HICL Infrastructure PLC

Annual Results Presentation: Year to 31 March 2021

26 May 2021

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

Front cover image: Salford & Wigan BSF Phase 1, UK

Agenda

HICL Infrastructure

Section	Page

Highlights and Investment Proposition

Birmingham Hospital, UK

Performance Highlights

Resilient performance for the year to 31 March 2021

152.3p
NAV per share[1]
Steady versus 31 March 2020

5.5%
Total Shareholder Return[2]
1.9% for the year to 31 March 2020

8.25p
Dividend per share
Declared for 2021, guidance for 2022 and 2023[1,3]

1.07%
Ongoing charges
1.11% for the year to 31 March 2020

6.8%
Weighted average discount rate
7.2% for the year to 31 March 2020

0.9x
Dividend cash cover[4]
1.14x at 31 March 2020

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 of £11.9m. Excluding this, dividend cash cover would have been 0.83x (2020:1.03x)

Results Overview

Resilient financial and operational performance

Performance

- NAV per share steady at 152.3p. The valuation was supported by robust performance from underlying portfolio and continued demand for the asset class lowering discount rates. This was offset by external factors: the UK budget's increase in corporation tax rates, alignment of UK RPI with CPIH from 2030, further softening of interest rates, negative FX movements and the continuation of government restrictions on travel.
- Strong balance sheet: £119m capital raised during the year and RCF refinanced with £6.8m net cash at year end

Covid-19 recovery

- Significant majority of equity cash flows not impacted by Covid-19
- Four of the demand-based assets (c.19% of the portfolio) have GDP-correlated returns. The impact of ongoing systemic restrictions on movement has been reflected in lower forecast cash flows as well as discount rates used to value these assets

Portfolio

- Four accretive acquisitions investing over £150m, including three incremental investments sourced off-market
- One accretive disposal, benefiting portfolio construction

Dividend guidance[2,3]

- Highest dividend in the core infrastructure peer group with full year dividend declared for the year to 31 March 2021 of 8.25p (0.9x covered[1]), cash flow generation from the portfolio in line with the annual forecast
- Target dividend of 8.25p per share[1] for the year ending 31 March 2022 and 31 March 2023, maintaining the dividend paid for the financial year just ended[2], expected to be cash covered

Sustainability

- Updated Sustainability Report introduced in the 2021 Annual Report including a suite of metrics and targets
- Ongoing emphasis on improving sustainability disclosure, including SFDR and TCFD supported by InfraRed's Climate Change Impact Assessment
- Post-period-end HICL's revolving credit facility converted to a sustainability linked loan with specific ESG targets

Outlook

- Core infrastructure to play vital role in governments' recovery response to Covid-19
- Long-term cash yields from core infrastructure remain attractive to institutional investors in the current environment
- InfraRed is actively pursuing a pipeline of attractive core infrastructure investments for HICL

1. Including profits on disposals of £11.9m. Excluding this, dividend cash cover would have been 0.83x.
2. **This is a target only and not a profit forecast. There can be no assurance that this target will be met**
3. **Past performance is not a reliable indicator of future returns. Capital and income at risk**

Long-term Income from Core Infrastructure

A portfolio positioned at the lower end of the risk spectrum

1 Core infrastructure investment characteristics

0.8
High correlation of portfolio returns to inflation[1] at 31 March 2021

28.6yrs
Weighted average asset life at 31 March 2021

2 A large diversified portfolio

116
investments across market segments and geographies

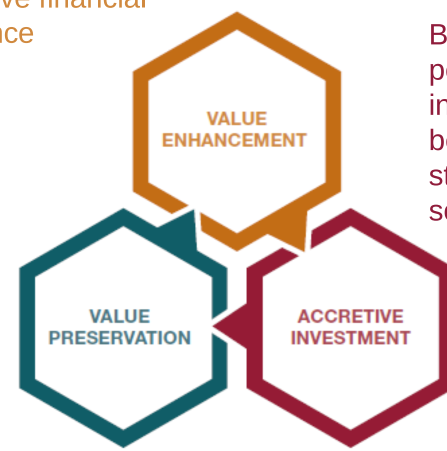
46%
Ten largest assets as a proportion of portfolio value at 31 March 2021

8%
Single largest asset as a proportion of portfolio value at 31 March 2021

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

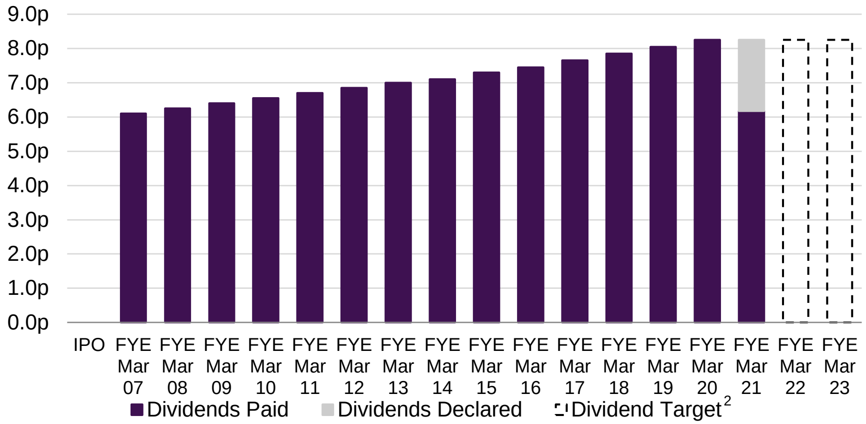
Deliver well-maintained infrastructure for end users and generate base case cash flows

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%

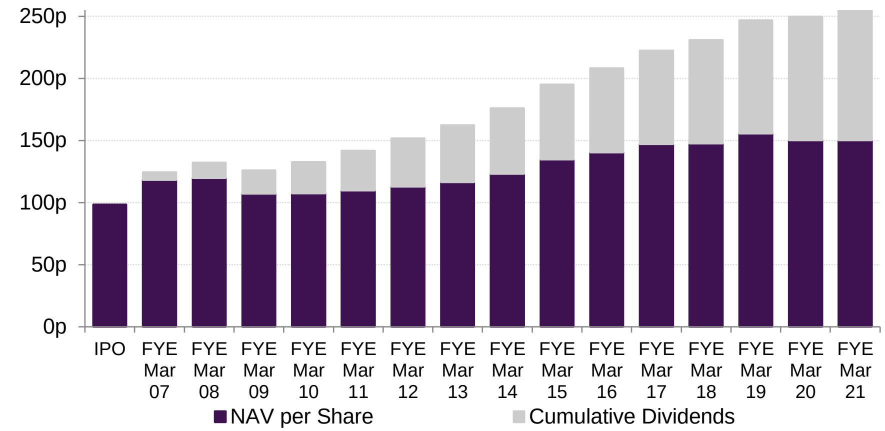
HICL's Track Record[1]

Consistent delivery over 15 years

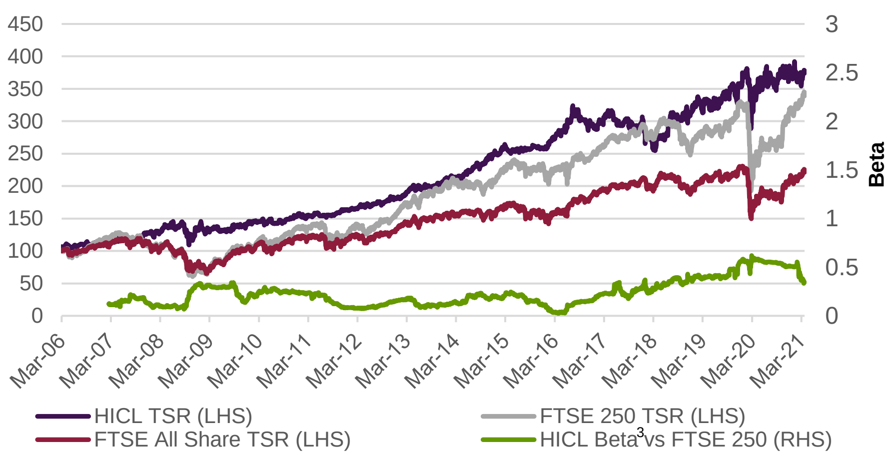
Dividend increased by 35% over 15 years



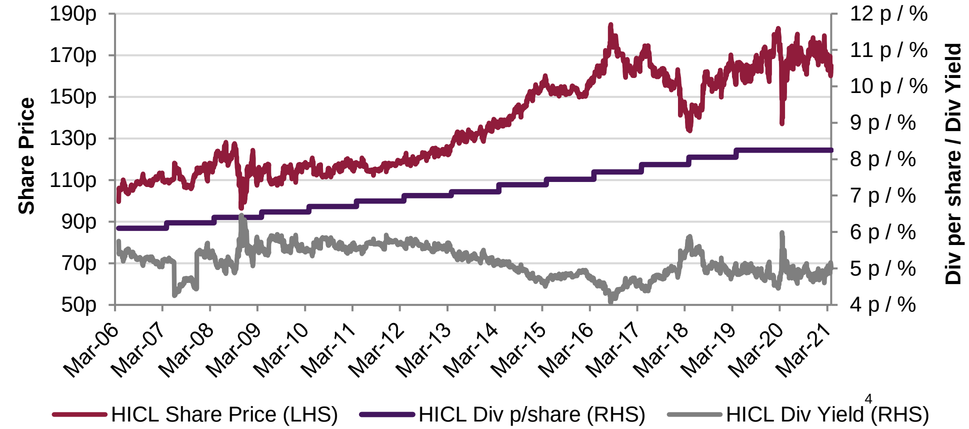
Total Return (NAV growth and dividends) of 8.9% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



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 measured against FTSE 250
4. Dividend yield calculated based on historic dividend paid (shown on the graph in purple) divided by prevailing share price (shown on the graph in red)

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

HICL Infrastructure

Stewardship

- Climate change impact assessment across HICL's portfolio
- High level of resilience to physical risks, under both current and future climate conditions
- Inherent mitigation against transition or policy risks associated with a lower-carbon economy, and the potential to exploit transition opportunities
- Adoption of findings at asset level will support further mitigation and enable active risk management

Reporting

- HICL voluntarily reported against all 11 recommended disclosures of the Taskforce on Climate-related Financial Disclosure (TCFD)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- Plan to align reporting with the EU Sustainable Finance Disclosure Regulation (SFDR); HICL is actively complying with all relevant level 1 provisions
- HICL has introduced a full suite of sustainability metrics and targets and a new Key Quality Indicator to monitor and improve progress

2020	→	2021
87%		99%

Percentage of the HICL portfolio that is rated 'high' for ESG performance[1]

Action

Signatory of:

PRI Principles for Responsible Investment

A+ for sixth consecutive year[2]

- InfraRed is a signatory of the Principles of Responsible Investment
- Sustainability incorporated into InfraRed's staff[3] objectives
- Sustainability factors embedded in InfraRed's investment processes
- Incorporation of ESG metrics into HICL's Revolving Credit Facility, linking sustainability performance to financial outcomes
- InfraRed has been a certified CarbonNeutral® company since 1 January 2019[4]

CERTIFIED CARBON NEUTRAL® company CarbonNeutral.com

1. 'High' rating in ESG performance means scoring 4/5 stars in the HICL Sustainability Survey. 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_3. Partners and employees 4. In accordance with the Carbon Neutral Protocol. Further information is available at https://carbonneutral.com/the-carbonneutral-protocol

HICL Infrastructure

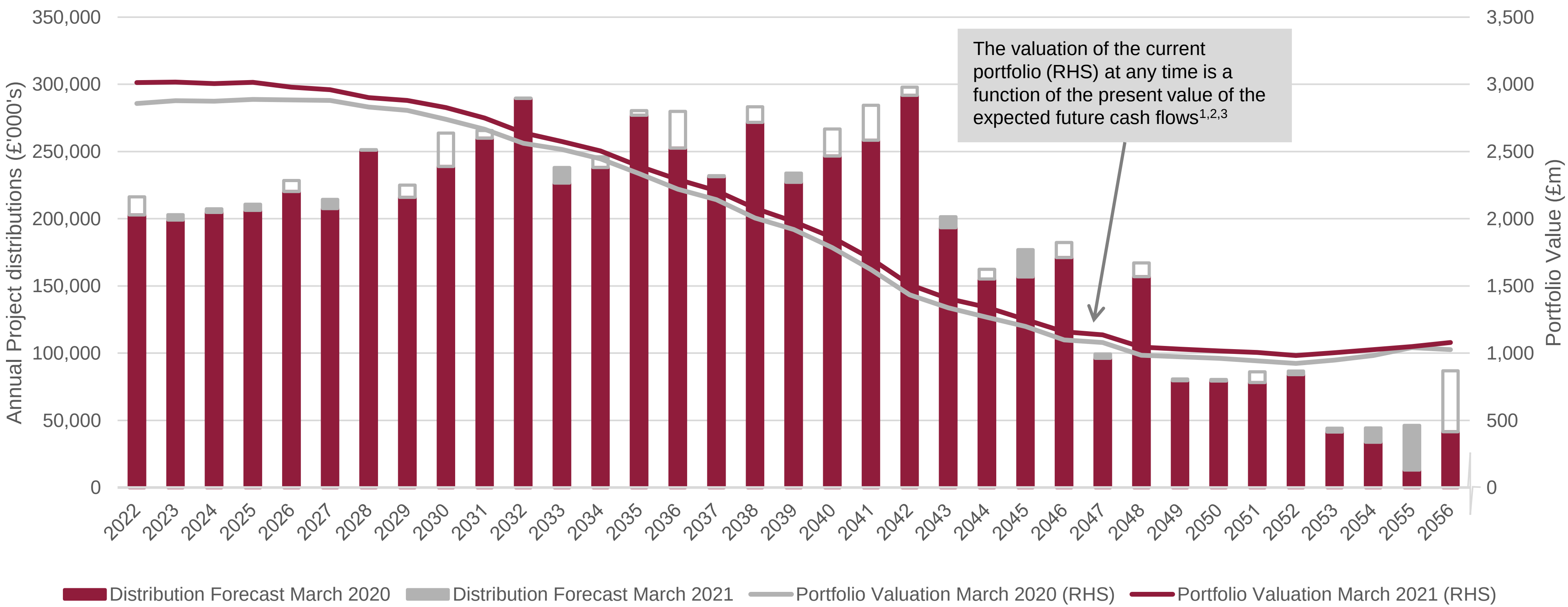
Valuation Overview

A249 Road, UK

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

Sustainable 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 cash flows, mainly from reforecasting the demand-based assets due to the impact of Covid-19



1. **The illustration represents a target only at 31 March 2021 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. Capital and income at risk.**
2. Valuation considers cash flows beyond 2056, for example for Northwest Parkway 86 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 2021

Key Valuation Assumptions

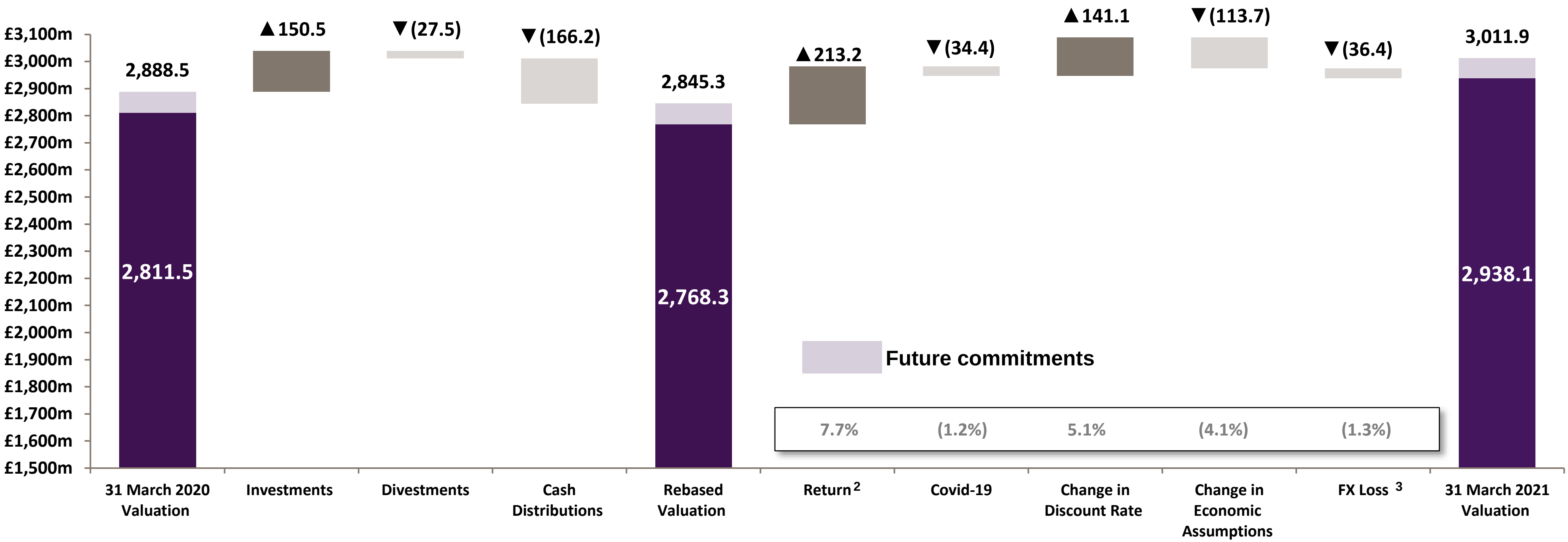
HICL Infrastructure

		Movement	31 March 2021	31 March 2020
Discount Rate	Weighted Average	↓	6.8%	7.2%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2])	↓	2.75% to 2030, 2.0% thereafter	2.75%
	CPIH[3]	↔	2.0%	2.0%
	Eurozone (CPI)		2.0%	2.0%
	Canada (CPI)		2.0%	2.0%
	USA (CPI)		2.0%	2.0%
Interest Rates (p.a.)	UK	↓	0.25% to March 2025, 1.25% thereafter	0.5% to March 2023, 1.5% thereafter
	Eurozone		0.0% to March 2025, 0.25% thereafter	0.0% to March 2023, 1.0% thereafter
	Canada		0.5% to March 2024, 2.25% thereafter	1.0% to March 2023, 2.25% thereafter
	USA		0.5% to March 2024, 2.25% thereafter	1.0% to March 2023, 2.25% thereafter
Foreign Exchange	EUR / GBP	↓	0.85	0.89
	CAD / GBP		0.58	0.57
	USD / GBP		0.73	0.81
Tax Rate (p.a.)	UK	↑	19% to March 2023, 25% thereafter	19%
	Canada	↓	23% and 27%	26% and 27%
	USA	↔	21% Federal & 4.6% Colorado State	21% Federal & 4.6% Colorado State
	Eurozone		Ireland 12.5% France 26.5% in 2021, 25% thereafter Netherlands 25%	Ireland 12.5% France 25%-33.3% Netherlands 21.7%-25%
GDP Growth (p.a.)	UK	↑	(10.5%) in 2020, 5.0% in 2021, 5.5% in 2022, 2.0% thereafter	(5.5%) in 2020, 4% in 2021, 2.0% thereafter
	Eurozone		(9.0%) in 2020, 5.5% in 2021, 4.0% in 2022, 1.8% thereafter	(5.0%) in 2020, 4% in 2021, 1.8% thereafter
	USA		(3.5%) in 2020, 5.5% in 2021, 4.0% in 2022, 2.5% 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

Analysis of Change in Directors' Valuation

Directors' Valuation[1] of £3,011.9m as at 31 March 2021



- The percentage movements have been calculated on the Rebased Valuation as this reflects the returns on the capital employed in the period
- 7.7% annual return[2] from the underlying portfolio, outperforming the 7.2% weighted average discount rate as at 31 March 2020
- The Covid-19 pandemic resulted in reduced usage of HICL's demand based-assets, impacting their revenues and therefore their valuation
- Change in economic assumptions includes higher UK corporation tax from 2023, lower interest rates and a prudent alignment of RPI to CPIH in 2023 with CPIH from 2030

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

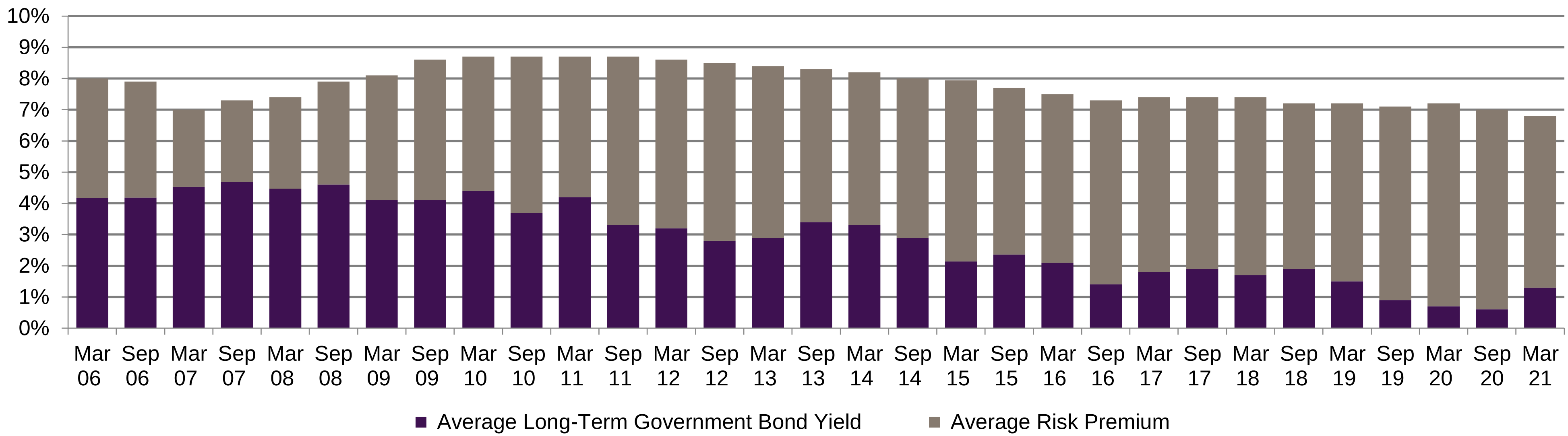
1. On an Investment Basis, split into investments at fair value (dark purple) and future commitments (light purple)
2. "Return" comprises the unwinding of the discount rate and portfolio outperformance, excluding the impact of changes in economic assumptions and discount rates, other than project specific changes such as projects moving from construction to steady-state operations for the year to 31 March 2021
3. FX movement, net of hedging, is a £17m FX loss

Discount Rate Analysis

Discount rate compression due to low bond yields and market demand for core infrastructure

- Discount rates for investments range between 5.8%[1] and 8.7%
- Discount rates have decreased by 0.4% in the UK, 0.4% in the Eurozone and 0.6% in North America due to market demand for core infrastructure
- Risk premium has reduced and at 5.5% is 0.6% above historic average

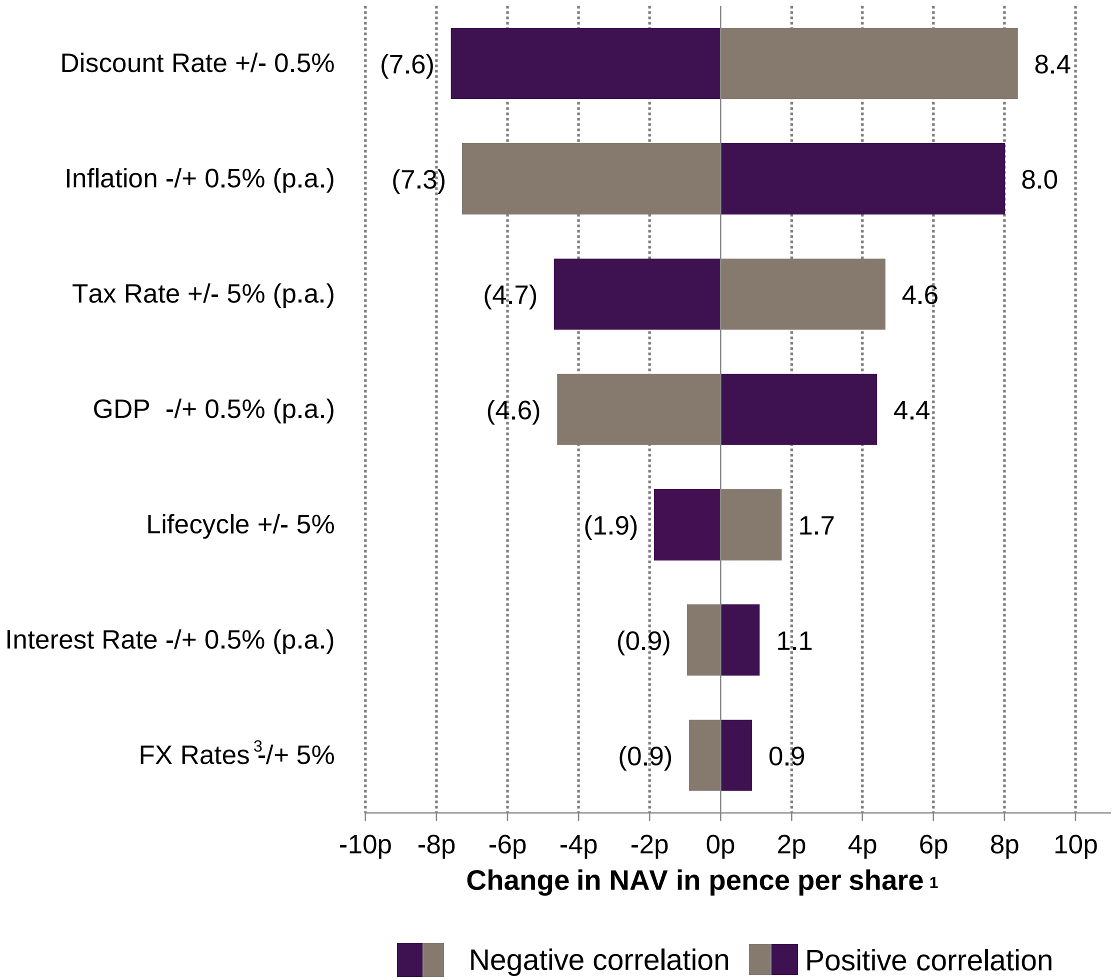
	Appropriate Long-Term Government Bond Yield[2]		Risk Premium		Total Discount Rate[3] 31 March 2021	30 September 2020	31 March 2020
UK	1.4%	+	5.3%	=	6.7%	7.0%	7.1%
Eurozone	0.4%	+	6.4%	=	6.8%	7.0%	7.2%
N. America	2.0%	+	5.4%	=	7.4%	7.7%	8.0%
Portfolio	**1.3%**	**+**	**5.5%**	**=**	**6.8%**	**7.0%**	**7.2%**



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 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[4]
- 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 was 0.5% p.a. lower than the valuation assumption in all relevant geographies for all future periods, expected return[5] from the portfolio (before Group expenses) would decrease 0.2% from 6.8% to 6.6%

1. NAV per share based on 1,937m ordinary shares in issue at 31 March 2021
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 2021
4. This is in addition to expected increase to UK Corporation Tax rates from 19% to 25% from 2023
5. **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. Capital and income at risk.**

Portfolio Performance and Risk Management

Irish Grouped Schools, Ireland

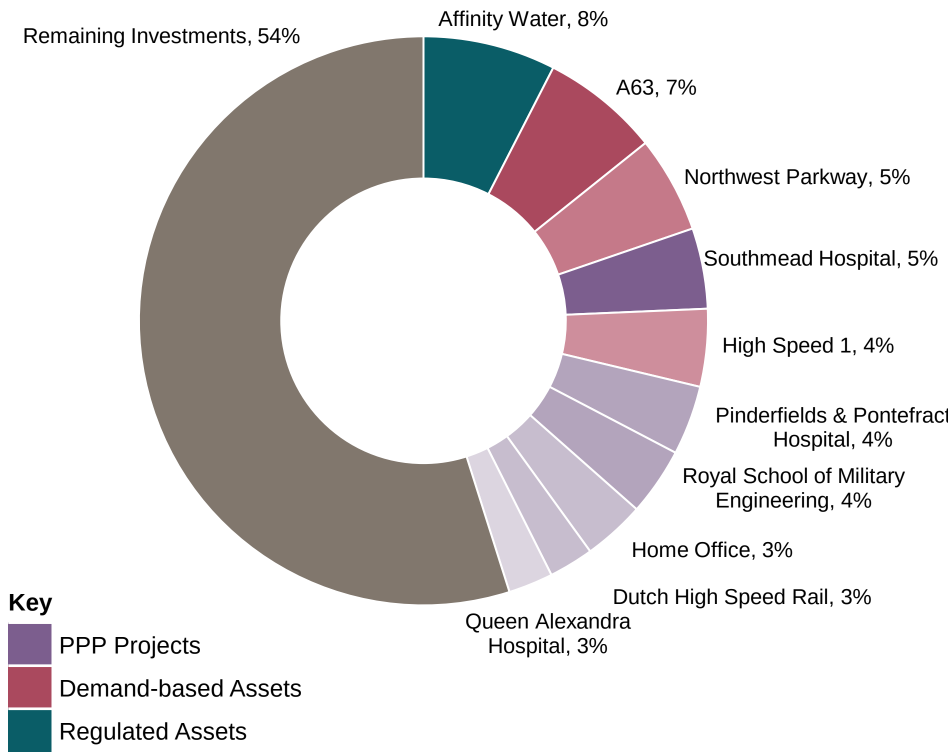
Portfolio Metrics

Ten largest assets accounted for c. 46% of the portfolio[1]

	31 March 2021[1,2]	31 March 2020
Number of investments	116	117
Percentage of portfolio by value – 10 largest assets	46%	44%
Weighted average asset life[2]	28.6 years	27.8 years
Average remaining maturity of long-term debt financing[3]	15.8 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 £3,011.9m as at 31 March 2021
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 18.3 years
3. Excludes investment in A13 Senior Bonds

Portfolio Diversification

HICL's Portfolio, as at 31 March 2021[1]

HICL Infrastructure

MARKET SEGMENT

	Mar-21	Mar-20
▲ PPP Projects	71%	72%
▲ Demand-based Assets	19%	20%
▲ Regulated Assets	10%	8%

INVESTMENT STATUS

	Mar-21	Mar-20
▲ Fully operational	97%	97%
▲ Construction	3%	3%

GEOGRAPHIC LOCATION

	Mar-21	Mar-20
▲ UK	74%	76%
▲ Europe (exc UK)	18%	17%
▲ North America	8%	7%

1. By value using Directors' Valuation of £3,011.9m as at 31 March 2021

Portfolio Performance I

PPP projects represent 71% 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

- ▲ PPPs remain at the heart of the Group's investment portfolio, representing 71% of the portfolio by value
- ▲ HICL's PPP projects performed in line with management expectations
- ▲ £28m equity investment made to improve fire safety at a healthcare PPP
- ▲ Incremental stakes in two high-quality PPP assets[1] acquired in the period, improving HICL's governance through full ownership and positively contributing to key portfolio metrics and overall portfolio outperformance
- ▲ Selective disposals continue to provide an important source of value accretion since IPO, with the SEL Police Stations PPP project sold in the period to improve portfolio metrics and optimise portfolio construction
- ▲ Assets remained available and at the centre of the public sector response to Covid-19; the Company has worked with its clients, end users and stakeholders to navigate the unique challenges from the pandemic

M17/M18 Gort to Tuam Road PPP, Republic of Ireland

1. Royal School of Military Engineering, UK and M17/M18 Gort to Tuam Road PPP, Republic of Ireland

Portfolio Performance II

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

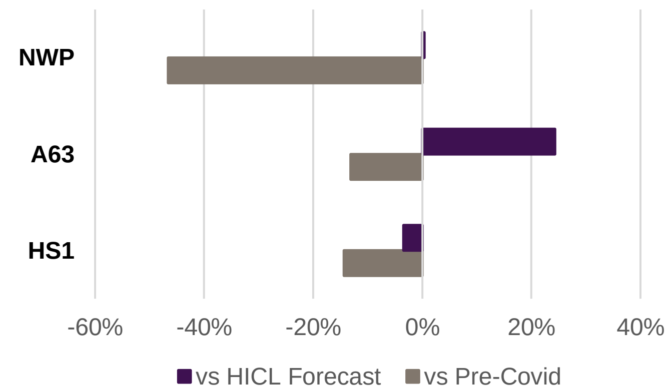
Investment rationale

- ▲ 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

- ▲ Demand-based assets[1], representing 19% of the portfolio by value, accounted predominantly by three assets: High Speed 1 (UK), Northwest Parkway (USA) and A63 Motorway (France)
- ▲ The A63 Motorway (France) and more recently Northwest Parkway (USA) have experienced a recovery in traffic volumes linked to reduced travel restrictions and are well placed to take advantage of the economic recovery from Covid-19
- ▲ High Speed 1 continues to be significantly impacted by travel restrictions:
  - International services[2] currently 88% below pre-Covid 19 levels; timing and extent of recovery remain uncertain
  - Valuation[3] assumes a recovery in international services to 50% of pre-Covid levels by March 2022 and appropriately considers the increased pressure on the financial covenants of HS1's debt facilities
  - Planned reduction in domestic train paths from mid-May 2021 almost entirely mitigated by contractual revenue underpin

In the year to 31 March 2021, actual revenue has been below pre-Covid 19 levels across all three assets. However, actual revenue has outperformed HICL's forecast[4] for A63 and was broadly in line with HICL's forecast[4] for Northwest Parkway and High Speed 1

Actual revenue, year to 31 March 2021



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. International track access revenue comprised 32% of total track access for year to 31 March 2020
3. See page 56 of the Annual Report and Accounts for a more detailed valuation assumptions relating to High Speed 1
4. Composite forecast for the financial year to 31 March 2021 based on valuation assumptions as at 31 March 2020 and 30 September 2020 for the first and second halves of the financial year respectively

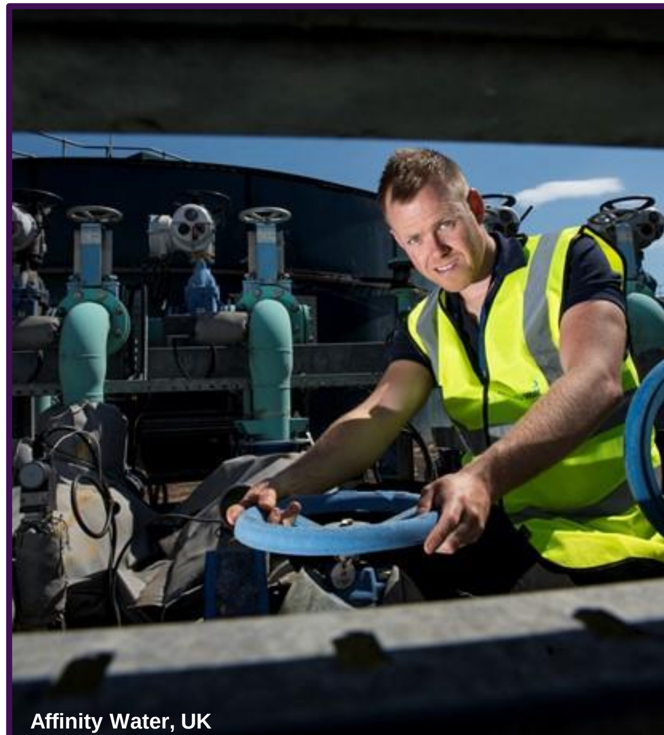
Portfolio Performance III

Regulated assets represent 10% of the portfolio, by value

Investment rationale

- ▲ Essential assets that are regulated due to monopoly market positions
- ▲ 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

- ▲ Regulated assets, comprising both Affinity Water and OFTO's[1], accounted for 10% of the portfolio by value
- ▲ OFTOs are regulated assets that form part of the transmission network transporting renewable energy from offshore windfarms to the UK grid:
  - During the year, HICL acquired a 29% interest in the Walney OFTO
  - HICL's four OFTOs performing strongly with combined availability of 99.8%
- ▲ Affinity Water's valuation benefitted from the CMA's redetermination of the PR19 regulatory price review, particularly with respect to cost of capital
- ▲ Affinity Water's strategic investment case supported by the significant investment required in the network to meet the combined challenges of population growth and a changing climate. This is reflected in the growth in the company's regulatory capital value occurring over the current Asset Management Plan period



Affinity Water, UK

1. Offshore Transmission Owner Assets

Climate Change Impact Assessment

HICL Infrastructure

- The Investment Manager has undertaken a detailed climate change impact assessment, supported by Willis Towers Watson, which enables reporting against all 11 recommended disclosures of the Taskforce on Climate-related Financial Disclosure (TCFD)
- Covering the entire portfolio[1], this exercise focused on identifying, assessing and mitigating **physical risks** (damage to HICL's investments from variations in weather) **and transition risks** (risks associated with the transition to a lower-carbon economy)

1. Identify exposure to 11 physical risks[2] based on current climate conditions and calculate hazard index
2. Identify additional exposure based on two future climate scenarios (4°C and 1.5 °C) for five[3] of the 11 physical risks
3. Quantify potential financial exposure (pre insurance / mitigation) to flooding and wind storms using simulation
4. Assess risks and opportunities from a transition to a lower-carbon economy, by sector and geography
5. Undertake 'deep dives' on 16 projects equivalent to over 45% of PV, based on overall hazard exposure

Outputs and key findings

- Main exposures to winter storm and flooding, linked largely to geography which in turn provides inherent mitigation against many other physical risks such as heat stress
- Only eight projects have a current physical impact index of 'medium' or greater, increasing to 19 projects under a 4°C scenario
- Effective mitigation measures from physical risks already in place in a number of cases (e.g. flooding prevention measures)
- Transition risks mitigated through PPP contracts and the essential nature of HICL's investments; the transition to a low carbon economy also presents a number of opportunities

Next Steps

- Results used by InfraRed's Asset Management team and the project company management teams:

InfraRed's knowledge centre and ESG guidance updated and rolled out to project companies

Climate risks included in project risk registers and operational procedures updated

Where appropriate, mitigation measures / asset resilience schemes put in place

Feedback on progress through annual ESG survey and regular reporting to Risk Committee

1. Excluding the Company's investments in the Defence Sixth Form College and A13 senior bonds
2. Coastal flood, river flood, heat stress, drought stress, tropical cyclone, winter storm, hailstorm, lightning, tornado, wildfire, flash flood
3. Coastal flood, river flood, heat stress, drought stress, tropical cyclone (4°C scenario only)

Risk and Risk Management[1]

Political and regulatory risk	▲ Following significant fiscal programmes in HICL's key markets to respond to the impact of the pandemic, there is potential for national governments to follow the example of the UK government and increase corporation tax increases; the sensitivity of HICL's NAV to further changes in corporation tax is set out on page 77 of the Annual Report and Accounts ▲ In the UK, there is heightened public sector activity around the prospect of PPP 'handback' and the mobilisation of public sector resources for the transition of UK PPP facilities back to the public sector at their expiry; potential risks managed through constructive engagement with stakeholders ▲ Risks linked to the transition from LIBOR to SONIA, which is expected to conclude at the end of the calendar year, are being mitigated through InfraRed's industry leadership and participation in a pilot transition project ▲ The CMA's redetermination of PR19 for four appellant water companies was indicative of a more supportive UK regulatory environment, with potential read-across to Ofwat's approach to the PR24 process
Covid-19 and changing consumer behaviour	▲ Assessments have been made by the Investment Manager as to the timing and extent of the economic recovery from Covid-19, and assumptions produced at asset-level (e.g. traffic forecasts); risk remains around these assumptions and the general cadence of the recovery ▲ The impact of the pandemic on consumer preferences for working practices, business travel and modal selection (i.e. vehicle, train or plane) remain uncertain over the longer term ▲ Stress and sensitivity scenarios are provided on pages 59 to 62 of the Annual Report and Accounts
Counterparties[2]	▲ HICL's principal mechanism of risk management is the pass-through of certain obligations to specialist counterparties; risk arises to the extent that counterparties are unable to deliver their contractual obligations ▲ Although construction defects are typically the responsibility of the construction counterparty to remediate, resolution can be protracted and may delay the scheduled payments of equity distributions; shareholders are responsible where contractual liability period has expired, or the original contractor no longer exists ▲ InfraRed's in-house credit team actively monitors the financial strength of HICL's counterparty relationships
Climate change	▲ Presents broadly in two categories: physical risks (damage to HICL's investments from variations in weather) and transition risks (policy, legal, technological, market and reputational risks associated with the transition to a lower-carbon economy) ▲ Various mitigations exist at project-level; climate change impact assessment enables enhanced identification and mitigation

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. HICL's counterparty exposures are provided on page 67 of the Annual Report and Accounts

Market, Investment Activity and Investment Outlook

Home Office, UK

HICL's Core Infrastructure Focus

HICL Infrastructure

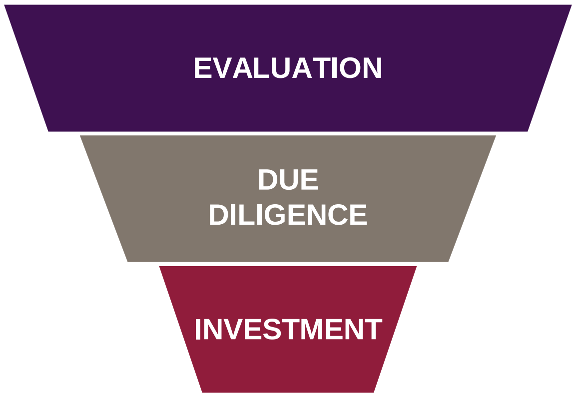
- Core infrastructure is a distinct market segment at the lower end of the risk spectrum. By its nature it is generally visible / located in the heart of communities, underpins economic activity and comprises long-life, capital intensive assets
- Core infrastructure covers a range of sectors and asset types: PPP, regulated sectors, a subset of demand assets, and increasingly, assets supporting the modern economy like communications infrastructure (e.g. fibre, towers) or the transition to a low carbon economy (e.g. meters, electricity distribution)

Cash Flow Quality	Market Positioning	Criticality
Stable revenues	Defensive positioning	Essential assets
Lower operational complexity	Stable, high barriers to entry	

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

Investment Activity

Market coverage filtered by focused acquisition strategy and investment discipline



28 New deals reviewed in the period

22 Transactions subject to detailed due diligence in the period

5 Transactions completed for HICL and 9 live opportunities[1]

Acquisition Activity

Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired/ Disposed	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	Accomodation	74%	100%	Jun-20
€41m	Incremental	Operational	M17 / M18 Road	PPP	Transport	50%	100%	Jul-20
£10m	Incremental	Operational	Medium Support Helicopter Aircrew Training Facility	Demand	Education	N/A[2]	24%	Mar-21
Disposal Activity								
£27m	Disposal	Operational	South East London Police Stations	PPP	Fire, Law and Order	50%	0%	Mar-21

1. As at May 2021
2. Investment was made by way of a loan

Market and Outlook

- The defensive characteristics and predictable long-term yields from core infrastructure remain attractive to institutional investors; ongoing IRR compression in HICL's target markets as a result

- Infrastructure procurement central to post-pandemic government stimulus measures and a key lever to achieve decarbonisation

- InfraRed continues to see attractive core infrastructure opportunities for HICL. Pricing discipline remains essential, with greater focus on HICL's proprietary channels for opportunity origination

- InfraRed, on behalf of HICL, has developed an attractive pipeline of diversified core infrastructure investment opportunities. Continued focus on:
  - Transportation: greenfield PPP (Europe); operational PPP (Europe, UK, North America); corporate offtake (UK, Europe); incremental acquisitions (UK, Europe)
  - Social: operational PPP (UK, Europe); incremental acquisitions (UK, Europe)
  - Utilities: operational regulated assets (UK, Europe)
  - Communications: operational and 'in-rollout' assets (e.g. fibre, towers) with corporate offtake arrangements (Europe)
  - Energy transition: e.g. smart meters, district utilities, electricity distribution (UK, Europe)

Concluding Remarks

Race Bank OFTO, UK

Concluding Remarks

Delivering Real Value.

- Resilient results amidst a challenging global environment, underpinned by the portfolio's diversification, inflation correlation and core infrastructure positioning
- HICL continues to pay the highest dividend in the core infrastructure peer group. Dividend guidance of 8.25p per share[1] confirmed for the year ending 31 March 2022; guidance of 8.25p per share[1] issued for the year ending 31 March 2023
- Continued progress on HICL's sustainability strategy; climate change impact assessment complete; evolution of measurement and reporting against sustainability targets; conversion of HICL's RCF to a Sustainability Linked Loan
- Significant infrastructure stimulus programmes across HICL's key markets provide a supportive backdrop over the medium and long-term
- The current market continues to present attractive investment opportunities. With its strong balance sheet, HICL is well positioned to deliver on its acquisition strategy
- A disciplined approach to the evaluation of risk and reward remains crucial

Central Middlesex 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]
- London based, with offices in Hong Kong, Mexico City, New York, Seoul and Sydney, with over 190 partners and staff
- In July 2020, a majority stake of InfraRed was acquired by Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life"). The Sun Life acquisition provides 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	£3,196[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	£2,559[4]	Since 2013	Evergreen
Fund V	Unlisted, capital growth	US$1,200	Since 2017	Investing

Source: InfraRed
1. As at 31 March 2021
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
3. Market capitalisation as at 31 March 2021.

InfraRed – Infrastructure Team Skills and Experience

HICL Infrastructure

- 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;
  - Fund Management Team responsible for strategy reporting and overall 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

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 cash flow based financings internationally.

Harry Seekings – Head of Infrastructure
Harry joined InfraRed in 1998 and is one of InfraRed's Managing Partners. Harry leads InfraRed's infrastructure investment business, including overall responsibility for the management of 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.

Edward Hunt - Director, Infrastructure
Edward re-joined InfraRed in 2013 (Australia & UK), having previously been a member of the InfraRed team managing HICL from 2008 to 2011 (UK). Edward is responsible for the day-to-day management of HICL.

Appendix II

Company Information

HICL's Characteristics

HICL Infrastructure

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	▲ 116 investments, as at 31 March 2021 (114 operational and two under construction) ▲ Assets spread across six sectors and seven countries
Net Asset Value	▲ Directors' Valuation of £3,011.9m at 31 March 2021 (31 March 2020: £2,888.5m)[1] ▲ NAV/share of 152.3p at 31 March 2021 (31 March 2020: 152.3p) ▲ Directors' Valuation based on a weighted average discount rate of 6.8% (31 March 2020: 7.2%)
Board and Governance	▲ Board comprises eight independent non-executive Directors ▲ Investment Manager and Operator is InfraRed, an established 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 1.07% at 31 March 2021 (31 March 2020: 1.11%)
Liquidity[3]	▲ Good daily liquidity – average daily trading volume of over 2.2m shares ▲ Tight bid / offer spread

1. Including £73.8m 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: Bloomberg, year to 31 March 2021

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

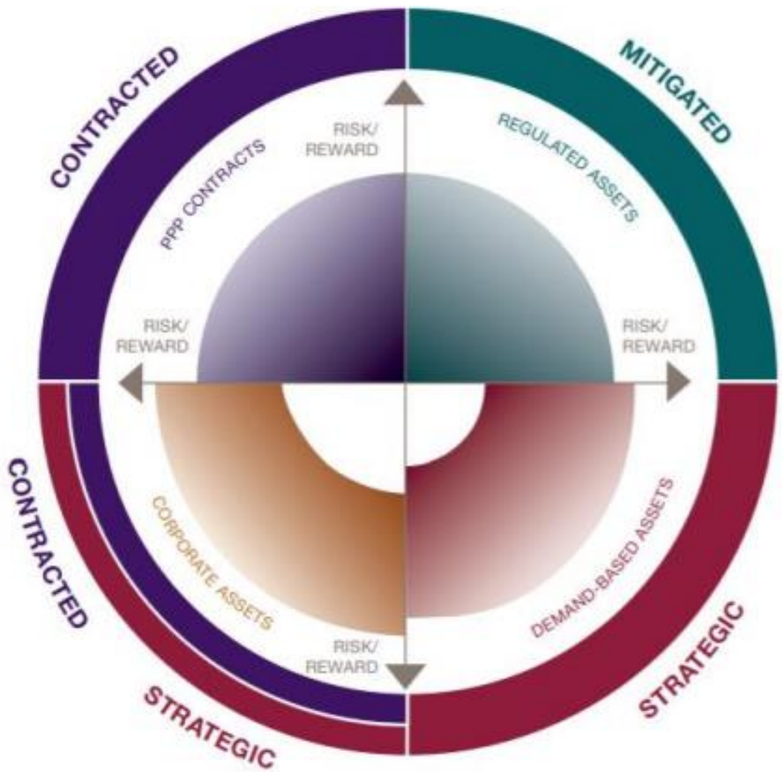


Chart Key
- Inner wheel denotes **Revenue Profile**
- Outer wheel denotes **Investment Categorisation**

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

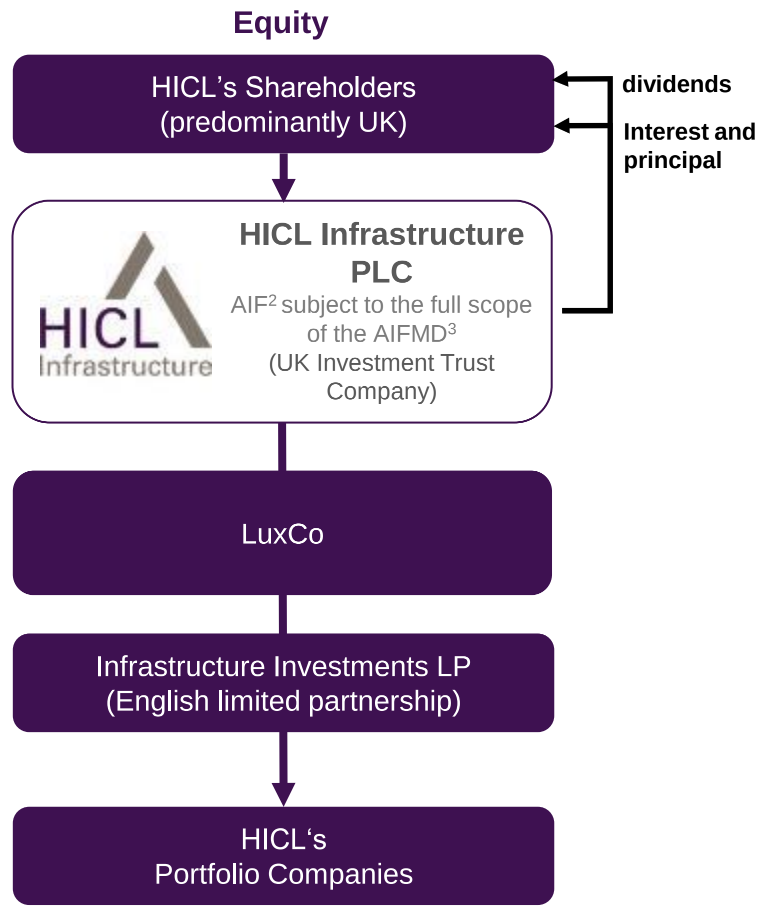
- HICL's AIFM
- Fund Management
- Strategy
- Reporting
- Acquisitions and Disposals
- Asset Management
- Risk and Portfolio Management

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 Alternative Investment Fund Managers Directive
3. Alternative Investment Fund Managers Directive

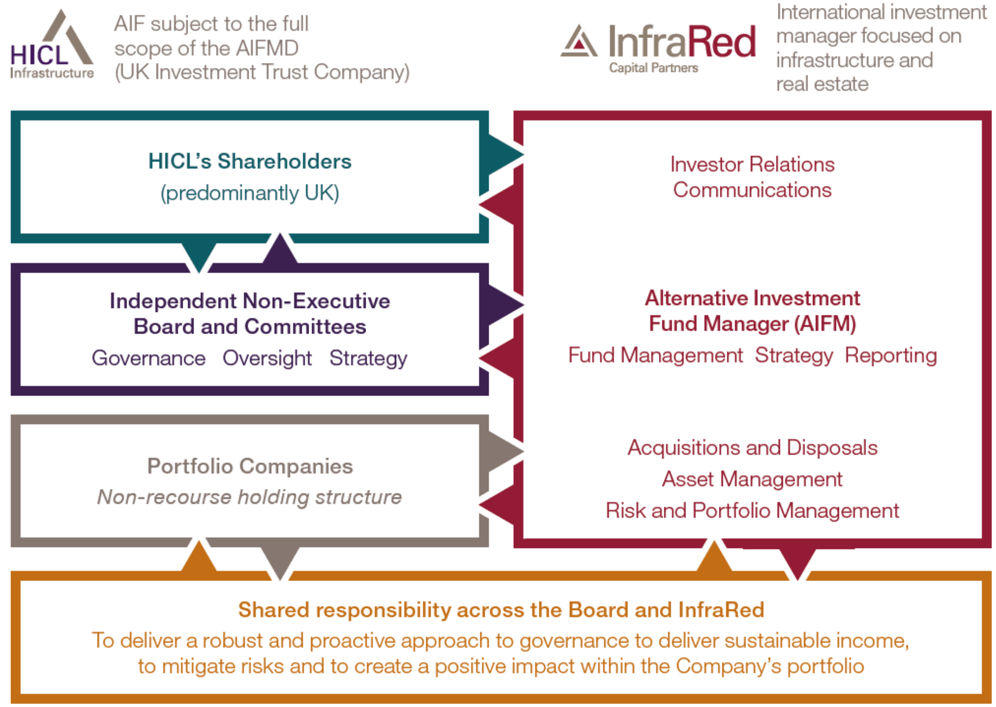
Governance

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

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

Signatory of: PRI Principles for Responsible Investment

A+ sixth consecutive year[1]

Of HICL's portfolio companies:

- 96% have appropriate policies concerning:
  - Conflicts of interest
  - Whistleblowing
  - Cyber-security
  - Health & Safety
  - Anti-bribery & corruption
  - Recruitment diversity
- 96%, 84% and 83% have energy usage, water usage and waste reduction initiatives, respectively
- 35% report complete Scope 1 and Scope 2 emissions
- 83% made voluntary charitable contributions in the year
- 35% of InfraRed appointed directors are women

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 National Museums Scotland.

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 Eurocell and as a Director of Van Elle Holdings. He is also Chair of a privately owned contracting and property development group.

Rita Akushie
Director

Rita Akushie, 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 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, and currently 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 Holden (British) is a Chartered Director (CDir) accredited by the Institute of Directors. Previously an investment director at Terra Firma Capital Partners, Candover Investments prior to that, Simon has been an active independent director to listed investment company, private equity fund and trading company boards since 2015. In addition, Simon acts as the pro-bono Business Advisor to Guernsey Ports; a States of Guernsey enterprise that operates all of the Bailiwick's critical airport and harbour infrastructure.

Simon is a member of several industry interest groups in both financial services and intellectual property and graduated from the University of Cambridge with an MEng and MA (Cantab) in Manufacturing Engineering.

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. Ken is a Chartered Engineer, a non-executive director of Sicon Limited and James Walker Group Limited, and is a member of the Singapore Institute of Directors.

Key Performance Indicators ("KPIs")

KPI	Measure[1]	31 March 2021	31 March 2020	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the period	**8.25p**	**8.25p**	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	**8.9% p.a.**	**9.0% p.a.**	A long-term IRR target of 7% to 8% as set out at IPO[2]	**Achieved**
Cash-covered Dividends	Operational cash flow / dividends paid to shareholders[3]	**0.9x**	**1.14x**	Cash-covered dividends	**Not achieved**
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[4] / average undiluted NAV	**1.07%**	**1.11%**	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**

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

1. Performance data for the year to 31 March 2021. Refer to the Annual Report for details of the measures and supporting information
2. Set by reference to the issue price of 100p per share, at the time of HICL's IPO in March 2006
3. Including profits on disposal. Excluding this, dividend cash cover would have been 0.83x (2020: 1.03x)
4. Calculated in accordance with Association of Investment Companies guidelines. Ongoing charges exclude non-recurring items such as acquisition cost

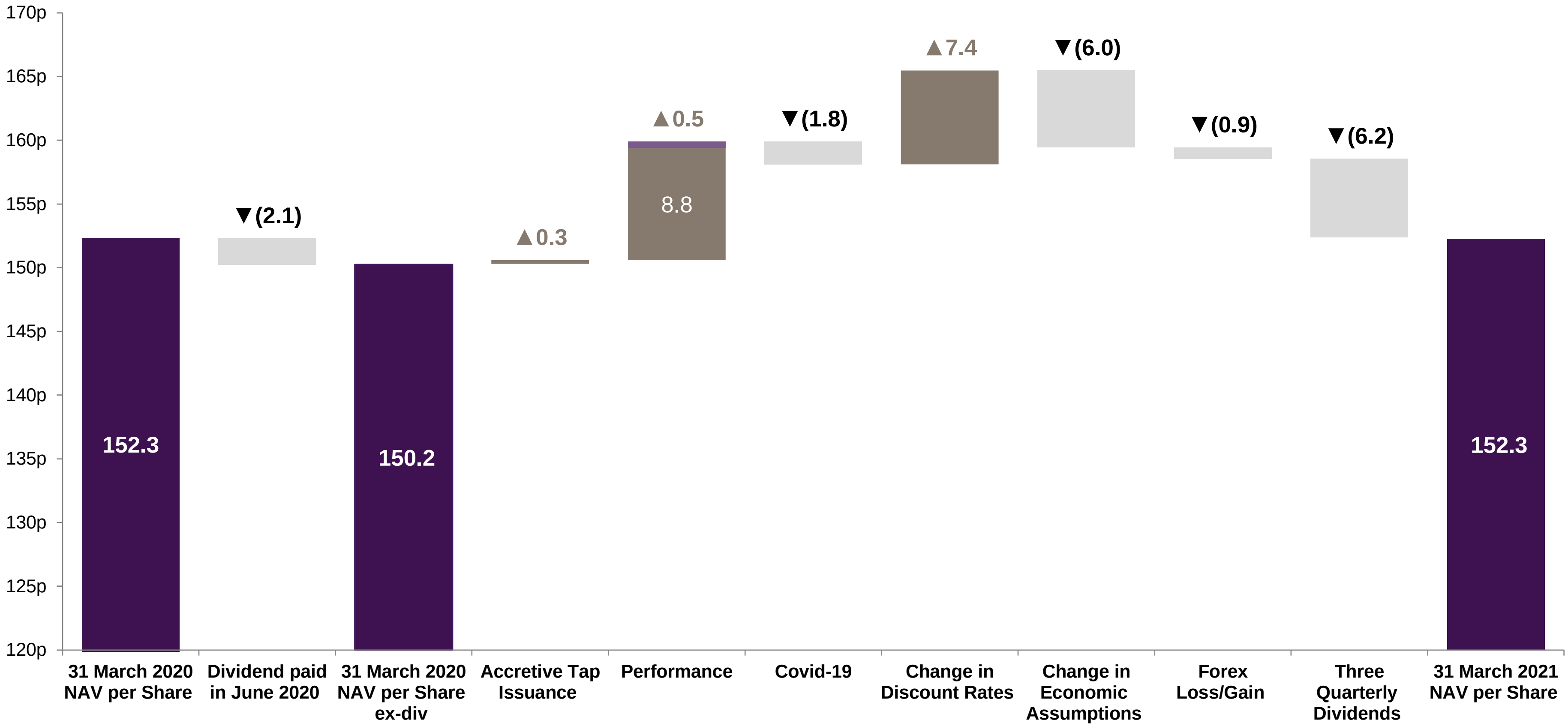
Key Quality Indicators ("KQIs")

KQI	Measure[1]	31 March 2021	31 March 2020	Objective	Commentary
Investment Concentration Risk	Percentage of portfolio value represented by the ten largest investments	**46%**	**44%**	Maintain a diversified portfolio of investments (thereby mitigating concentration risk) and, at all times, remain compliant with HICL's Investment Policy with single asset concentration < 15%	**Within acceptable tolerances**
	Percentage of portfolio value represented by the single largest investment	**8%**	**6%**		
Risk/Reward Characteristics	Percentage of portfolio value represented by the aggregate value of projects with construction and/or demand-based risk[2]	**19%**	**20%**	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	**28.6 years**	**27.8 years**	Seek where possible investments that maintain or extend the portfolio concession life such that it remains above 20 years	**Achieved**
Refinancing Risk	Investments with refinancing risk within 24 months as a percentage of portfolio value[3]	**0.2%**	**0%[4]**	Manage exposure to refinancing risk to 20% of portfolio value	**Achieved**
Sustainability Stewardship	Percentage of the portfolio that is rated 'high' for ESG performance[5]	**99%**	**87%**	>75% of the portfolio rated high in ESG performance	**Achieved**

1. Performance data for the year to 31 March 2021. 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
3. Calculated as required asset refinancings within 24 months: lower of: (i) HICL's share of debt to be refinanced; and (ii) the valuation of HICL's equity investment; divided by HICL's total directors' valuation
4. In 2021 the Refinancing Risk KQI methodology was redefined to look at just the next 24 months. Under the old methodology, which measured refinancing risk throughout the asset life, the 2020 number had been reported as 12%
5. High' rating in ESG performance means scoring 4/5 stars in the HICL Sustainability Survey or subsequent metrics as ESG reporting evolves

Analysis of Change in NAV per Share[1]

Year to 31 March 2021



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 2021	For the year ended 31 March 2020
Total income	£188.7m	£86.7m
Fund expenses & finance costs	(£36.6m)	(£36.7m)
Profit before tax	£152.1m	£50.0m
Earnings per share[2]	**7.9p**	**2.7p**
Ongoing charges[3]	**1.07%**	**1.11%**

Balance Sheet (as at)	31 March 2021	31 March 2020
Investments at fair value[4]	**£2,938.1m**	**£2,811.5m**
NAV per share[2] (before final dividend)	152.3p	152.3p
Interim dividend	(2.07p)	(2.07p)
NAV per share (after interim dividend)	**150.2p**	**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 31 March 2021 of £2,938.1m net of £73.8m of future investment obligations (31 March 2020: £2,888.5m net of £77.0m)

Summary Financials II

Figures presented on an Investment Basis[1]

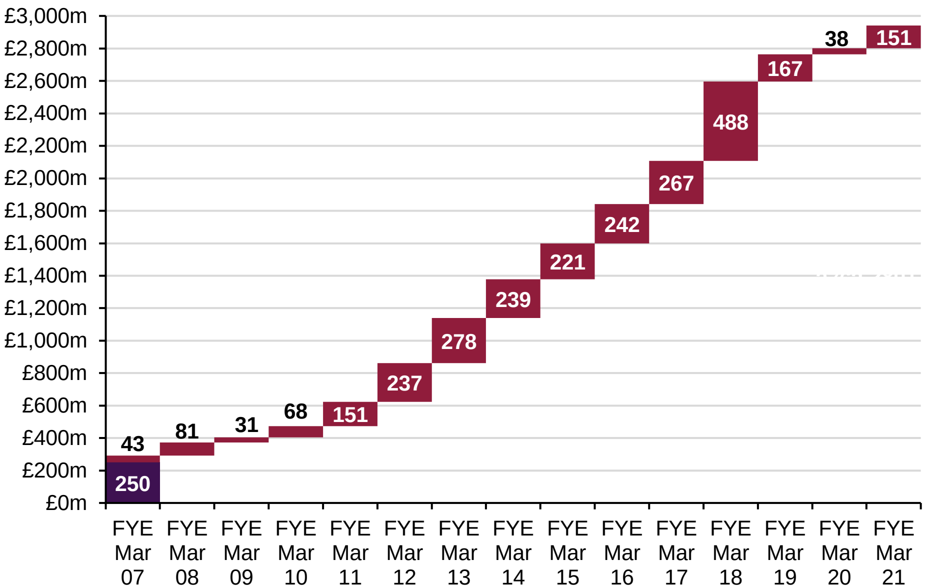
Cash Flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening net debt	£28.7m	(£84.3m)
Net cash flow	**£142.9m**	**£169.1m**
Investments (net of disposals)	(£135.0m)	(£16.0m)
Equity raised (net of costs)	£118.6m	£115.2m
Forex movements and debt issue costs	£9.9m	(£6.9m)
Dividends paid	(£158.3m)	(£148.4m)
Net cash / (debt)	**£6.8m**	**£28.7m**
Dividend cash cover	**0.9x[2]**	**1.14x**

1. Investment Basis is the same basis as was applied in prior years. See the Annual Report for further details
2. Including profits on disposals of £11.9m (2020: £16.4m). Excluding this, dividend cash cover would have been 0.83x (2020:1.03x)

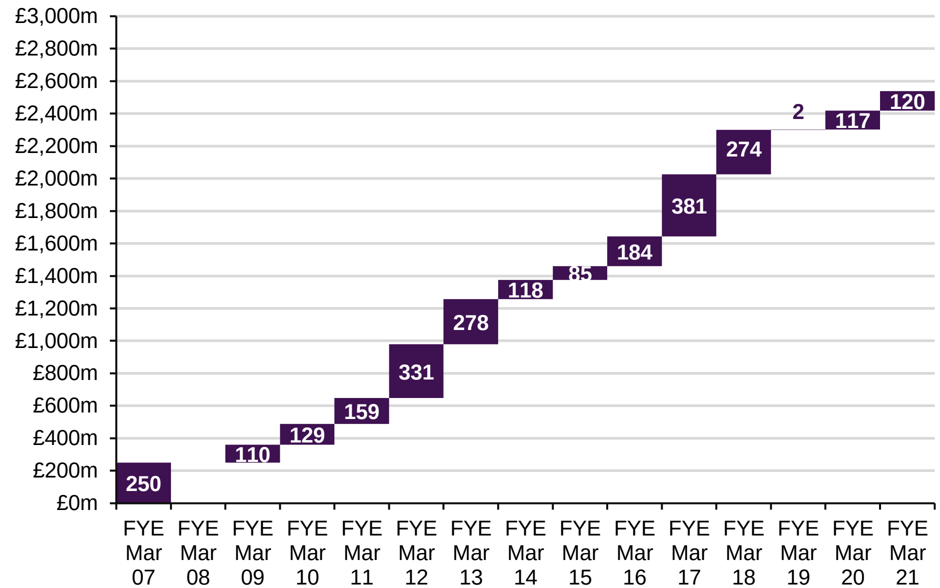
Investment and Capital Raising

- 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

199 Acquisitions[1] since IPO to 31 March 2021 totaling £2.9bn



Over £2.5bn of Equity Issuance from IPO to 31 March 2021



1. Split into 116 investments, as at 31 March 2021. Excludes disposals, the proceeds of which have been reinvested
2. Includes primary and secondary issuance by way of tap and scrip issues

Appendix III

The Investment Portfolio

Portfolio I

Portfolio of 116 assets

Education — 16% 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 — 5%

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
D&C Firearms Training Centre	Greater Manchester Police Stations	South East London Police Stations	Zaanstad Prison (Netherlands)
Dorset Fire & Rescue	Medway Police		

Transport — 29%

A9 Road (Netherlands)	A249 Road	High Speed 1	M17 Motorway (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 2021 using Directors' Valuation.

Portfolio II

Portfolio of 116 assets

Health — **29% of Directors' Valuation[1]**

Barnet Hospital	Central Middlesex Hospital	Newton Abbot Hospital	Salford Hospital
Birmingham Hospitals	Doncaster Mental Health Hospital	Oxford Churchill Oncology	Sheffield Hospital
Birmingham & Solihull LIFT	Ealing Care Homes	Oxford John Radcliffe Hospital	Southmead Hospital
Bishop Auckland Hospital	Glasgow Hospital	Oxford Nuffield Hospital	Staffordshire LIFT
Blackburn Hospital	Hinchingbrooke Hospital	Pinderfields & Pontefract Hospitals	Stoke Mandeville Hospital
Blackpool Primary Care Facility	Irish Primary Care Centres (Ireland)	Queen Alexandra Hospital	Tameside General Hospital
Brentwood Community Hospital	Lewisham Hospital	Redbridge & Waltham Forest LIFT	West Middlesex Hospital
Brighton Hospital	Medway LIFT	Romford Hospital	Willesden 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 — **10%**

Affinity Water	Galloper OFTO	Race Bank OFTO	Walney OFTO
Burbo Bank OFTO			

Key

- ▲ New investment since 31 March 2020
- ▲ Incremental investment since 31 March 2020
- ▲ Handed back to the public-sector client since 31 March 2020
- ▲ Disposal since 31 March 2020

1. By value, at 31 March 2021 using Directors' Valuation.

Portfolio Analysis

HICL's Portfolio, as at 31 March 2021[1]

OWNERSHIP STAKE

	Mar-21	Mar-20
▲ 100% ownership	31%	26%
▲ 50% - 100% ownership	29%	34%
▲ Less than 50% ownership	40%	40%

SECTOR

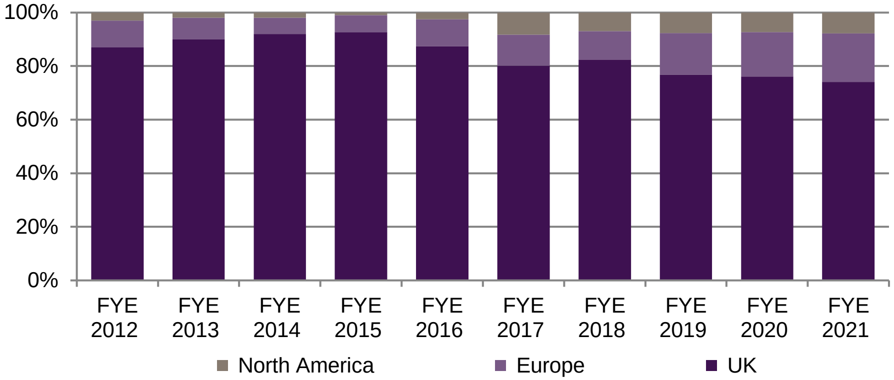
	Mar-21	Mar-20
▲ Accommodation	11%	11%
▲ Education	16%	14%
▲ Electricity, Gas & Water	10%	8%
▲ Health	29%	30%
▲ Fire, Law & Order	5%	7%
▲ Transport	29%	30%

1. By value using Directors' Valuation of £3,011.9m as at 31 March 2021

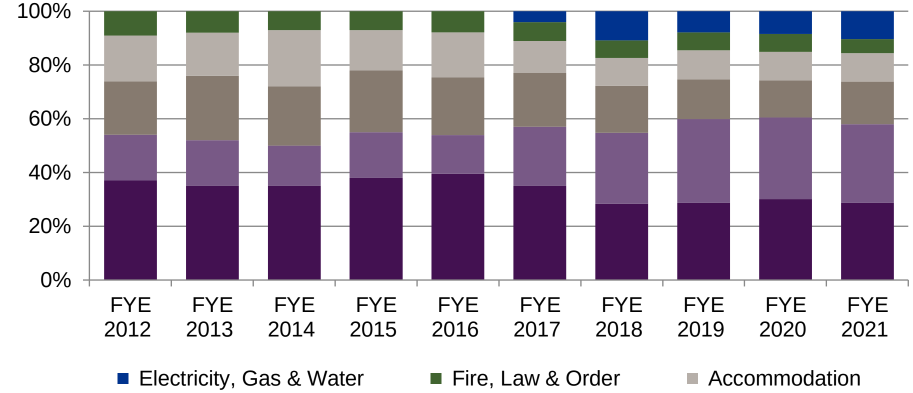
Portfolio – Key Attributes

Evolution of the Group's portfolio

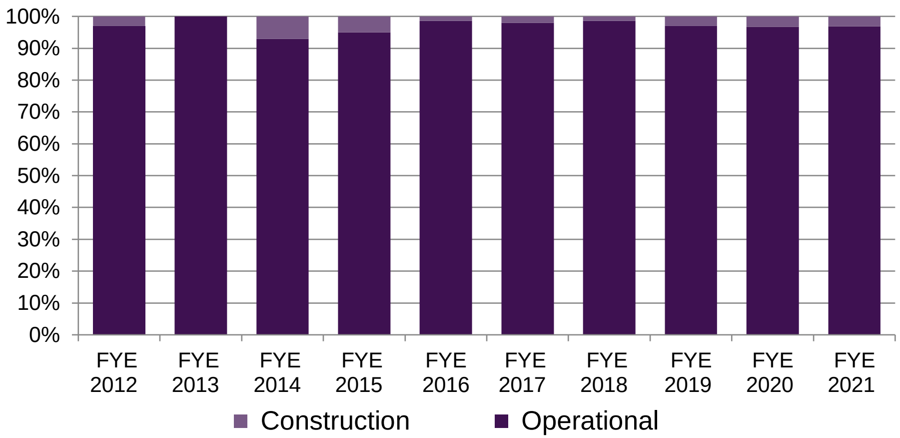
Geographically Diverse Portfolio



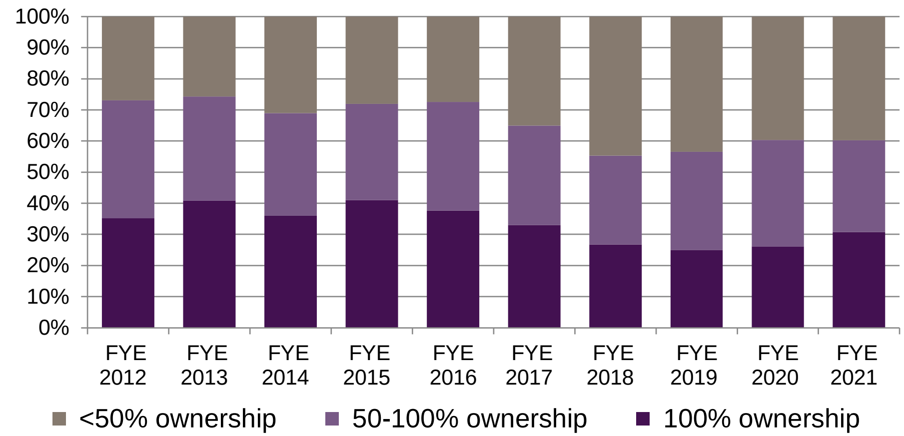
Diverse Sector Spread



Predominantly Operational Assets



Opportunities to Increase Ownership Stakes

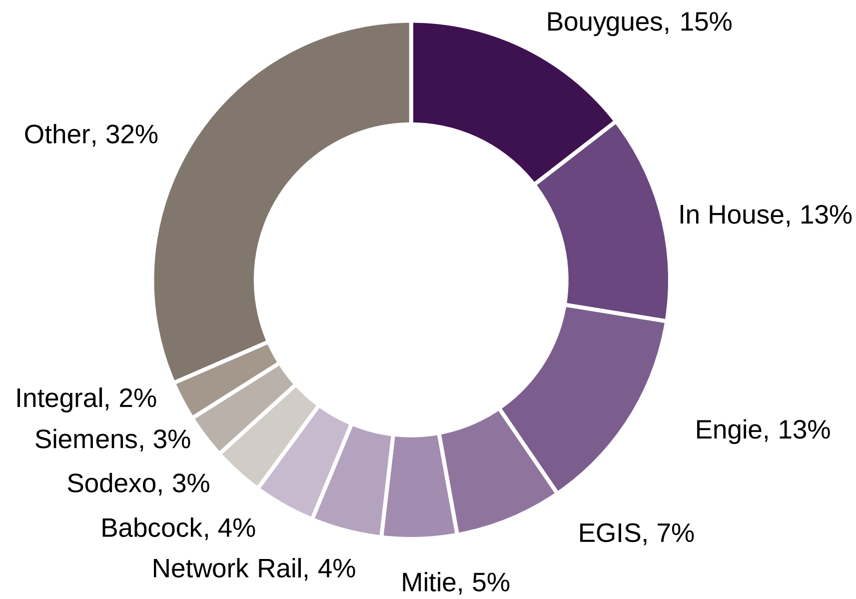


By value, using Directors' Valuation

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)

10 Largest Facilities Management and Operations Counterparty Exposures[1]

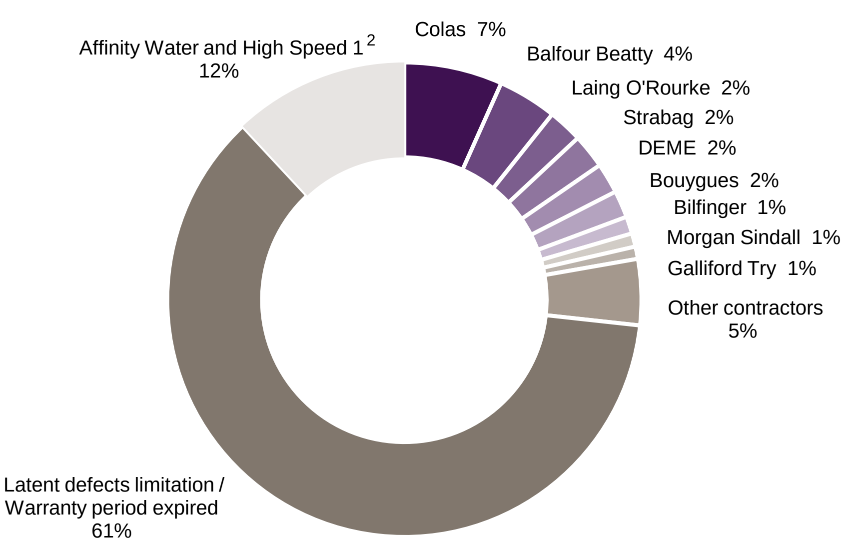


1. By value, at 31 March 2021. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by InfraRed). Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' Valuation.

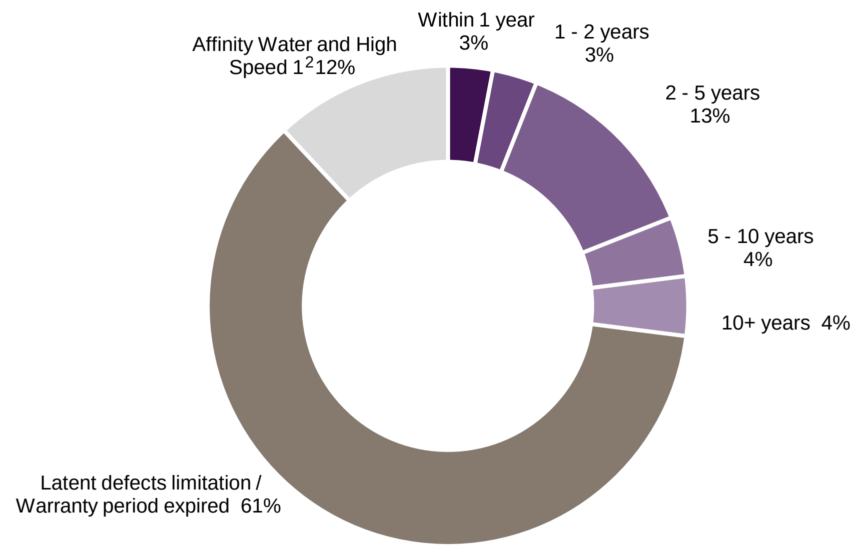
Construction Counterparty Exposure

- 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 2021, 27% 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 2021, 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

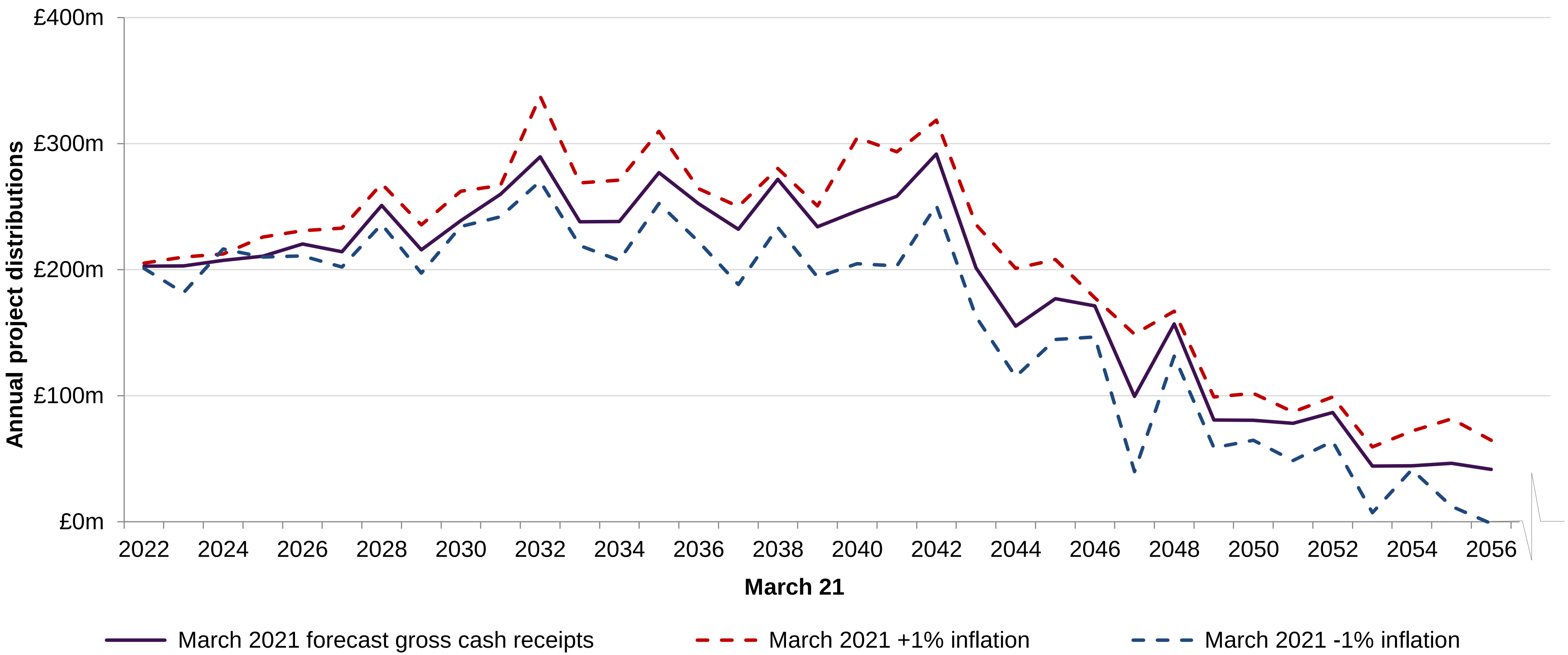
Traded

- 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 12, the expected return from the portfolio[2] (before Group expenses) would increase by 0.8% from 6.8% to 7.6%



1. Sensitivity based on forecast gross portfolio cash flows as at 31 March 2021
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

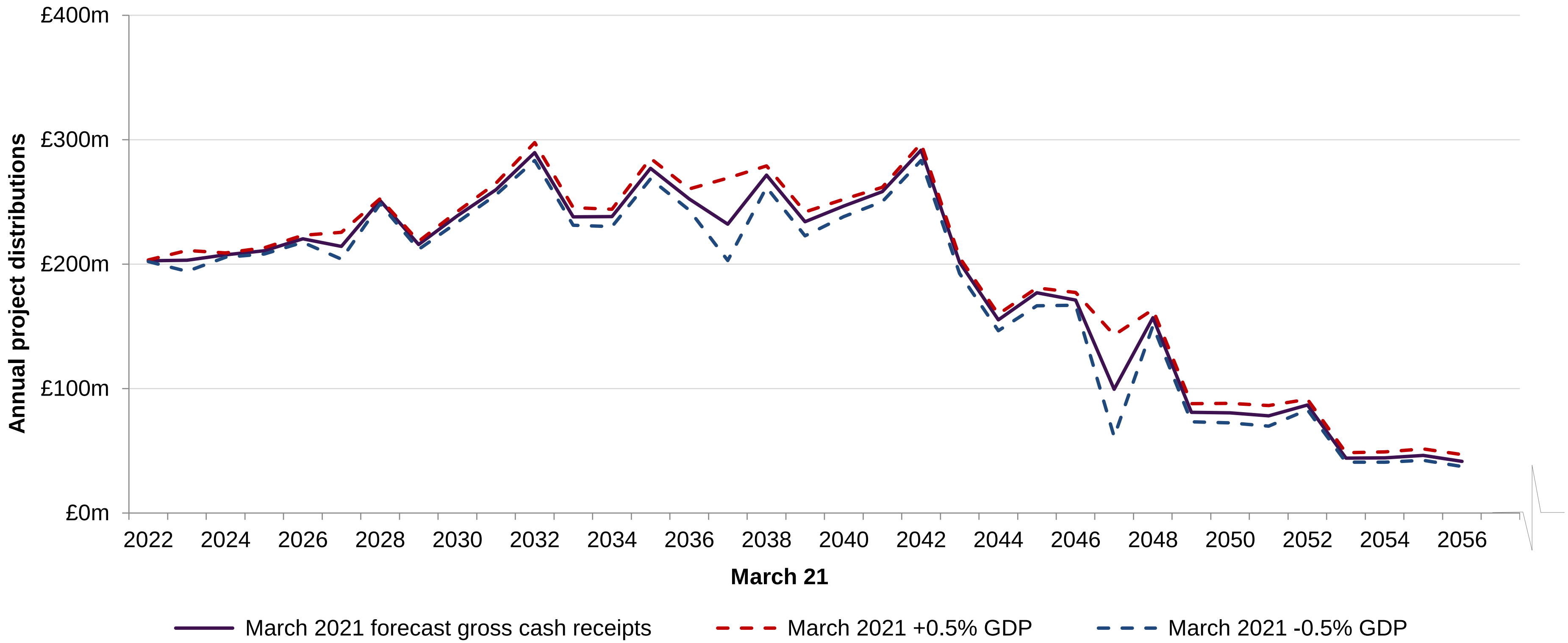
The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

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[2] (before Group expenses) would decrease 0.2% from 6.8% to 6.6%
- GDP sensitivity for 0.5% higher / lower in all future periods based on forecast gross portfolio cash flows as at 31 March 2021:



1. Sensitivity based on forecast gross portfolio cash flows as at 31 March 2021
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

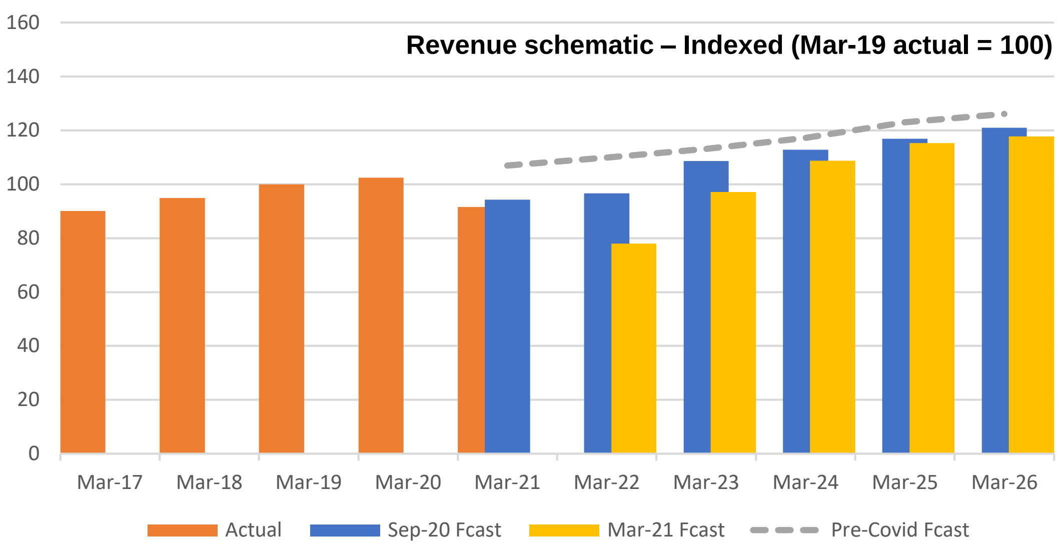
The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

Capital and income at risk

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, and is uniquely positioned to take advantage of a future transition to a low-carbon economy
- ▲ International travel continues to be impacted by widespread restrictions on movement in both the UK and France, and the timing and extent of recovery remains uncertain; restrictions are also impacting HS1s unregulated retail and car park revenues
- ▲ The valuation appropriately considers the increased pressure on the financial covenants of the company’s debt facilities
- ▲ Domestic train paths (68% of track access revenue to 31 March 2020) continue to support debt service and benefit from a contractual underpin at 96% of pre-Covid 19 levels by the UK Department for Transport

Protracted recovery in international train paths and unregulated revenues



NB. Revenue schematic converts project revenues to an index

Key valuation assumptions

- International train paths had been booked at pre-Covid-19 levels until mid-December 2020, after which Eurostar moved to a ‘spot’ booking system meaning that track access revenues reflect current low volume of trains run
- Restrictions on international travel resulting in highly supressed revenues in the first half of calendar year 2021
- Recovery in international train paths to 50% of pre-Covid-19 levels by 31 March 2022 and then gradually increasing to reach pre-pandemic levels by 31 March 2025
- Domestic train paths booked at pre-Covid 19 levels until May 2021, at which point they fall below pre-Covid 19 levels until mid-2022; revenue impact almost entirely mitigated by the contractual underpin provided by DfT
- Long term forecast for both international and domestic train paths aligned with September 2020 valuation assumptions from 1 April 2025

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

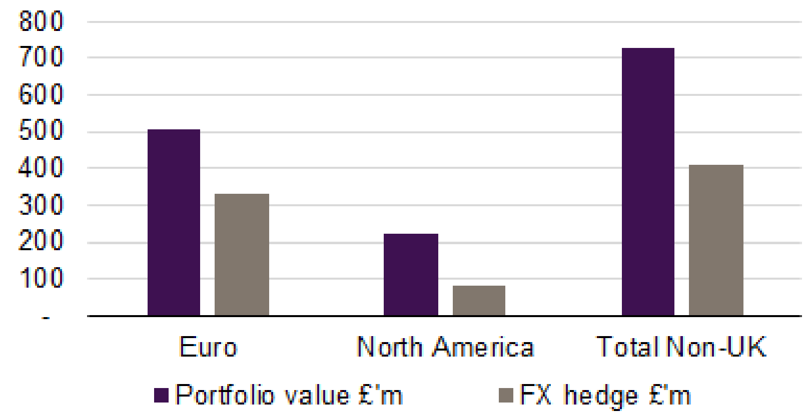
Objective

- 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 2021



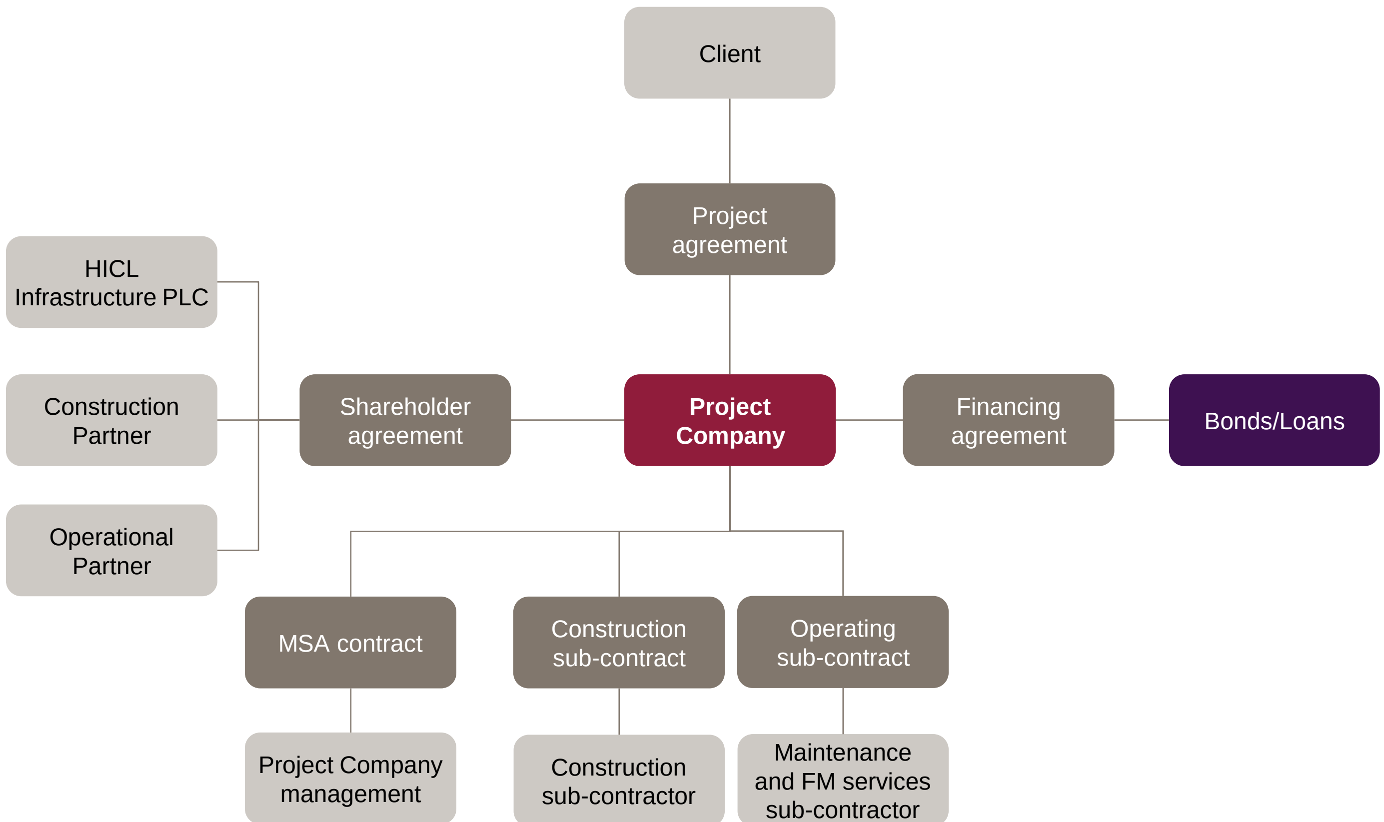
HICL's hedging policy

- Limit volatility of NAV per share to no more than 2% for a 10% movement in FX rates
- 0.6% net FX loss as percentage of NAV for the year ended 31 March 2021

Appendix V

The Infrastructure Asset Class

Typical PPP Project Structure

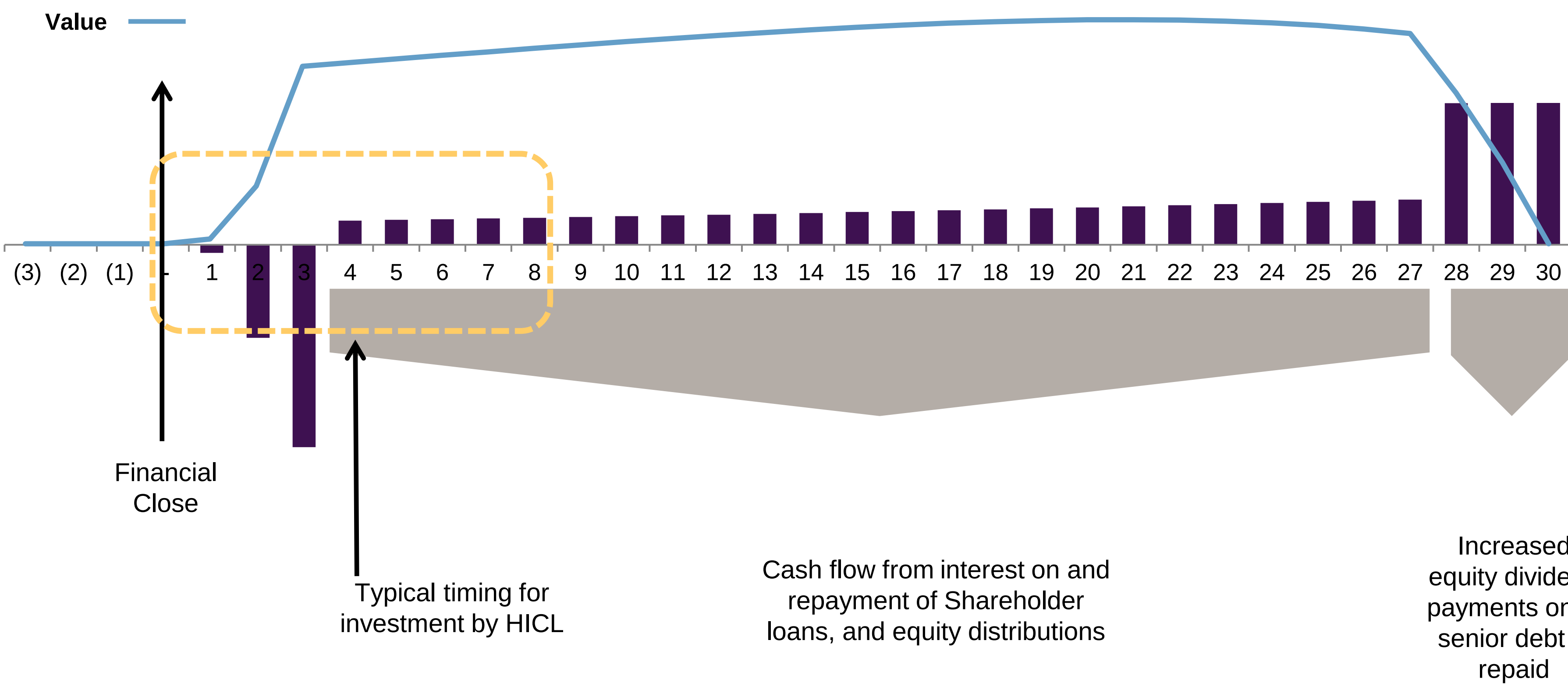


Source: InfraRed

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

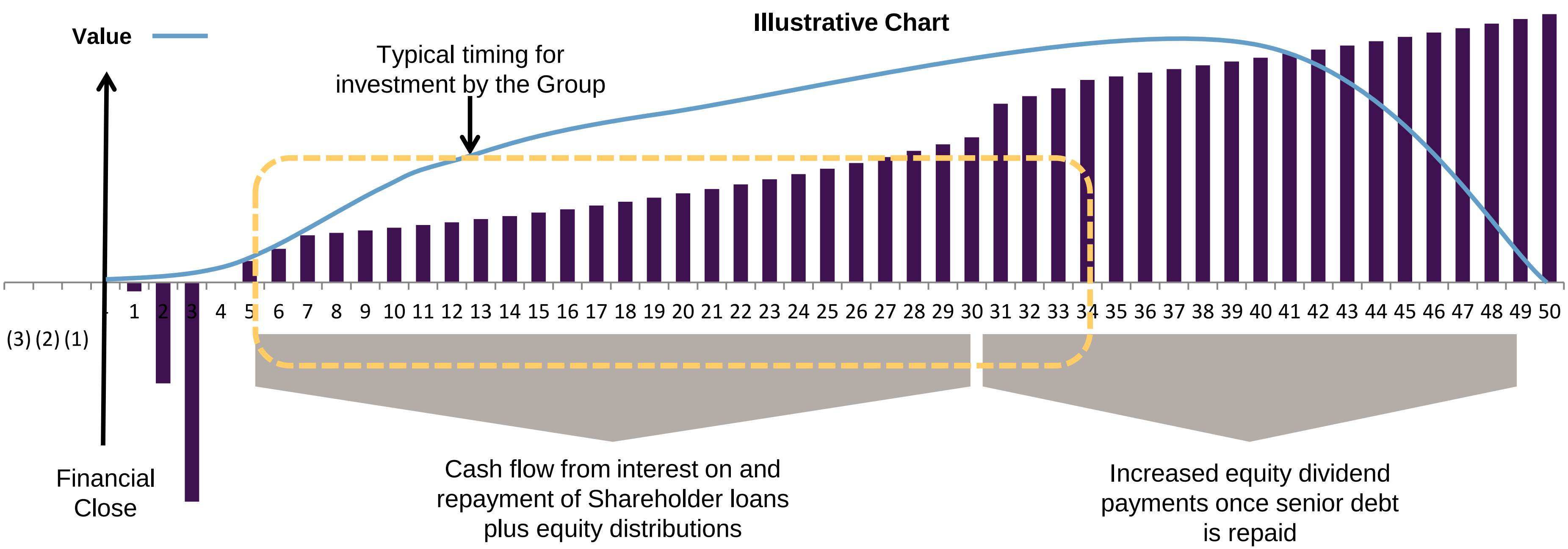


Source: InfraRed

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)



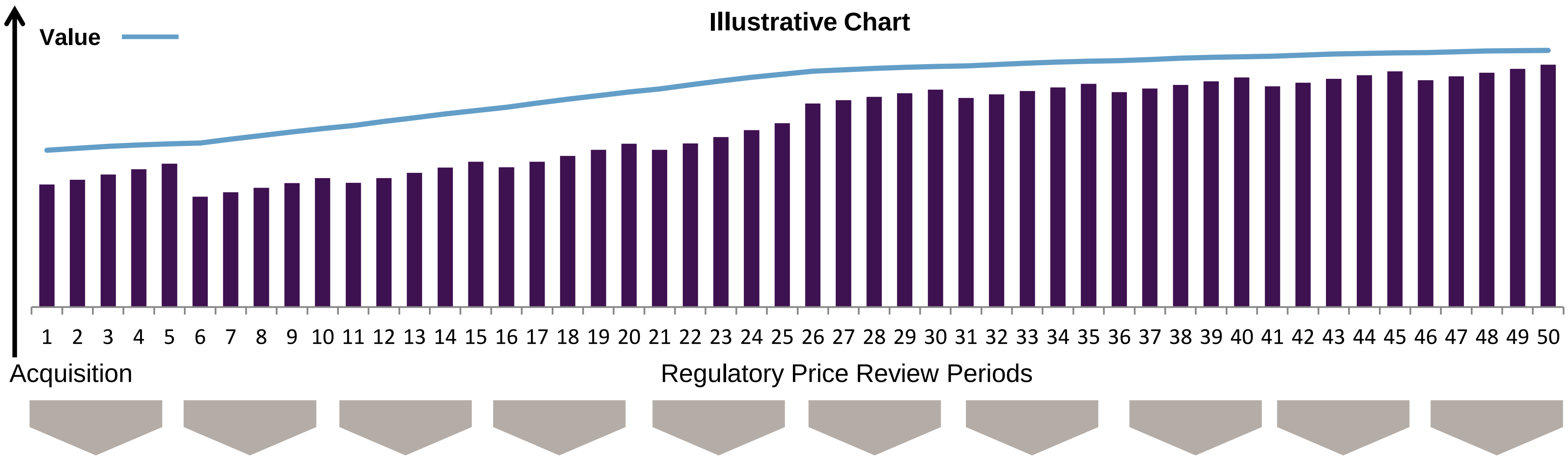
Source: InfraRed

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

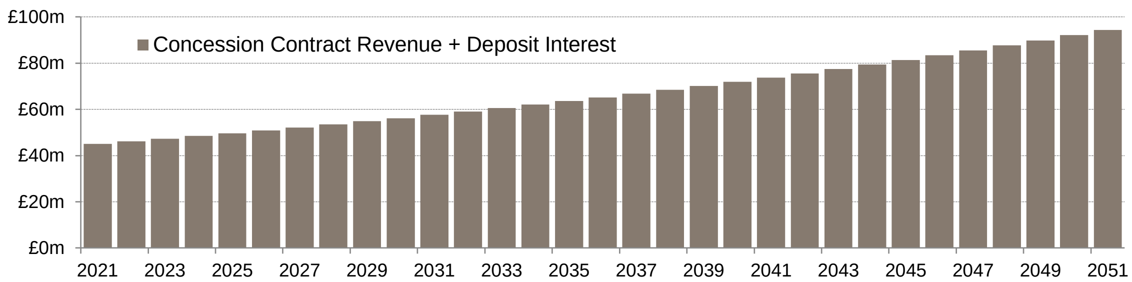


Source: InfraRed

Valuation – Methodology

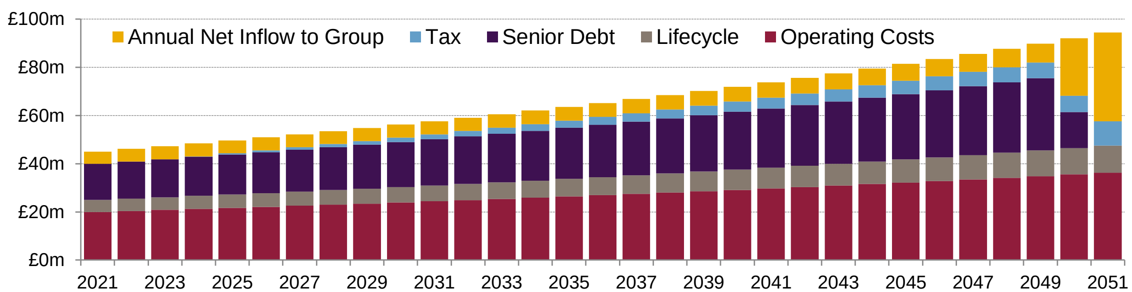
Determining the net asset value of the portfolio and the Group (PPP project example)

Forecast Project Inflows



less

Forecast Project Outflows



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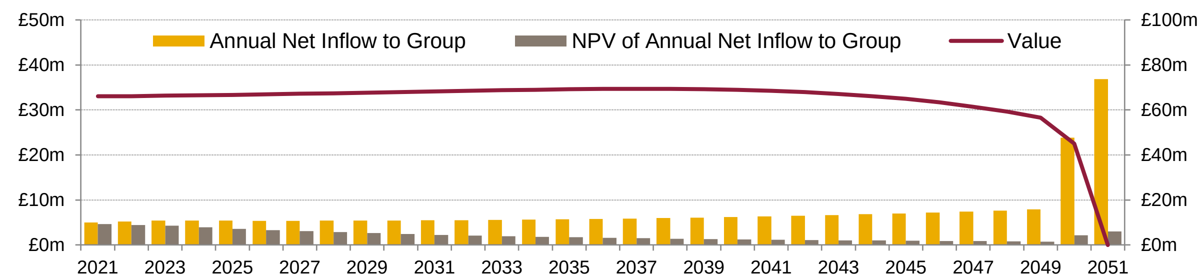
Net Inflow from Project to HICL



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