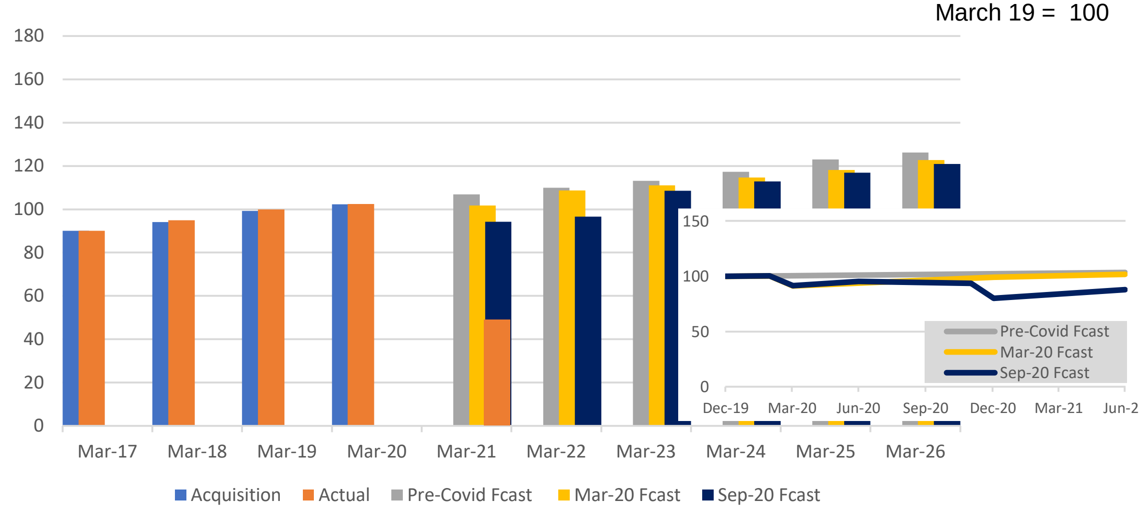
High Speed 1 (UK) revenue modelling

- ▲ High Speed 1 ("HS1") has strong strategic positioning as the only direct rail connection between the UK and mainland Europe
- ▲ Contracted track access revenues for domestic and international train paths have supported HS1's revenues in the period; domestic services have been pre-booked at pre-Covid levels until May 2021
- ▲ Eurostar services continue to be significantly impacted by quarantine restrictions and are operating at c.20% of pre-Covid levels, a protracted recovery is expected with international train paths returning to steady state from 1 January 2023
- ▲ Lockdown restrictions announced after period end present a downside risk to the valuation through reduced Eurostar services and/or a reduction in short term GDP forecasts; neither impact is expected to be material

Protracted recovery due to significantly reduced international train paths

Revenue schematic - Indexed

March 19 = 100



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Contracted revenues from domestic train paths continue at pre-Covid levels
- Contracted revenues from international train paths expire in mid-December, with revenues reducing significantly and then recovering gradually over two years
- Car parking and retail revenues assumed to follow a similar path to recovery as international train paths
- Longer-term assumptions for international train paths from 1 January 2023 are rebased using median GDP forecasts for calendar years 2020, 2021 and 2022 (cumulatively -1% for UK), after which revenue growth rates are in line with pre-Covid-19 assumptions
- Planned growth in domestic train paths has been assumed to be pushed back a further year, with domestic and international train paths expected to reach pre-Covid levels by March 2024

1. GDP forecasts published between 24 June 2020 and 5 October 2020

Forecasts are not a reliable indicator of future performance

Demand-based Assets Impacted by Covid-19 IV

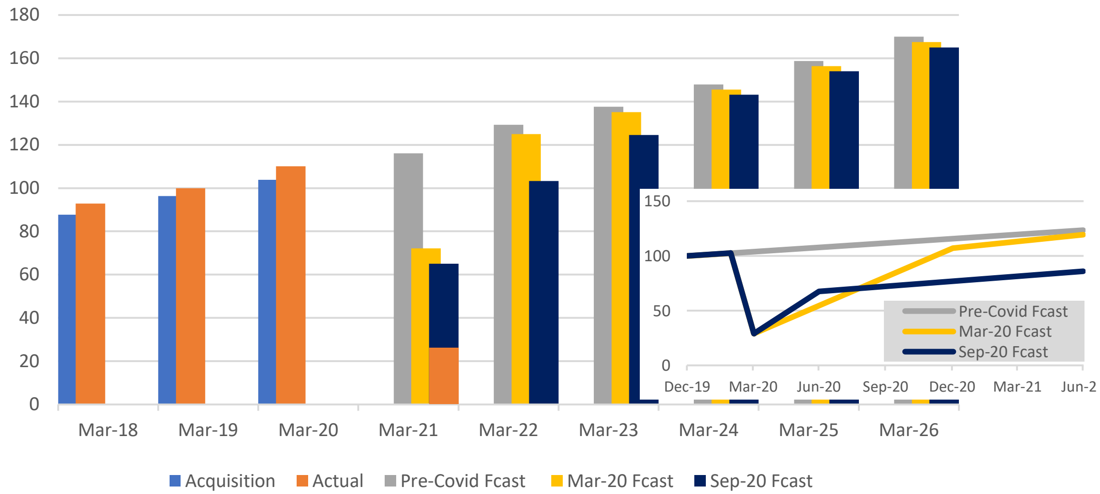
Northwest Parkway (USA) revenue modelling

- 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 and revenue saw a swift recovery between 1 May 2020 and 30 June 2020 but has subsequently plateaued as a result of the continued impact of state and local government Covid-19 policies as well as subdued activity at Denver airport. A more gradual recovery to normal operating conditions is therefore assumed
- The project continues to benefit from project level liquidity sufficient to cover debt service to June 2023

Gradual recovery to normal operating conditions following initial uplift

Revenue schematic - Indexed

March 19 = 100



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- Current traffic conditions persist until 31 December 2020
- From 1 January 2021, revenues recover gradually each half year, with normal operating conditions assumed to resume from 1 January 2023
- For longer-term forecasts from 1 January 2021 assumed traffic is effectively rebased using median economic forecasts[1] for calendar years 2020, 2021 and 2022 (cumulative 2% 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 is expected to reach pre-Covid-19 levels by March 2023

1. GDP forecasts published between 24 June 2020 and 2 October 2020

Forecasts are not a reliable indicator of future performance

Appendix III

The Investment Portfolio

Portfolio I

Portfolio of 117 assets

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

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

Fire, Law & Order — **6%**

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	M17/M18 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 30 September 2020, using the Directors' Valuation of £3,073.2m

Portfolio II

Portfolio of 117 assets

Health			28% of Directors' Valuation[1]
Barnet Hospital	Doncaster Mental Health Hospital	Oxford John Radcliffe Hospital	Staffordshire LIFT
Birmingham Hospitals	Ealing Care Homes	Oxford Nuffield Hospital	Stoke Mandeville Hospital
Birmingham & Solihull LIFT	Glasgow Hospital	Pinderfields & Pontefract Hospitals	Tameside General Hospital
Bishop Auckland Hospital	Hinchingbrooke Hospital	Queen Alexandra Hospital	West Middlesex Hospital
Blackburn Hospital	Irish Primary Care Centres (Ireland)	Redbridge & Waltham Forest LIFT	Willesden Hospital
Blackpool Primary Care Facility	Lewisham Hospital	Romford Hospital	
Brentwood Community Hospital	Medway LIFT	Salford Hospital	
Brighton Hospital	Newton Abbot Hospital	Sheffield Hospital	
Central Middlesex Hospital	Oxford Churchill Oncology	Southmead Hospital	

Accommodation			13%
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			9%
Affinity Water	Galloper OFTO	Walney OFTO	
Burbo Bank OFTO	Race Bank OFTO		

Key

▲ Incremental investment since 31 March 2020

▲ Handed back to the public-sector client since 31 March 2020

▲ New investment since 31 March 2020

1. By value, at 30 September 2020, using the Directors' Valuation of £3,073.2m

Portfolio Analysis

HICL's Portfolio, as at 30 September 2020[1]

OWNERSHIP STAKE

		Sep-20	Mar-20
▲	100% ownership	31%	26%
▲	50% - 100% ownership	32%	34%
▲	Less than 50% ownership	37%	40%

SECTOR

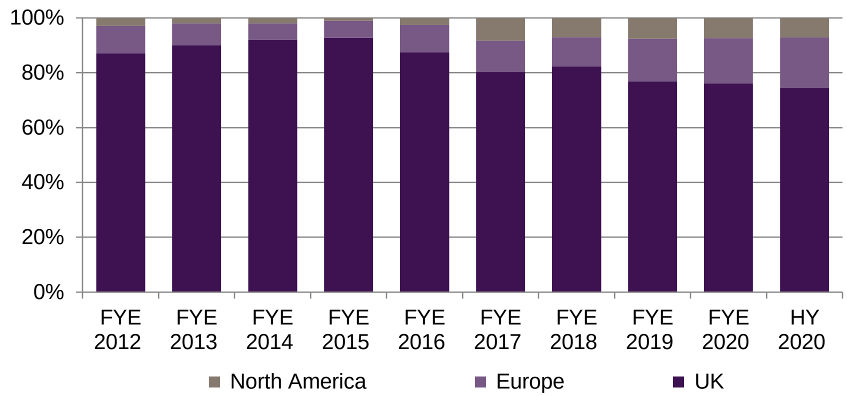
		Sep-20	Mar-20
▲	Accommodation	13%	11%
▲	Education	14%	14%
▲	Electricity, Gas & Water	9%	8%
▲	Health	28%	30%
▲	Fire, Law & Order	6%	7%
▲	Transport	30%	30%

1. By value using Directors' Valuation of £3,073.2m as at 30 September 2020

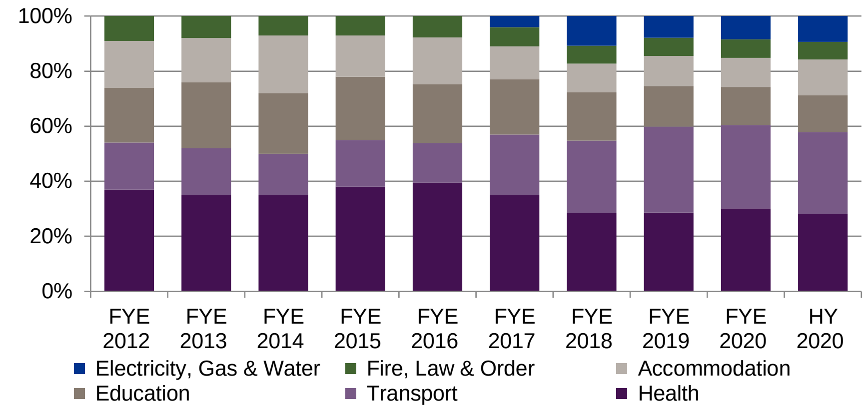
Portfolio – Key Attributes

Evolution of the Group's portfolio

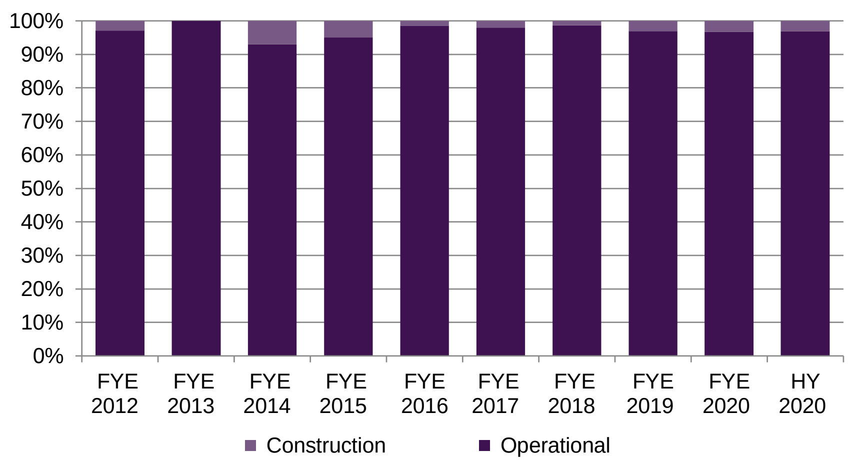
Geographically Diverse Portfolio



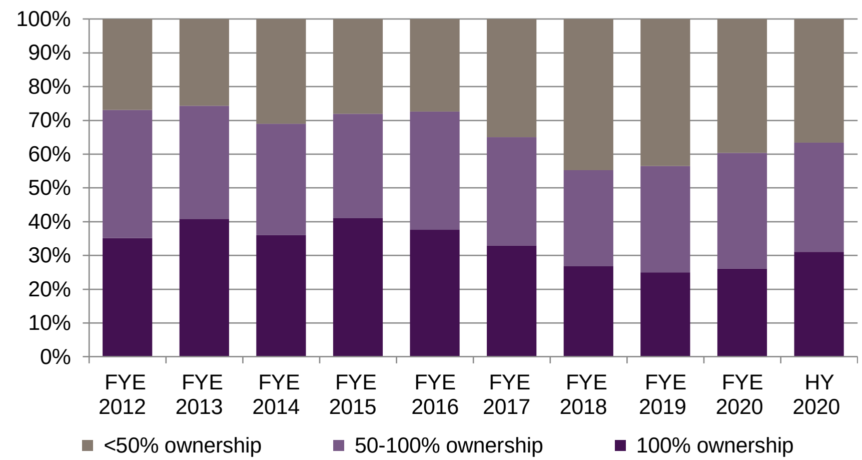
Diverse Sector Spread



Predominantly Operational Assets



Opportunities to Increase Ownership Stakes

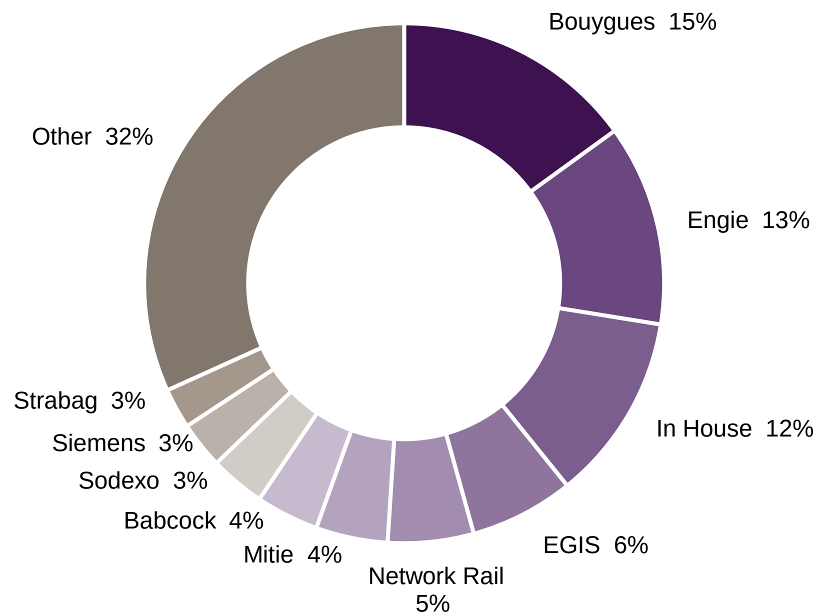


By value, using Directors' Valuation

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
- Regular and proactive engagement with these counterparties is key in the current period of stress and disruption
- InfraRed's in-house credit team actively monitors and reports on the financial strength of HICL's counterparty relationships
- "In House" represents Affinity Water (UK) and Northwest Parkway (USA)
- Bouygues, Engie, Skanska and Integral were sourced by InfraRed's Asset Management team to replace Carillion on nine projects

10 Largest Facilities Management and Operations Counterparty Exposures[1]

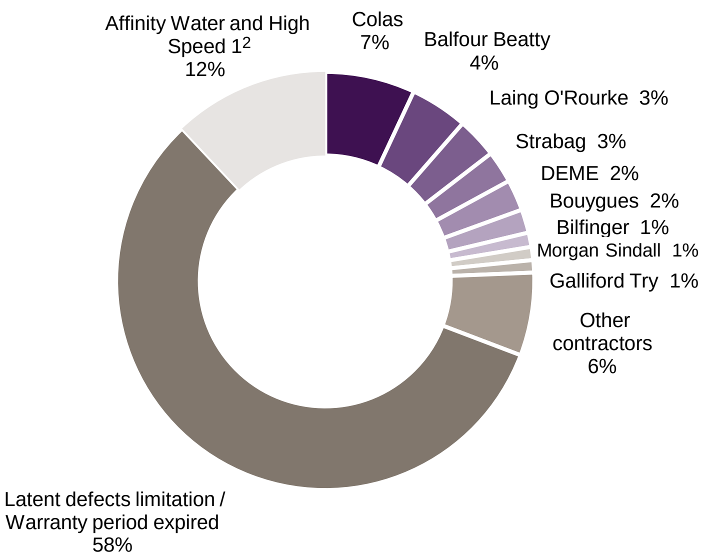


1. By value, at 30 September 2020. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by InfraRed). Where a project has more than one operations contractor, not in a joint and several contract, the 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

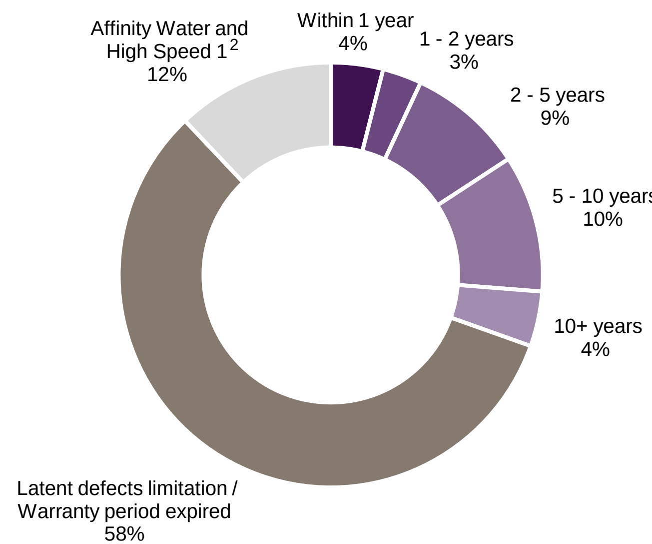
Construction Counterparty Exposure

- 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 30 September 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 30 September 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 annually 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)

Key Valuation Assumptions

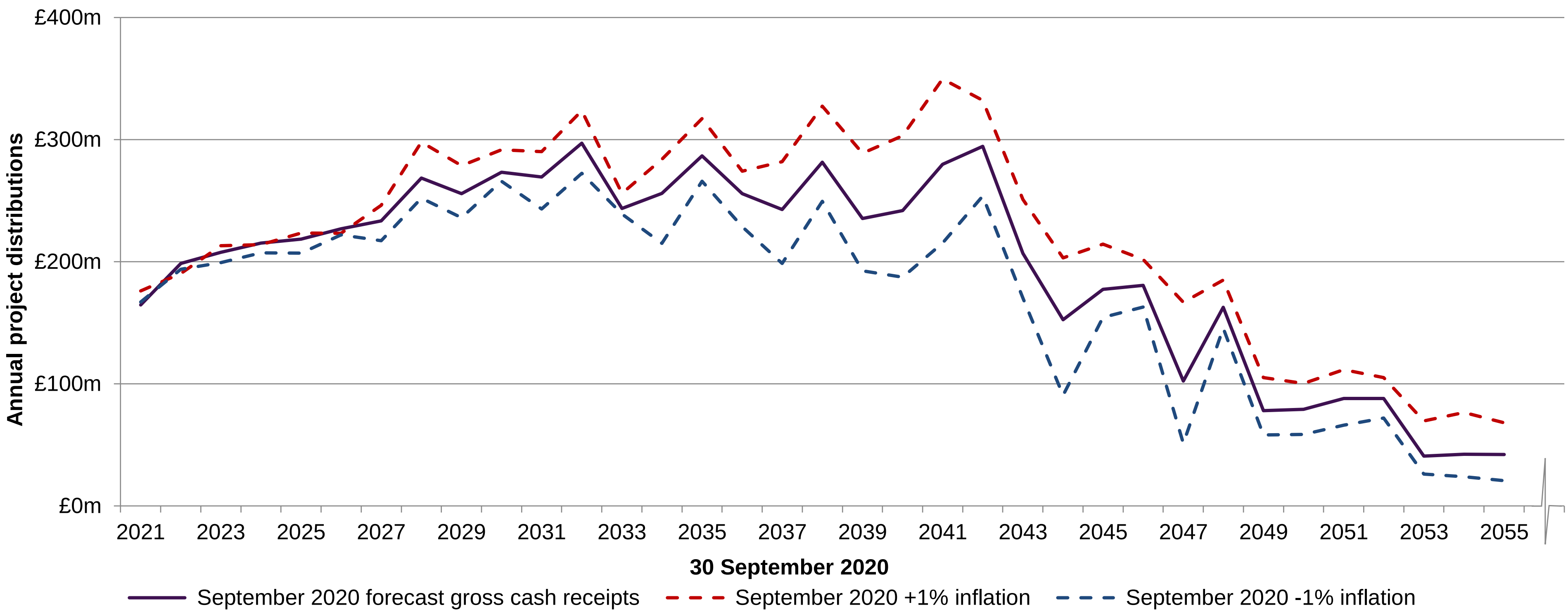
		Movement	30 September 2020	31 March 2020
Discount Rate	Weighted Average	↓	7.0%	7.2%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2]/CPIH[3]) Eurozone (CPI) Canada (CPI) USA (CPI)	↔	2.75% / 2.0% 2.0% 2.0% 2.0%	2.75% / 2.0% 2.0% 2.0% 2.0%
Interest Rates (p.a.)	UK Eurozone Canada USA	↓	0.25% to March 2023, 1.0% thereafter 0.0% to March 2023, 0.5% thereafter 0.5% to March 2023, 1.5% thereafter 0.5% to March 2023, 1.5% thereafter	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
Foreign Exchange	EUR / GBP CAD / GBP USD / GBP	↑ ↑ ↓	0.91 0.58 0.77	0.89 0.57 0.81
Tax Rate (p.a.)	UK Canada USA Eurozone	↔ ↑	19% 26% and 27% 21% Federal & 4.6% Colorado State Ireland 12.5% France 25% - 33.3% Netherlands 25%	19% 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	↓	(10.0%) in 2020, 6.5% in 2021, 2.5% in 2022, 2.0% thereafter (10.0%) in 2020, 7.0% in 2021, 3.0% in 2022, 1.8% thereafter (4.5%) in 2020, 4.0% in 2021, 3.0% in 2022, 2.0% thereafter	(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

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

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 60, the expected return from the portfolio[2] (before Group expenses) would increase by 0.8% from 7.0% to 7.8%
- The UK government is due to publish its response to the UKSA's proposed reform of RPI to potentially align it to CPIH in late November 2020, which could result in a material reduction in the level of RPI from 2025 or 2030. We estimate that the potential impact to NAV of a full alignment of RPI to CPIH in 2025 absent any compensation from clients could be 3.1p/share



Source: InfraRed

1. Sensitivity based on forecast gross portfolio cash flows as at 30 September 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

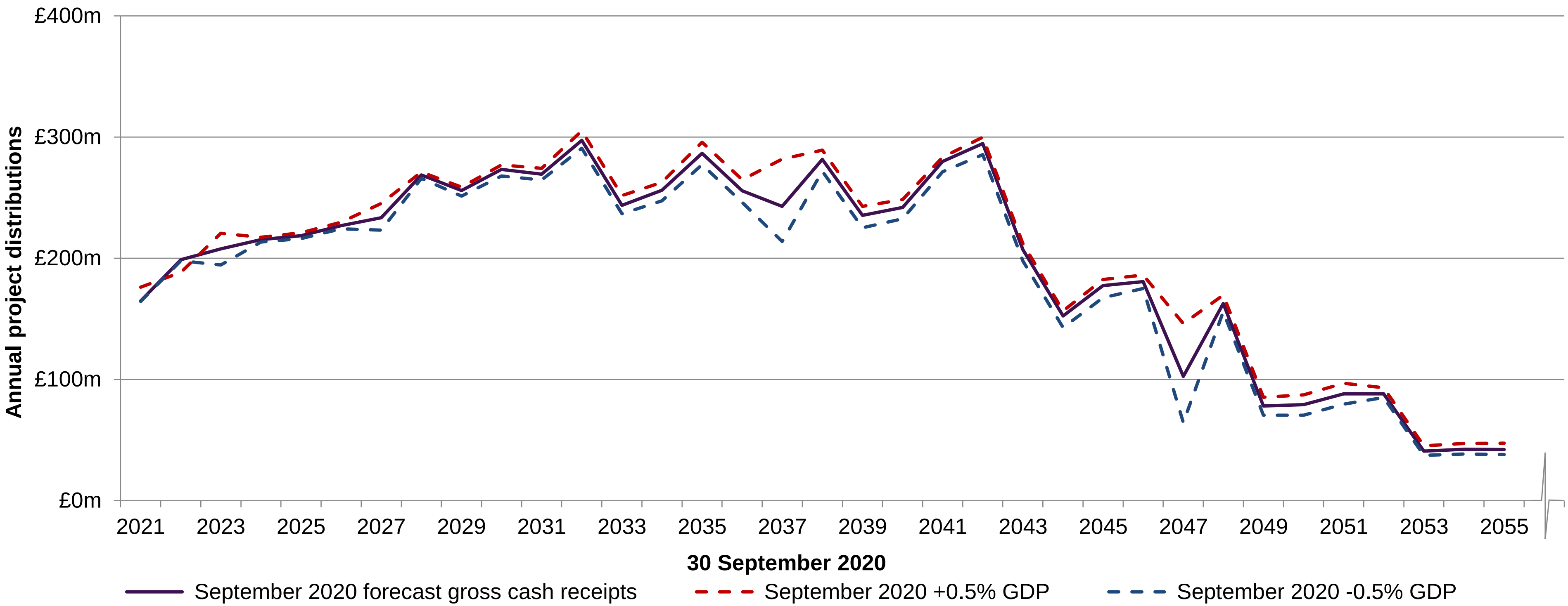
Forecasts are not a reliable indicator of future performance. There can be no assurance that this target will be met.

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 7.0% to 6.8%
- In relation to the assumed Covid-19 recovery, if cumulative GDP for 2021 and 2022 is +/-1%, the impact on the expected return from the portfolio is +/-0.5p on a NAV/share basis or +/- 0.02% on portfolio return
- GDP sensitivity for 0.5% higher / lower in all future periods based on forecast gross portfolio cash flows as at 30 September 2020



Source: InfraRed

1. Sensitivity based on forecast gross portfolio cash flows as at 30 September 2020
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Forecasts are not a reliable indicator of future performance. 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

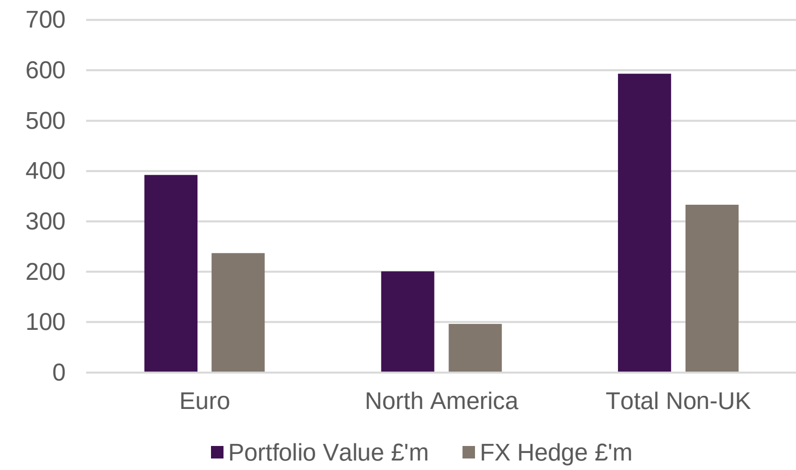
Objective

- 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 30 September 2020



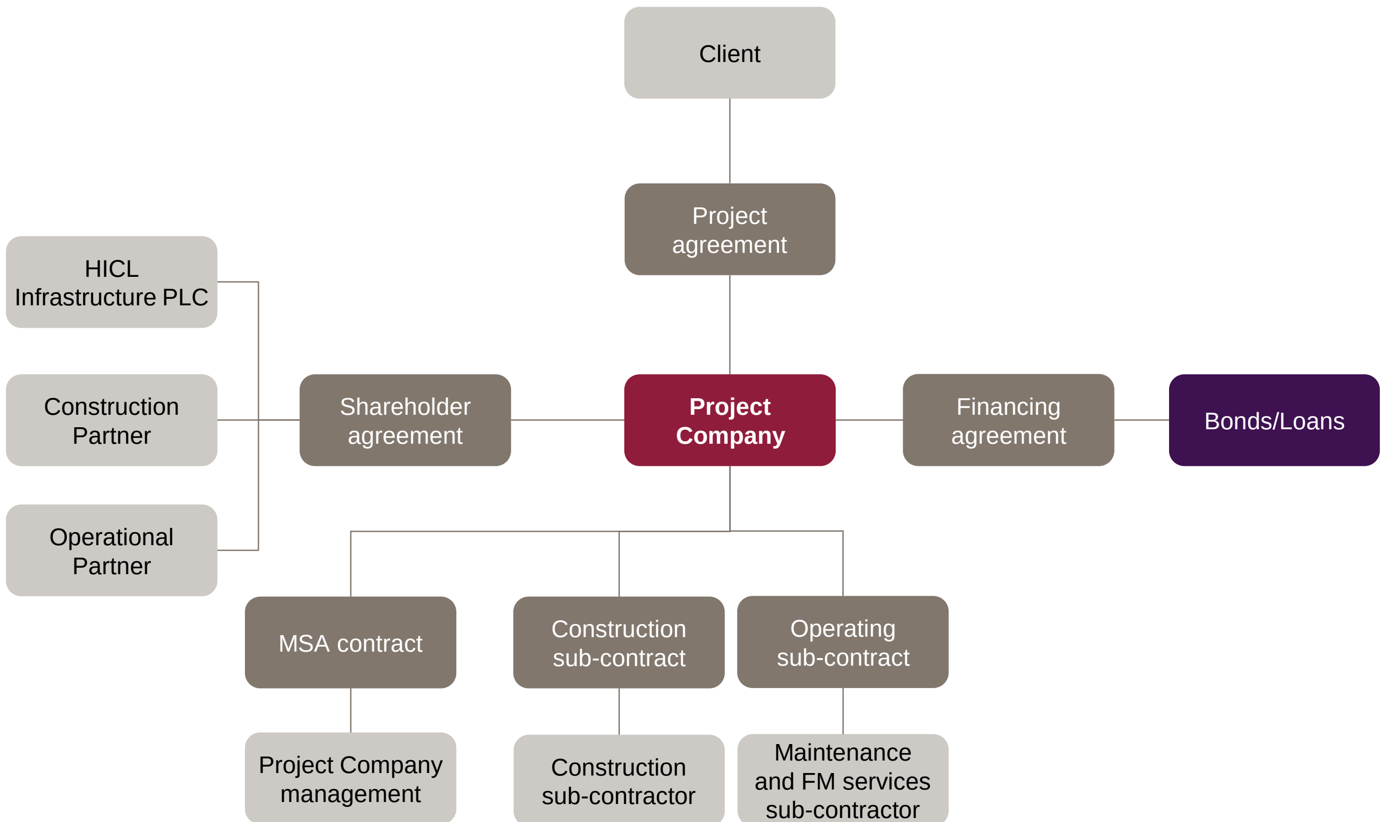
HICL's hedging policy

- Limit volatility of NAV per share to no more than 2% for a 10% movement in FX rates
- 0.1% net FX gain as percentage of NAV for the six months ended 30 September 2020

Appendix V

The Infrastructure Asset Class

Typical PPP project structure

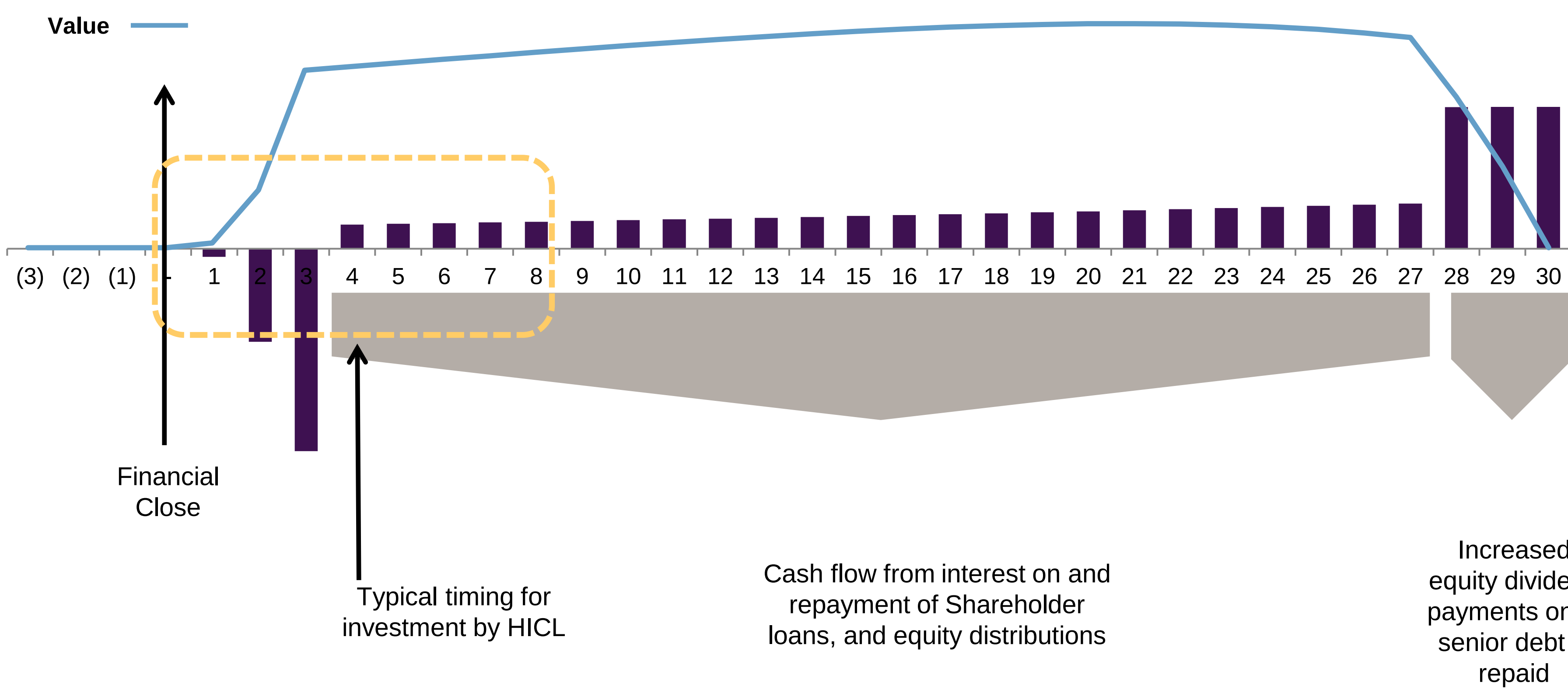


Source: InfraRed

Illustrative Investment Cash Flow Profile – PPP Project

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

Typical PPP Project Investment Cash Flow Profile		
Bidding Phase	Construction Phase	Operation & Maintenance Phase



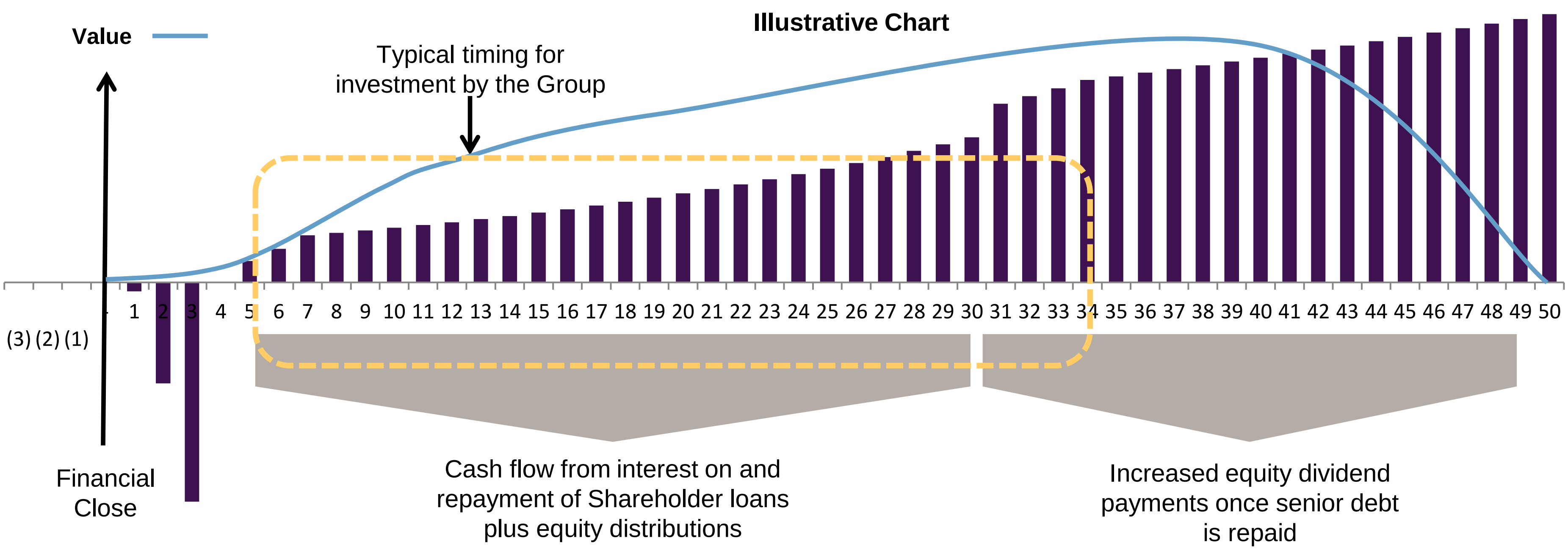
Source: InfraRed

For illustrative purposes only. This is not reflective of, or a forecast of any potential returns

Illustrative Investment Cash Flow Profile – Demand-based Asset

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

Typical Toll Road Investment Cash Flow Profile			
Bidding Phase	Construction Phase	Ramp-Up	Operation & Maintenance (Steady State)



Source: InfraRed

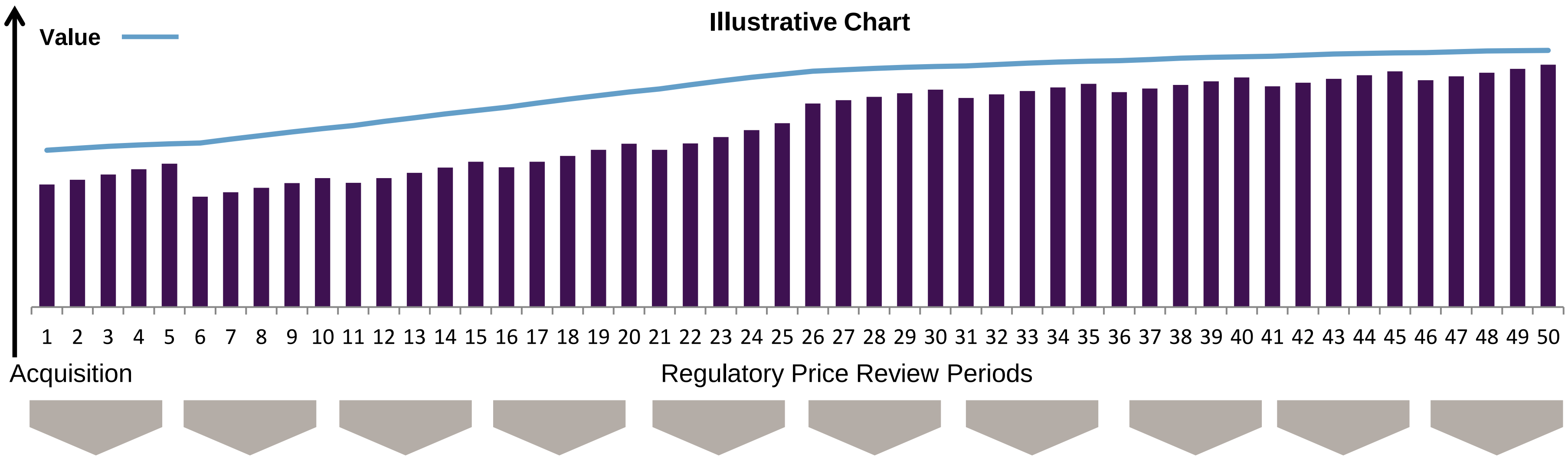
For illustrative purposes only. This is not reflective of or a forecast of any potential returns

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

For illustrative purposes only. This is not reflective of or a forecast of any potential returns

Valuation – Methodology

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

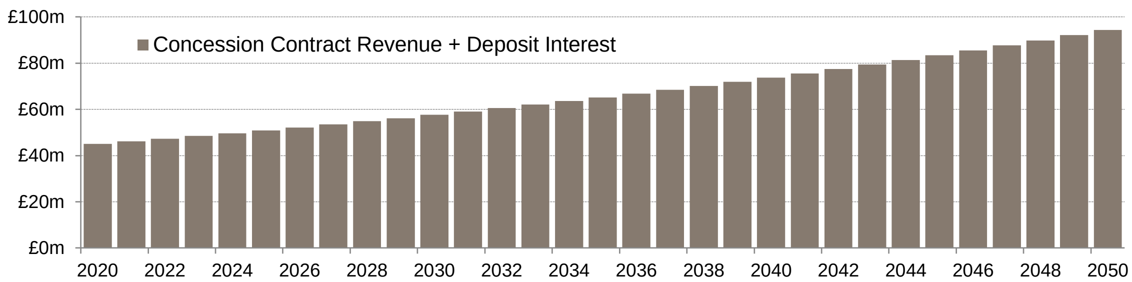
Forecast Project Inflows

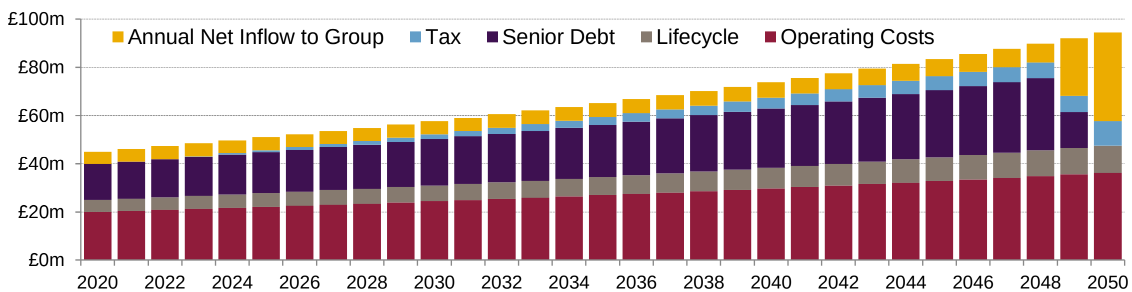
less

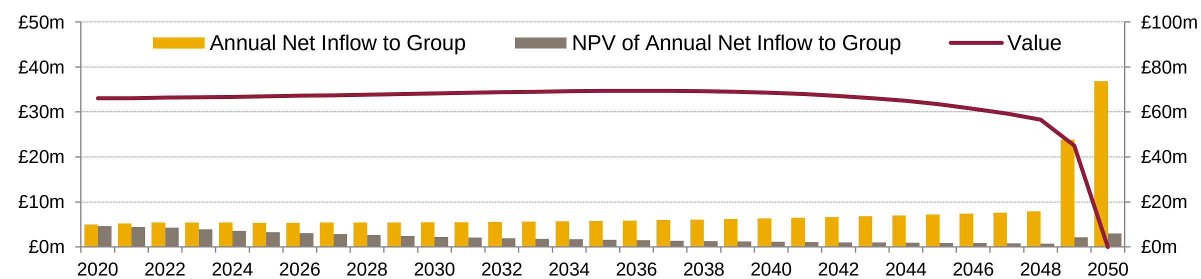
Forecast Project Outflows

equals

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