HICL Infrastructure

# Enriching lives through infrastructure

HICL Annual Report 2025

# Contents



For definitions of our financial terms used throughout this report, please see our Glossary on pages 151 and 152

# 2025 Highlights

## Delivering sustainable income and capital growth from a diversified core infrastructure portfolio

**153.1p**

**NAV[1] per share**
2024: 158.2p

**8.50p**

**New dividend guidance[2] for 2027**
Reaffirmed dividend guidance 8.35p for 2026

**8.4% p.a.**

**Total Shareholder Return since IPO[3]**

**0.7x**

**Inflation correlation[4]**
2024: 0.7x

**£244m**

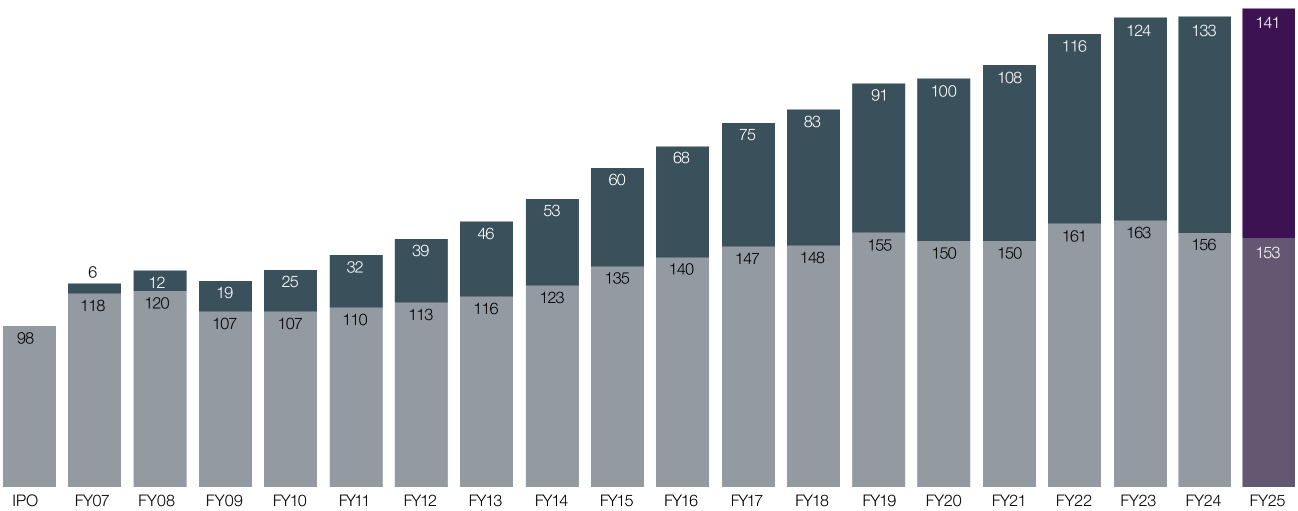
**Transactions completed in the year**

**1.56x/1.07x**

**Dividend cash cover including/excluding profits on disposal[5]**
2024: 1.37x / 1.05x

## Total return of 8.4% p.a. since IPO

**The chart below shows how the combination of dividend and Net Asset Value ("NAV") growth has delivered a total return of 8.4% p.a. from IPO to 31 March 2025.**




References are made throughout to certain Alternative Performance Measures ("APMs"). These APMs, which include the Investment Basis, are provided alongside International Financial Reporting Standards ("IFRS") to provide additional information to shareholders.
A full reconciliation of the APMs used is disclosed on page 39

1 NAV, including the dividend of 2.07p declared on 14 May 2025
2 Expressed in pence per Ordinary Share for the financial year ending 31 March. This is a target only and not a profit forecast. There can be no assurance that this target will be met
3 Based on interim dividends paid plus change in NAV per share in the year
4 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 Corporate Group expenses) would increase by 0.7%
5 Stated on an Investment Basis, including profits on disposal versus original acquisition cost of £82.7m (2024: £53.4m). Excluding this, dividend cash cover is 1.07x (2024: 1.05x)

# Chair's Statement

I am pleased to present another solid set of operating results despite the Company's unsatisfactory share price performance. In the year, your Board and Investment Manager prioritised the completion of significant asset sales and the implementation of the Company's share buyback programme. Further asset sales and an expanded share buyback programme have also been announced. These actions enhance shareholder returns and demonstrate the inherent value of HICL's[1] investment portfolio.

Your Board recognises and shares dissatisfaction with the Company's share price which continues to suffer from macroeconomic, political and financial market volatility. The share price does not reflect HICL's solid underlying performance; nor does it capture the true value of the Company's portfolio. Alongside the Investment Manager, InfraRed[2], we are acutely focused on addressing this value dislocation through further strategic disposals, share buybacks, and enhanced dividend guidance.

The Board has also agreed a reduced management fee incorporating market capitalisation and based on NAV from the previous Gross Asset Value ("GAV") based calculation. The revised fee will be calculated on the average of the Company's most recently published NAV and its daily average closing market capitalisation[3]. This 50:50 fee basis strengthens alignment between the Investment Manager and shareholders. Based on the current share price, the management fee will reduce by 17% and the pro forma Ongoing Charges Ratio will fall to 0.95% (1.10% for 31 March 2025). Subject to finalisation of contractual arrangements, the new fee will apply from 1 July 2025.

## Proactive Capital Allocation

Effective capital allocation and accretive portfolio rotation remained important areas of focus for the Board during the year. HICL successfully completed the previously announced disposals amounting to £244m, paid down the Revolving Credit Facility ("RCF") and completed the Company's initial £50m share buyback programme, which provided 0.7p of NAV accretion.

In March 2025, the Board took the decision to increase the pace of share buyback activity and expanded the programme by a further £100m running to the end of the calendar year 2025. The return currently implied on buybacks is 11.1%[4], which is compelling compared to alternative uses of capital.

Building on its successful track record of over £1bn in asset sales for HICL since its IPO, the Investment Manager is now targeting at least £200m of further strategic disposals during the coming financial year, enhancing portfolio construction and funding the expanded buyback programme and investment commitments.

A key enabler of effective capital allocation is the underlying performance of the portfolio. The portfolio delivered a solid operational performance in the year, demonstrating the resilient nature of the underlying assets and the increasing contribution of the Company's growth investments. Higher cash flow generation from the portfolio underpins the Board's decision to reiterate dividend guidance of 8.35pps for the year to 31 March 2026 and issue new dividend guidance of 8.50pps for the year to 31 March 2027. For more information on operational performance please refer to the Investment Manager's Report on pages 16 to 21.

"" The Board is pleased to issue new dividend guidance of 8.50pps for the year to 31 March 2027, reflecting higher cash flow generation from the portfolio.

1 HICL Infrastructure PLC and its subsidiaries are defined as either HICL or the Group throughout the Report. HICL Infrastructure PLC, the Company only, is defined as the Company throughout the report
2 The Investment Manager of HICL Infrastructure Plc, InfraRed Capital Partners Limited ("InfraRed")
3 The base fee payable under the new arrangements will be capped such that the base fee payable will be no higher than under the existing GAV-based arrangements
4 Based on discount rate, adjusted to reflect the share price discount to the NAV as at 31 March 2025, using published discount rate sensitivities as at 31 March 2025

HICL benefits from a strong balance sheet and solid operational performance; fundamentals that we expect to be recognised in the share price as the Company executes its strategy.

## Financial Performance

The Company's NAV per share at 31 March 2025 was 153.1p (March 2024: 158.2p). This result reflects solid operational performance offset by an increase in the weighted average discount rate of the portfolio driven by macroeconomic conditions.

The portfolio delivered an underlying return of 7.7% (March 2024: 9.0%), close to the expected performance of 8.0% (the weighted average discount rate at 31 March 2024). Affinity Water and the growth assets outperformed expectations, substantially offsetting the negative impacts of lower real inflation in the UK and Europe and the recognition of increased forecast cost risk across a subset of UK PPP assets, as disclosed in HICL's 30 September 2024 Interim Report.

The weighted average discount rate used to value the portfolio increased to 8.4% (March 2024: 8.0%), a 40bps average increase in the year. This largely reflects significant increases in government bond yields across HICL's geographies, balanced against relevant transaction data, including the announced acquisition of BBGI Global Infrastructure S.A. and HICL's own current disposal activity. These all provide evidence of consistent and robust valuations for core infrastructure assets.

The total movement in NAV for the year to 31 March 2025 was (5.1)p, with (6.9)p relating to the change in discount rates. Total Shareholder Return for the year was 2.0% (March 2024: 1.0%)[5] and earnings per share was 2.3p (March 2024: 1.5p). More detailed explanations of the portfolio's valuation and the discount rate can be found in the Valuation of the Portfolio section, starting on page 42.

The Board and Investment Manager appreciate the importance of enhanced disclosure of operational metrics such as cash generation and earnings, both for current and future shareholders. Further details can be found in the accompanying Investor Presentation for the Annual Results.

## Governance

In line with the UK Corporate Governance code, the Board maintains the policy that Directors serve for no more than nine years, other than in exceptional circumstances. The Board and I extend our thanks to Simon Holden and Kenneth Reid who will complete their full nine-year terms on the Board in the coming year. They have both made exceptional contributions to the HICL Board. After a period of transition, Liz Barber assumed Simon's responsibilities as Chair of the Risk Committee in February 2025 and Frances Davies will take over Ken's role as Senior Independent Director and Chair of the Management Engagement Committee as he approaches retirement. I wish Liz and Frances all the best in their new responsibilities.

**153.1p**
**NAV per share**
at 31 March 2025

**8.50pps**
**New dividend guidance**
for FY 2027

**£150m**
**Announced share buyback programme**

**>£200m**
**Strategic disposals targeted**

The Board continues to be proactive in succession planning to ensure it has a mix of appropriate skills and experience. Towards the end of last year, an independent external recruitment process was started with the aim of finding a new Director with a profile and skillset that would best complement that of the remaining Directors. This process concluded recently with the appointment of Graham Sutherland as a non-executive Director. Graham is currently the Chief Executive Officer of First Group plc, and will bring considerable infrastructure and listed market experience to the Board. I am delighted to welcome him to the Board and to HICL.

The Board and Audit Committee have conducted a review of external audit provision. To manage the risk around the longevity of auditor engagement with the current auditors KPMG LLP, the Board intends to appoint Deloitte LLP as HICL's auditor for the financial year starting 1 April 2025, subject to shareholder approval at the 2025 Annual General Meeting ("AGM").

## Outlook

The Board has continued to prioritise proactive capital allocation for the benefit of shareholders and to address the current share price. The Investment Manager has repeatedly demonstrated the intrinsic value and solid performance of HICL's investments by completing over £500m of accretive disposals over the last two years. We expect this to continue with at least £200m of further sales targeted and with proceeds recycled into accretive opportunities – including share buybacks and selective investments offering compelling risk-adjusted returns.

Looking ahead, we expect distributions from the Group's investments to increase as HICL's growth assets mature and PPP assets begin to return capital. Reinvestment of these cash flows is critical to the ability of the Company to maintain and grow its portfolio valuation and long-term earnings base. Appropriately balancing the portfolio between growth assets and higher yielding investments is a key strategic priority for the Board and InfraRed.

In this context, the outlook for infrastructure investment is arguably more compelling than for any other asset class. The increasing importance of private investment in infrastructure globally is in sharp focus as nations, including the UK, look increasingly inwards, renewing legacy infrastructure, responding to global infrastructure megatrends, and aspiring to fulfil ambitious growth agendas. The Investment Manager continues to selectively review investment opportunities for HICL that improve portfolio composition, including captive opportunities from existing investments

HICL remains a highly diversified, long-term investor in critical infrastructure projects, positioned at the forefront of structural market tailwinds. Global demand for infrastructure investment is estimated to reach $68tn by 2040[6]. As a global investor with a recognised track record and a resilient balance sheet, your Company is well positioned to benefit from these opportunities over the coming years.

**Mike Bane**
**Chair**
20 May 2025

5 Based on interim dividends paid plus change in NAV per share in the year
6 Global Infrastructure Hub (gihub.org), Deloitte. Infrastructure needs defined as new investment, replacement investment and spending on maintenance where the investment will substantially extend the lifetime of an asset but excluding land purchases. Needs determined on the basis that countries match the performance of their best performing peers in terms of the resources they dedicate to infrastructure investment. Investment need calculated from 2024-2040

# Our purpose is for HICL to be the pre-eminent investor in essential core infrastructure in our chosen markets

Investing in assets with strong social foundations such as healthcare and education; assets that connect communities from rail and road to communications; and assets that support the transition to a low-carbon modern economy.

## Our **vision** is to enrich lives through infrastructure

### Strong social foundations

44%

of portfolio

Assets that constitute the foundation of our societies, such as:

- Health
- Education
- Fire, Law and Order
- Accommodation

### Connecting communities

36%

of portfolio

Assets that link people to the economy and each other, such as:

- Availability or toll roads
- Rail and rolling stock
- Fibre networks
- Mobile towers

### Sustainable modern economies

20%

of portfolio

Assets supporting the energy transition and continued resource security, such as:

- Water
- OFTOs
- Electricity transmission

Read more about our Top 10 investments on page 22

## Underpinned by a commitment to **sustainability**

**As a prominent long-term investor in core infrastructure, HICL creates lasting value for shareholders and societies.**

Read more about HICL's sustainability highlights and the alignment of its portfolio with the UN SDGs on page 32

"HICL's ability to create value for shareholders over the long-term is intrinsically linked to delivering positive outcomes for the communities served by its essential infrastructure assets. Operating in a sustainable and responsible manner is therefore central to the Company's business model."

**Mike Bane**
Chair of the Board of Directors

# InfraRed is the **Investment Manager**, operating the investment portfolio and responsible for delivering HICL's purpose and vision

InfraRed Capital Partners

Read more at www.ircp.com

US$13bn+
Equity under management

240+
Investments

100+
Infrastructure professionals

25+ yr
Track record

160+
Employees in five international offices

# A strong **investment proposition**

**HICL's Investment Proposition is to deliver sustainable income and capital growth from a diversified portfolio of investments in core infrastructure.**

Read more on page 8

## Diversification

We provide shareholders with immediate access to a portfolio of

100+
assets

## Sustainability

Over 35 million people have access to the essential services facilitated by our infrastructure

35m
people

## Total return

Since IPO we have delivered a Total Shareholder Return[1] of

8.4% p.a.

## Yield

We deliver a sustainable dividend

8.25p
per share 2025

## Inflation correlation

We deliver a return that correlates to long-term inflation[2]

0.7x

## Asset life

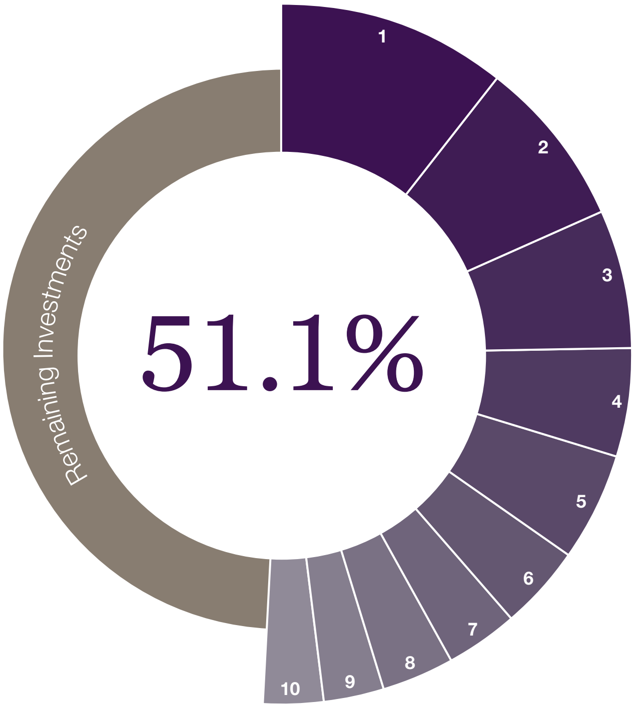
We offer cash flow visibility from long-life infrastructure assets

30.4 yr
weighted average asset life

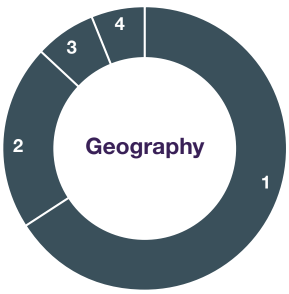
1 Return based on NAV growth and dividends paid per share since IPO
2 If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the portfolio (before Corporate Group expenses) would increase by 0.7%

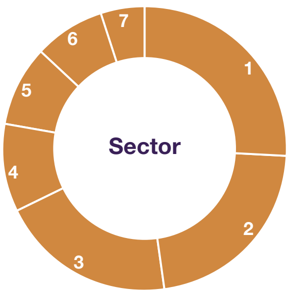
# A diverse portfolio with over 100 assets[1]

**Read more about out Top 10 investments on page 22**




## A diverse portfolio of over 100 assets

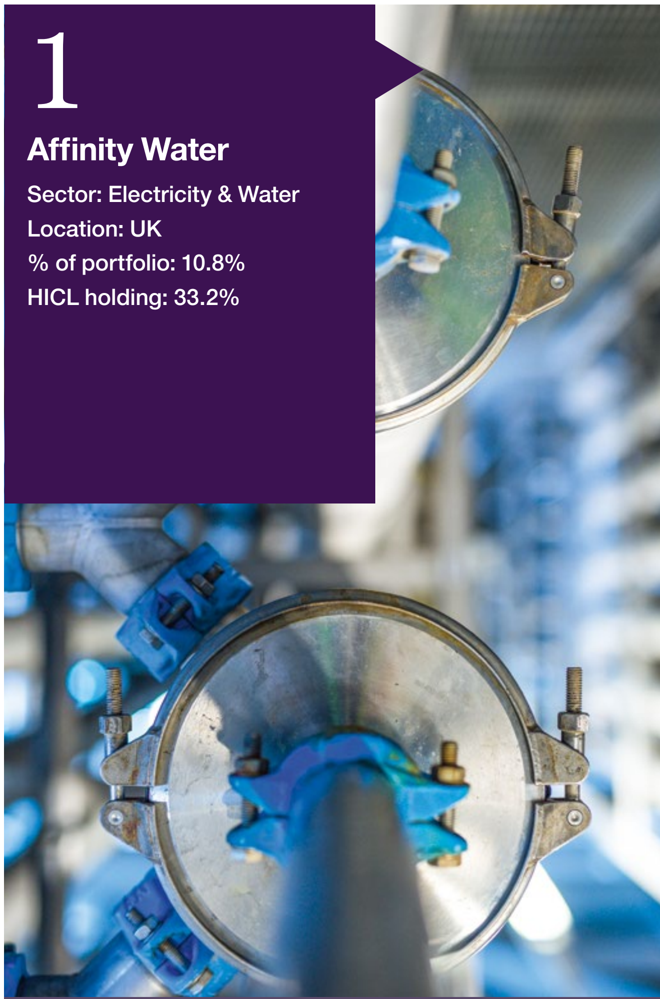



| | | |
|---|---|---|
| 1 | UK | 66% |
| 2 | EU | 21% |
| 3 | North America | 7% |
| 4 | Australia/New Zealand | 6% |

| | | |
|---|---|---|
| 1 | Transport | 26% |
| 2 | Health | 22% |
| 3 | Electricity & Water | 20% |
| 4 | Education | 10% |
| 5 | Communications | 9% |
| 6 | Accommodation | 8% |
| 7 | Fire, Law & Order | 5% |

1 By value, at 31 March 2025, using Directors' Valuation



## 1

### Affinity Water

Sector: Electricity & Water
Location: UK
% of portfolio: 10.8%
HICL holding: 33.2%

## 5

### London St. Pancras Highspeed

Sector: Transport
Location: UK
% of portfolio: 4.9%
HICL holding: 21.8%

## 8

### Royal School of Military Engineering

Sector: Accommodation
Location: UK
% of portfolio: 3.3%
HICL holding: 100.0%

# 3
## Fortysouth
Sector: Communications
Location: New Zealand
% of portfolio: 6.3%
HICL holding: 40.0%

# 2
## A63 Motorway
Sector: Transport
Location: France
% of portfolio: 7.6%
HICL holding: 24.0%

# 4
## Texas Nevada Transmission
Sector: Electricity & Water
Location: USA
% of portfolio: 5.1%
HICL holding: 45.8%

# 6
## Southmead Hospital
Sector: Health
Location: UK
% of portfolio: 3.9%
HICL holding: 62.5%

# 7
## Pinderfields & Pontefract Hospitals
Sector: Health
Location: UK
% of portfolio: 3.4%
HICL holding: 100.0%

# 9
## Home Office
Sector: Accommodation
Location: UK
% of portfolio: 2.9%
HICL holding: 100.0%

# 10
## Altitude Infra
Sector: Communications
Location: France
% of portfolio: 2.9%
HICL holding: 5.9%

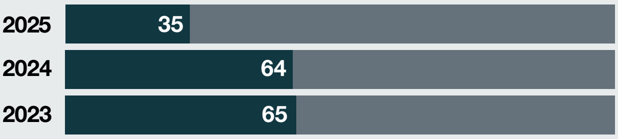
# The infrastructure market

HICL invests in core infrastructure, the segment of the infrastructure market at the lower end of the risk spectrum, as described by HICL's core infrastructure framework (see page 10). Core infrastructure captures those critical assets that underpin the functioning of economies and societies, and therefore represents the most pressing investment need. Across the OECD, the core infrastructure sectors in need of investment include transport, healthcare, electricity grid infrastructure and digitalisation.

Driven by the policy updates described in this section, along with broader global megatrends, the Company expects to benefit from attractive opportunities to invest in various core infrastructure assets which support government ambitions and underpin sustainable long-term economic growth.

A snapshot of key infrastructure market developments is provided below.

## UK

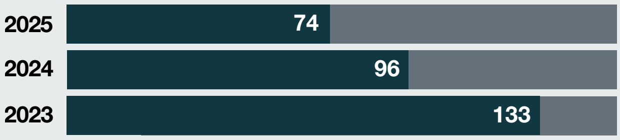



No. of core infrastructure transactions observed

### Policy landscape

- The UK's Infrastructure and Projects Authority (IPA) was merged with the National Infrastructure Commission ("NIC") to form the new National Infrastructure and Service Transformation Authority ("NISTA"). NISTA will focus on accelerating the delivery of major projects to support the UK's national 10 Year Infrastructure Strategy, which is due to be published in June 2025.
- The UK Infrastructure Bank ("UKIB") was rebranded as the National Wealth Fund ("NWF"). This vehicle, which now has a broader remit and greater capacity for risk, is capitalised with £27.8bn and will make private sector investments in areas which support the UK's clean energy and growth ambitions.
- The new government has identified infrastructure investment, delivered in partnership with the private sector, as a key catalyst of economic growth. In March 2025, the National Audit Office ("NAO") published a summary of lessons learned from previous private finance initiatives. In its report, the NAO identified that a new PPP model in the UK could play an important role in boosting private investment in UK infrastructure.
- In the year, prominent figures in the NHS called on the UK government to consider the expansion of private sector involvement in the delivery of healthcare infrastructure. A range of new private finance schemes are now being considered as part of work to develop the government's 10-year plan for the NHS.
- The Government confirmed it would mobilise over £35bn of investment into economic infrastructure between 2025 and 2026. This is expected to be deployed through both public and private capital with a focus on revenue-generating projects in the energy, utilities and transport sectors. The Government also announced its ambition to leverage AI to drive economic growth, acknowledging the importance of the digital infrastructure needed to support this.
- In May 2025 17 of the UK's largest pension funds pledged to invest at least 10% of their assets in private markets by 2030, of which at least half will be focused on the UK.

## Europe

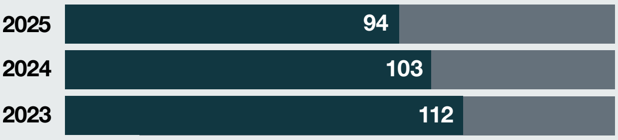



No. of core infrastructure transactions observed

### Policy landscape

- In Europe, infrastructure investment is being supported by governments seeking to bolster energy independence and overall security in response to new geopolitical dynamics.
- In March 2025, German lawmakers voted to exempt spending on defence and security from the country's strict debt rules and create a €500bn infrastructure fund. The initiative aims to support the modernisation of infrastructure related to the energy, transport, digital and social sectors. (See InfraRed insight: Germany's €1 Trillion 'whatever it takes' moment: Implications for infrastructure investors).
- The European Commission has selected 134 transport projects to receive over €7bn in EU grants from the Connecting Europe Facility ("CEF"), the EU's instrument for strategic investment in infrastructure. This represents the largest call under the current CEF Transport programme. Around 83% of the funding will support projects that deliver on the EU's climate objectives, improving and modernising the EU network of railways, inland waterways and maritime routes along the Trans-European Transport (TEN-T) Network.
- French President Emmanuel Macron announced a €109bn AI investment package to be delivered in the country over the coming years. This will focus on developing infrastructure such as data centres and computing clusters.
- The European Commission noted that in 2021, district heating (networks for distributing heat locally) accounted for approximately 12% of the EU's final energy consumption for space and water heating. It is anticipated that this capacity will expand by at least 80% by 2030.

## North America




No. of core infrastructure transactions observed

### Policy landscape

- The US government issued an executive order in April 2025 that focuses on strengthening the reliability and security of the nation's electricity grid in response to increasing electricity demand, capacity constraints and the growth of technology-driven sectors (notably AI).
- The US government announced a private sector investment of up to $500bn to fund infrastructure for AI. The new company, called the Stargate Project will focus on building data centres, with the first already under construction in Texas. Between 2024 and 2030, electricity demand for data centres in the United States is expected to increase at a compound annual rate of 23%.
- Through the Investing in Canada Plan, launched in 2016, the Canadian government committed to delivering over $180bn of infrastructure spending over 12 years. To date, $157bn of funding under the plan has been put towards vital public transit systems, clean water and wastewater systems, and social infrastructure. This leaves c.$23bn to be deployed over the next c. three years.

## Australia & New Zealand


No. of core infrastructure transactions observed

### Policy landscape

- In March 2025, at the New Zealand government's Infrastructure Investment Summit, ministers emphasised that the nation was seeking to open its economy to foreign investment. New Zealand's infrastructure minister acknowledged an "infrastructure deficit" in the country that may be as large as NZ$200bn and the need for foreign investment to close this.
- The mandate of Future Fund, Australia's A$230bn sovereign wealth fund, was updated by the Australian government to focus more on domestic infrastructure, residential housing and the energy transition. This marks the first time that the Future Fund has been directed by the Australian government to consider specific asset types and sectors in its portfolio construction.
- In New Zealand, a framework encouraging greater usage of PPPs to develop large-scale infrastructure projects was released by the government, with support from the opposition.
- Energy sector leaders in New Zealand launched the Energy Transition Framework, under which they commit to collaborative efforts to ensure the security and reliability of the nation's energy system.

## Relevant transaction datapoints

| Transaction snapshots | Relevant asset(s) | % of portfolio |
|---|---|---|
| In February 2025, the Board of BBGI Global Infrastructure S.A. recommended the cash acquisition of the company by British Columbia Investment Management ("BCI"), a large Canadian pension fund. Given BBGI's positioning as the owner of availability-style assets with public sector-backed revenues in mature jurisdictions, this transaction is highly relevant to HICL's PPP assets, which accounts for 56.8% of its total portfolio by value. BCI's offer price represented a 3.4% premium to BBGI's estimated net asset value as at 31 December 2024. The implied pricing underscores the strength of institutional demand at attractive valuations for PPP assets and provides a highly relevant and supportive transaction datapoint for HICL's PPP portfolio. | All PPP projects | 56.8% |
| American Electric Power agreed to sell a 19.9% minority stake in two US electric power transmission companies to KKR and Public Sector Pension Investment Board for $2.8bn. The 2.3x regulated asset base multiple understood to be implied by this sale price is supportive of HICL's 31 March 25 valuation of Cross Texas Transmission ("CTT"), which is one of the two systems that make up HICL's US electricity transmission portfolio company TNT. | TNT | 5.1% |
| Canadian investment group Caisse de dépôt et placement du Québec ("CDPQ") completed the acquisition of a 50% (co-controlling) stake in Connexa for NZ$ 909m. Connexa is one of only two telecommunications tower companies in New Zealand, the other being Fortysouth which is 40% owned by HICL. The transaction EBITDA multiple was disclosed as being in line with previous towers transactions in the New Zealand market, notably Fortysouth, reflecting the attractiveness of the New Zealand towers and telecoms market structure for investment. | Fortysouth | 6.3% |

# Business model
How we create value

## 1.
Core infrastructure characteristics we look for…

InfraRed evaluates the infrastructure market systematically using HICL's core infrastructure framework:

### Cash flow quality

- Low volatility in a range of macro environments
- Suitable / diverse counterparties
- Inflation protection
- High capital cost
- Low operational complexity

### Market positioning

- Monopolistic characteristics
- Regulated in some circumstances
- Capital intensive business model
- Structural protections

### Criticality

- Strong social licence and public benefit
- Real assets supporting essential services or facilitating important social function

## 2.
to deliver on our strategy…

Developed by the Board and Investment Manager to ensure we deliver on our Investment Proposition

### Deliver a sustainable dividend

**An annual distribution of at least that achieved in the prior year, fully cash covered and supported by long-term portfolio earnings.**

### Grow Net Asset Value

**Preserve and grow the capital value of the investment portfolio over the long term.**

### Build a diversified portfolio to manage risk

**Spanning high-quality assets across the core infrastructure market.**

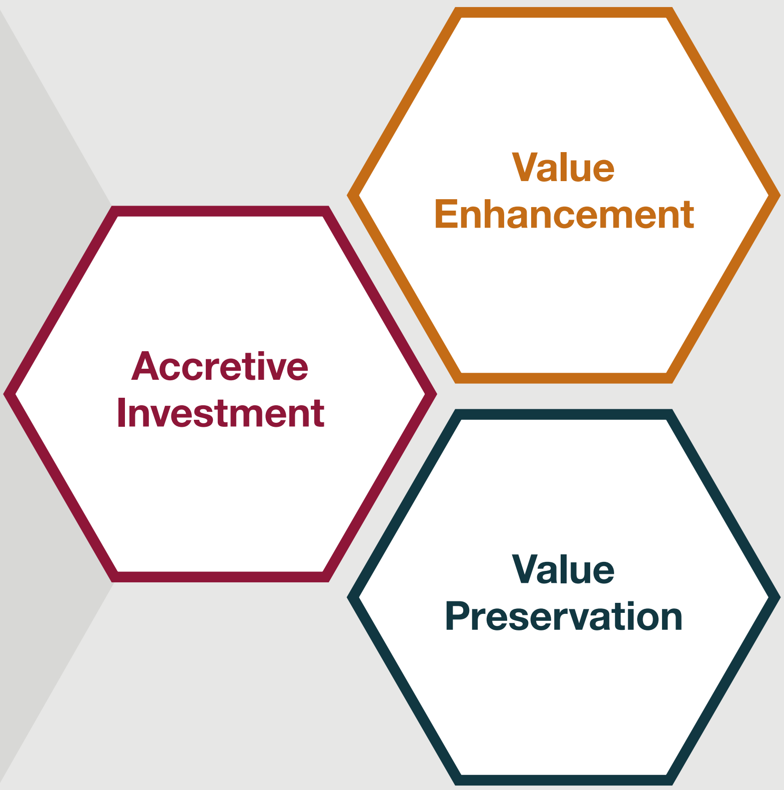
### Provide a compelling cost proposition

**Evidenced through a competitive Ongoing Charges Ratio.**

# 3.

## through our sustainable approach to value creation…

See next page for more detail on the three pillars of HICL's business model




# 4.

## for the benefit of our key stakeholders

### Our communities and end users

We invest in essential assets which have a social purpose and will have a beneficial impact on the quality of life for the communities where they are located.

**8m+**
people with direct access to healthcare facilities

**500km+**
of road and high-speed railways

**120,000**
student places across schools, colleges and university facilities

### Our clients

We work together with corporate partners and public sector clients, including the UK's National Health Service ("NHS"), local councils, National Highways, and various government departments.

**18**
NHS Trusts in the portfolio

### Our shareholders

A long-term sustainable mindset is imperative to achieve outperformance for shareholders. We offer long-term real returns from core infrastructure assets.

**8.4% p.a.**
Total Shareholder Return since IPO

**153.1p**
NAV per share

# The three pillars of our business model

1 2 3

## 1 Accretive Investment

**HICL has a clearly defined Investment Policy. This sets the overarching framework within which HICL seeks to construct a resilient core infrastructure portfolio that delivers the Investment Proposition and is consistent with HICL's overall risk appetite.**

Fundamentally it does this through:

– A structured asset quality evaluation framework focusing on cash flow quality, market positioning and criticality
– Careful and deliberate portfolio construction to limit exposure to any one factor, and in so doing improve portfolio resilience
– An overarching focus on sustainability that is built into the investment process (see HICL's 2025 Sustainability Report and HICL's Sustainability Policy)
– An objective that acquisitions are generally accretive to key portfolio metrics

Working within investment parameters approved by the HICL Board, InfraRed is responsible for the selection and pricing of new investments and, from time to time, disposals. The Acquisition Strategy is periodically reviewed by the Board and agreed with InfraRed.

InfraRed's Investments team, in coordination with the Fund Management team, uses a variety of channels to source accretive transactions for HICL.

**The following summarises HICL's Acquisition Strategy:**

**Geography**
Located in mature infrastructure markets

**Segmentation**
Core infrastructure market positioning

**Asset quality**
Defined by:
– Cash flow quality
– Market positioning
– Criticality

**Active Management**
Accretive to HICL's Investment Proposition

## 2 Value Enhancement

**InfraRed's Asset Management and Portfolio Management teams pursue opportunities to deliver outperformance from the existing portfolio through a systematic, strategic programme of value enhancement. This upside is often shared between HICL's shareholders and public sector clients for PPP projects, or with the customers of regulated assets through periodic regulatory price reviews.**

Fundamentally it does this through:

– Sponsoring the implementation of initiatives within portfolio companies to optimise asset business plans, pursue growth initiatives or enhance capital structures (for example, refinancing existing senior debt facilities)
– Developing and implementing procurement efficiencies across HICL's large and diverse portfolio, in particular by leveraging economies of scale (for example, management services and insurances for PPP projects)
– Exploring opportunities to add to or upgrade asset level facilities to improve stakeholder outcomes whilst supporting long-term shareholder returns (for example, undertaking contract variations on PPP projects that add to the scope of services)
– Driving efficient financial and treasury management of HICL, seeking opportunities to reduce ongoing costs
– Considering where value can be improved, or portfolio risk profile improved, through selective disposals

## 3 Value Preservation

**InfraRed's Asset Management and Portfolio Management teams work closely together, in partnership with the management teams in HICL's portfolio companies, to deliver HICL's Investment Proposition by preserving the value of investments for shareholders and stakeholders. The objective is to ensure portfolio companies continue to operate with the endorsement of their key stakeholders, including through the delivery of contractual and regulatory requirements, in order to deliver the base-case investment return.**

Fundamentally it does this through:

– Providing effective governance of portfolio companies, usually through board representation
– Building relationships with key portfolio company counterparties, in particular, public sector clients/regulators
– Facilitating and / or driving resolution of operational issues, including disputes and critical issues
– Delivering HICL's sustainability strategy at the asset level by promoting greater awareness within portfolio company management teams and driving the pursuit of specific initiatives to support sustainable, responsible business operations (See our sustainability strategy and key highlights on pages 32 and 33)
– Oversight of financial performance against HICL's forecasts
– Optimising cash efficiency by managing cash flow from HICL investments and minimising cash drag on returns
– Managing the process and analysis required for valuations of HICL's portfolio
– Following prudent financial management practices (e.g. accounting and tax policies, treasury processes)

# Engaging with our stakeholders

**As a responsible owner of essential public assets, HICL's ability to deliver its Investment Proposition over the long term is inextricably linked to the delivery of positive stakeholder outcomes for the broader community.**

| | Stakeholder expectations | Our approach and touchpoints |
|---|---|---|
| **Our communities and the end users of our assets** | | |
| We invest in infrastructure projects that provide essential services to local communities. In some instances, we deliver those services directly, such as the provision of clean energy or water, and in other instances these services are performed by our public sector clients such as healthcare services. | Communities expect seamless access to essential services like water, transport, and energy. | – We support community engagement initiatives at the company level<br>– At the portfolio level, we facilitate the sharing of best practice for engagement and design of scalable solutions<br>– At the Manager level, InfraRed forms dedicated groups to drive key initiatives |
| **Our clients** | | |
| We work together with corporate partners and public sector clients, including the UK's NHS, local councils, National Highways, and various international government departments to deliver many of our essential infrastructure services. | Infrastructure assets are built and maintained in line with contractual requirements, so that clients can offer critical services to their communities. | – Direct and proactive client engagement at the portfolio company level<br>– Client surveys to understand the needs of our clients and their communities<br>– This is a fundamental driver of InfraRed's Portfolio Impact Strategy<br>– We engage in public-private working groups to identify solutions to industry challenges such as net zero and handback requirements |
| **Our people** | | |
| HICL portfolio companies employ over 2,300 people, and thousands more through each asset's supply chain. InfraRed has a talented, diverse team of over 160 people worldwide which comprises over 20 nationalities speaking 20 different languages. | Make a positive impact on the environment and society while growing personally and professionally. | – Through our governance rights, we ensure portfolio companies who employ staff directly have current and appropriate policies in place, such as diversity and inclusion and modern slavery<br>– At the Manager level, InfraRed implements initiatives around the principles of attracting, developing and retaining a team with varied perspectives and backgrounds to enhance decision-making and cultivate a working environment that people want to be a part of |
| **Our delivery and other partners** | | |
| To enable high-quality infrastructure assets, we partner with many specialist organisations which include management service providers, construction companies, facilities management companies, financiers, co-shareholders and advisers. | Collaborate with each company to fulfil their own business objectives while enabling the sustainable delivery of high-quality services to infrastructure assets. | – Targeted engagement with business partners at the asset and portfolio levels<br>– Quarterly and annual monitoring<br>– Manager-led annual ESG summits with all portfolio companies invited |
| **Our shareholders** | | |
| We invest in infrastructure assets using the capital provided by our investors. Our shareholders range from individuals to substantial international institutions, and pension funds which have a long-term investment horizon. | Maximise long-term sustainable financial returns for a given level of risk. Accessible and transparent reporting on the Company and portfolio. | – Investor presentations targeted at both institutional and retail investors<br>– Responding to investor information requests<br>– Transparent sustainability reporting<br><br>AGM<br>2pm,<br>23 July 2025<br>Brewers Hall, Aldermanbury Square, Barbican, London EC2V 7HR |

# Key Performance and Quality Indicators

The Board has identified metrics to measure HICL's performance against its strategic objectives. The results for the year ended 31 March 2025 are set out below.

## Key Performance Indicators

### Dividends

**8.25p**

**2024: 8.25p**

Measure
Aggregate interim dividends declared per share for the year.

Objective
An annual distribution of at least that achieved in the prior year.

Performance

| | |
|---|---|
| 2023 | 8.25p |
| 2024 | 8.25p |
| 2025 | 8.25p |

Link to strategy

### Total Shareholder Return[1]

**8.4% p.a.**

**2024: 8.7% p.a.**

Measure
NAV growth and dividends paid per share since IPO.

Objective
A long-term IRR target of 7% to 8% as set out at IPO[2].

Performance

| | |
|---|---|
| 2023 | 8.9% |
| 2024 | 8.7% |
| 2025 | 8.4% |

Link to strategy

### Cash-covered dividends[3]

**1.56x / 1.07x[4]**

**Including / excluding profits on disposal**
**2024: 1.37x / 1.05x[5]**

Measure
Operational cash flow/dividends paid to shareholders.

Objective
Dividend payments are covered by cash received from the portfolio.

Performance

| | |
|---|---|
| 2023 | 1.31x |
| 2024 | 1.37x |
| 2025 | 1.56x |

Link to strategy

### Positive inflation correlation

**0.7x**

**2024: 0.7x**

Measure
Changes in the expected portfolio return for 1% p.a. inflation change for each and every future period.

Objective
Maintain positive correlation with a correlation of at least 0.5x.

Performance

| | |
|---|---|
| 2023 | 0.8x |
| 2024 | 0.7x |
| 2025 | 0.7x |

Link to strategy

### Competitive cost proposition

**1.10%**

**2024: 1.14%**

Measure
Annualised ongoing charges / average undiluted NAV[6].

Objective
Efficient gross (portfolio level) to net (investor level) returns, with the intention to reduce ongoing charges where possible. Maintain within the range for FTSE 250 listed infrastructure peers.

Performance

| | |
|---|---|
| 2023 | 1.09% |
| 2024 | 1.14% |
| 2025 | 1.10% |

Link to strategy

1 Return based on NAV growth and dividends paid per share since IPO
2 Set by reference to the issue price of 100p/share, at the time of HICL's IPO in February 2006
3 Further details on this APM are provided in the Financial Review on page 36
4 Including profits on disposals versus original acquisition cost of £82.7m (2024: £53.4m). Excluding this, dividend cash cover would have been 1.07x (2024: 1.05x)
5 Including profits on disposals versus original acquisition cost of £53.4m. Excluding this, dividend cash cover would have been 1.05x
6 Calculated in accordance with Association of Investment Companies guidelines. Ongoing charges excluding non-recurring items such as acquisition costs

## Link to strategy

Deliver a sustainable dividend

Grow Net Asset Value

Build a diversified portfolio to manage risk

Provide a compelling cost proposition

# Key Quality Indicators

### Investment concentration risk

51.1%[1], 10.8%[2]

**2024: 49.5%, 8.3%**

Measure
Percentage of portfolio value represented by the ten largest investments[3].

Percentage of portfolio value represented by the single largest investment[3].

Objective
Maintain a diversified portfolio of investments (thereby mitigating concentration risk) and, at all times, remain compliant with HICL's Investment Policy. Single asset concentration <15%.

Performance

| | |
|---|---|
| 2023 | 49% |
| 2024 | 49.5% |
| 2025 | 51.1% |

Link to strategy

### Risk / reward characteristics

14.0%

**2024: 17.1%**

Measure
Percentage of portfolio value represented by the aggregate value of projects with construction and / or demand-based risk[4].

Objective
Compliance with HICL's Investment Policy, to be lower than the aggregate limit of 35% for such investment.

Performance

| | |
|---|---|
| 2023 | 22% |
| 2024 | 17.1% |
| 2025 | 14.0% |

Link to strategy

### Weighted average asset life

30.4 years[5]

**2024: 29.4 years**

Measure
Portfolio's weighted average unexpired concession length[5].

Objective
Seek where possible investments that maintain or extend the portfolio concession life such that it remains above 20 years.

Performance

| | |
|---|---|
| 2023 | 32.2 yrs |
| 2024 | 29.4 yrs |
| 2025 | 30.4 yrs |

Link to strategy

### Refinancing risk

2.4%[6]

**2024: 2.5%[6]**

Measure
Portfolio debt with refinancing risk within 24 months as a percentage of total portfolio debt[7].

Objective
Manage exposure to refinancing risk to 20% of portfolio value.

Performance

| | |
|---|---|
| 2023 | 0.6% |
| 2024 | 2.5% |
| 2025 | 2.4% |

Link to strategy

### Sustainability stewardship

95%

**2024: 98%**

Measure
Percentage of the portfolio that is rated 'high' for ESG performance[8].

Objective
> 75% of the portfolio rated high in ESG performance.

Performance

| | |
|---|---|
| 2023 | 97% |
| 2024 | 98% |
| 2025 | 95% |

Link to strategy

1 51.1% is the sum of the Top 10 assets in HICL's portfolio by value
2 10.8% is the size of the largest asset in HICL's portfolio, Affinity Water, by value
3 HICL's Investment Policy stipulates that any single investment (being, for this purpose, the sum of all incremental interests acquired by HICL in the same project) must be less than 20% (by value) of the gross assets of HICL, such assessment to be made immediately post-acquisition of any interest in a project
4 More diverse infrastructure investments which are made with the intention 'to enhance returns for shareholders' as permitted under the terms of HICL's Investment Policy – namely pre-operational projects, demand-based assets and / or other vehicles making infrastructure investments. Further details are set out in the Investment Policy, available from HICL's website
5 Investments with indefinite life such as Affinity Water, Fortysouth and Altitude are attributed a life of 100 years for the purpose of calculating the portfolio's weighted average asset life
6 Refinancing required on Texas Nevada Transmission, Fortysouth, Altitude Infra
7 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 at 31 March
8 'High' rating in ESG performance means scoring 4/5 stars in the HICL Sustainability Survey or subsequent metrics as ESG reporting evolves

# Investment Manager's Report

Right:
**Edward Hunt**
**Head of Core Infrastructure Funds, InfraRed**
Edward leads the InfraRed team that manages HICL

Left:
**Mark Tiner**
**CFO, HICL**
Mark is responsible for managing the financial activities carried out by InfraRed for HICL

HICL's diversified portfolio continues to demonstrate solid operational performance and is intentionally positioned to withstand the current macroeconomic volatility. The quality and diversity of the underlying assets, combined with InfraRed's track record in rotating and enhancing the portfolio, underpin the Company's proactive approach to capital allocation and long-term value creation.

## Operational highlights

HICL's portfolio delivered a solid annualised underlying return of 7.7% for the year ended 31 March 2025 (31 March 2024: 9.0%) before the impact of changes to reference discount rates and macroeconomic assumptions. This was broadly in line with expectations, with outperformance from HICL's growth assets (notably Affinity Water as described below) offset by specific adjustments applied to a subset of UK PPP assets, as set out in HICL's 2024 Interim Report.

Further details can be found in the Valuation of the Portfolio section of this report starting on page 42.

## Operational performance overview

The operational performance of the portfolio, which spans a diverse range of sectors and geographies, was generally in line with the Investment Manager's expectations during the year.

The performance of HICL's growth assets exceeded expectations over the course of the year, demonstrating the importance of InfraRed's active management of both portfolio composition and of the individual assets. Affinity Water's ("Affinity") final determination for AMP8 (2025-2030) resulted in a modest valuation uplift and is expected to lead to the resumption of equity distributions during the financial year ending 31 March 2026. Over the past five years, InfraRed has worked extensively with co-shareholders to reposition the business, notably by building a new executive management team led by CEO Keith Haslett. As a result, Affinity has improved its capital structure, enhanced operational performance, and created a constructive working relationship with key stakeholders, including Ofwat.

This is reflected in the positive outcome of the regulatory process, which in turn will enable Affinity to make a meaningful contribution to HICL's portfolio through a stable yield and a growing capital base. As previously disclosed, the Group has formally committed to support future growth in the business with a c.£50m equity investment expected to be made in this financial year.

### InfraRed acts as the Investment Manager to HICL with day-to-day responsibility for the following activities:

- **Development and execution of HICL's strategy**
- **Stewardship of portfolio assets through proactive asset and portfolio management, and the resolution of critical issues**
- **Stakeholder engagement across both public and private sectors**
- **Investment origination, due diligence and execution**
- **Capital raising, investor relations and preparation of key external communications**

## Highlights

7.7%
**Underlying portfolio return in FY25**

10.8%
**Largest single asset concentration (Affinity Water)**

London St. Pancras Highspeed ("LSPH", formerly known as High Speed 1) received a positive regulatory determination from the Office of Road and Rail ("ORR") in January which, while value neutral to LSPH, allows both lower maintenance costs over the next five years and lower track access charges payable by train operators. Shortly after the year end, the ORR formally confirmed depot capacity is sufficient for a second international operator and LSPH launched a growth incentive package to encourage new international train paths. Each of these factors support the viability for new international operators, which remains a key strategy priority for the growth of the asset and increasing equity cash flow to HICL.

Fortysouth, Texas Nevada Transmission and Altitude Infra continued to perform well in the year, with all three companies investing extensively to grow the size and earnings potential of their respective networks. HICL's growth portfolio expects to deploy over £450m in capital expenditure in the next five years, materially increasing the asset base from which more revenues can be earned.

HICL's PPP assets, which make up 57% of the Directors' Valuation, benefit from availability-based contracted revenues and fixed-rate debt. The adjustments made in respect of a subset of HICL's UK PPP assets in September 2024, which reflected increased forecast cost risk associated with facility condition, remain appropriate and day-to-day service delivery has been strong, as reflected by over 99%[1] asset availability achieved over FY25.

Further details on the operational performance of HICL's ten largest assets can be found starting on page 22.

## HICL's business model delivering value

The proactive management of portfolio composition is central to HICL's business model and as always has been a key area of focus for InfraRed during the year.

As the ongoing macroeconomic backdrop continues to weigh on the Company's share price, InfraRed has prioritised actions that seek to address the share price discount to NAV.

London St. Pancras Highspeed

### Portfolio construction

The Investment Manager completed the disposals of Northwest Parkway and half of the Group's investment in the Hornsea II OFTO, both announced in the previous financial year and together generating proceeds of £244m. Sold at a premium to carrying value, these transactions support the portfolio's valuation and enabled the recycling of proceeds into share buybacks.

The £509m of divestments undertaken over the past 20 months reflect InfraRed's long-standing approach to accretive asset recycling and strategic portfolio construction. Disposal candidates are derived from thorough and regular screening of the portfolio, with each asset assessed on its contribution to four key portfolio metrics (total return, yield, inflation correlation and weighted average asset life). This quantitative analysis is then refined to account for the impact on geographical or sector diversification and the portfolio risk profile. Generally, assets with lower than average returns, low inflation correlation, and shorter asset lives, which often includes mature PPPs, are selected as potential disposal candidates. Through its multidisciplinary global investments team, the Investment Manager will identify potential bidders for specific asset types or classes and run disposal processes tailored to each opportunity.

InfraRed will also consider more opportunistic asset disposals in special situations where outsized returns are available and the economic case for sale is compelling. This was the case with HICL's sale of Northwest Parkway in February 2024 to a strategic buyer, alongside co-shareholders, where the sale price represented a 30% premium to valuation and generated over 2p per share of portfolio outperformance.

This value-driven framework will continue to underpin InfraRed's approach as we seek to execute the £200m disposal programme announced by the Company in March 2025. Significant progress has been made already and the Manager continues to advance negotiations.

In line with the Investment Manager's active portfolio management strategy, we continue to see opportunities for new investment. InfraRed considers that opportunities provided within the portfolio from existing assets present compelling risk-adjusted returns, including organic growth capex deployment, bolt-on acquisitions and strategic expansion. The current market backdrop also provides the opportunity to capitalise on third-party transactions, where these represent special situations. The Investment Manager's global presence, deep relationships and active transaction pipeline across different strategies ensure that, where attractive situations arise, HICL has the capacity to make high-quality additions to its portfolio. Investment decisions continue to be benchmarked to the risk and return proposition available from alternative uses of capital, including share buybacks.

1 Calculated based on total unitary charge revenue received (i.e. less all deductions) as a proportion of total contractual revenue

## Specialist asset management

The Company's strong operational performance is underpinned by InfraRed's team of over 30 expert asset managers focused on maximising long-term asset value throughout the investment lifecycle. Based in London, New York, and Sydney, the team is supported by specialist operating partners in key sectors and markets. This substantial asset management capability continues to develop alongside InfraRed's broader investment activities across core and value-add strategies.

Across HICL's growth investments, InfraRed's asset managers work closely with asset-level management teams to execute business plans, explore expansion opportunities and enhance capital structures. This was evidenced in the year across several of HICL's large investments: securing a successful price review on Affinity Water; developing the conditions to support a second international operator on LSPH; construction of a new rate case for Texas Nevada Transmission's regulated business; exploration of international expansion for Altitude Infra; and EBITDA enhancement initiatives at Fortysouth. This hands-on management approach supports long-term earnings growth for these investments and strengthens HICL's investment proposition for sustainable income and capital growth.

In a significant milestone for the Company, Blankenburg Tunnel successfully reached its availability date during the year in line with the original construction timescales. The project consists of two three-lane motorways, incorporating below-river and land-based tunnels, and was opened to the public in December 2024. InfraRed's specialist asset managers worked closely with the client and construction contractors to navigate the challenges caused by Covid-19 and subsequent supply chain disruption, exacerbated by the conflict in Ukraine. The successful delivery of this construction programme adds to InfraRed's extensive track record, having now managed 18 construction assets on behalf of HICL which have generated over 5.0p of NAV outperformance since the Company's IPO in 2006.


Blankenburg

**Highlights**

£244m
**Divestments completed in the year**

As long-term investors in critical infrastructure, InfraRed employs an active asset management approach focused on maintaining quality, safety, and service for HICL's clients and end users. For the Company's PPP investments, a focus on long-term facility condition remains key to long-term investment performance. This includes a proactive approach to handback, effective and timely delivery of lifecycle works, and appropriate management of construction defects as and when they arise. Significant progress was made in the period on the delivery of capital works to improve facility condition at Southmead Hospital and Pinderfields and Pontefract Hospital, as set out on page 28 and 29.

InfraRed utilises in-house expertise alongside industry partners to coordinate capital works programmes with responsible contractors for specific sectors and geographies. By collaborating proactively with partners, the Investment Manager ensures service continuity for the communities served by HICL's assets while protecting and enhancing long-term shareholder value.

Additional information on asset management initiatives which help to preserve and enhance value across HICL's largest investments is set out starting on page 22.

### Buyback programme

As of 31 March 2025, HICL had bought back 51.8m shares under the buyback programme. The weighted average return on shares repurchased to date was 33%, and has resulted in 0.9p of NAV accretion for shareholders.

At the current depressed share price levels, share buybacks represent an attractive risk and return proposition versus alternative uses of capital. The Investment Manager continues to assess this regularly against the risk-adjusted returns available from new investment opportunities, including follow-on investments in existing assets, and will continue to provide market insights to the Board in support of future capital allocation decisions.

Buybacks to date have been funded through a combination of proceeds from asset disposals and modest use of the Revolving Credit Facility ("RCF"). The Board and InfraRed intend to utilise up to £50m of the RCF as a bridge to proceeds from further targeted disposals, where the share price discount to NAV is in excess of 15% at the time of drawing.

## Financial highlights

HICL's NAV per share decreased by 5.1p over the year to 153.1p at 31 March 2025 (March 2024: 158.2p). The key driver of this move alongside payment of 8.25p of dividends per share, was an increase in discount rates which, together with adverse FX movements, more than offset the portfolio's solid operating performance, including returns from HICL's growth assets, with Affinity Water providing the largest positive NAV contribution in the year.

### Highlights

**66%**
**Portfolio company gearing**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The weighted average discount rate used to value the portfolio was increased by 40bps over the year to 8.4%, of which 10bps relates to the previously highlighted increased forecast cost risk across a subset of UK PPP assets. The balance largely reflects significant increases in government bond yields across HICL's key geographies, most significantly in early 2025. In the year, the portfolio's weighted average risk-free rate increased by 80bps, reflecting higher government bond yields in all of HICL's geographies. These macroeconomic changes were balanced against relevant transaction data, including the announced acquisition of BBGI Global Infrastructure and HICL's own live transaction data, which suggest highly robust valuations for core infrastructure assets.

HICL's weighted average discount rate of 8.4% implies a weighted average equity risk premium of 3.5% which InfraRed believes to be appropriate for HICL's high-quality portfolio of core infrastructure assets. In line with HICL's well-established processes, InfraRed's proposed valuation is reviewed by a third-party external valuation expert and is one of the primary areas of focus during the year-end reporting process.

Recognising the value of buybacks at the current share price, combined with confidence in the Investment Manager's ability to deliver further disposals, the Group's RCF was drawn down by £10m in March 2025 to fund ongoing share repurchases. The Company will use up to £50m of the facility to bridge to the receipt of targeted disposal proceeds. In May 2025, the Company successfully extended the facility for 12 months on the same terms.

To provide greater insight into the quality and growth potential of the portfolio, the Investment Manager has provided expanded disclosure regarding HICL's key growth assets and overall portfolio metrics. This disclosure provides increased visibility on operating metrics such as cash flow and capex deployment and is intended to assist shareholders and analysts in their standalone assessment of the Group and comparison against a wider range of listed infrastructure peers.

Further information on HICL's financial performance can be found in the Financial Review section starting on p36.

Affinity Water

## Governance

The Investment Manager has agreed to alter its fee structure, subject to finalisation of contractual arrangements, to incorporate market capitalisation into the fee basis such that the fees payable will be based on an equal weighting of (i) the Company's average closing daily market capitalisation, and (ii) the most recently published semi-annual NAV. The fee will be capped at the amount that would have been paid under the GAV-based regime, if the fee basis had not been amended.

This evolution of the fee structure is the Company's sixth since IPO and further enhances alignment with shareholders. On behalf of HICL, InfraRed manages assets in eight countries, spanning seven sectors, utilising InfraRed's international platform and benefitting from over 60 InfraRed staff across specialist investment, portfolio, asset and central management teams. Individuals typically receive HICL shares as part of compensation awards, further strengthening alignment. Not least, strong manager alignment has been substantively demonstrated through the execution of over £500m of accretive asset sales in the last 20 months, enhancing portfolio construction while substantially reducing management fees.

Ensuring a consistent and specialist service to the Company is of critical importance to the Investment Manager. Mark Tiner joined InfraRed as CFO for HICL, effective in February 2025. Mark was previously CFO of Cordiant Digital Infrastructure Limited and brings a wealth of experience and expertise to the firm. Mark leads all financial activities undertaken by InfraRed on behalf of HICL, supported by dedicated portfolio management and finance teams, and he also joins HICL's Investment Committee.

## Sustainability

The Investment Manager remains committed to ensuring high levels of governance around HICL's sustainability strategy, which is embedded throughout InfraRed's investment and asset management processes and is central to HICL's long-term business model. During the year, the Board appointed a specialist consultant to independently assess the adherence of the InfraRed's data management and reporting approach to compliance with the International Auditing and Assurance Standards Board ("IAASB") criteria in respect of HICL's sustainability-related performance metrics. This independent review confirmed that InfraRed's Basis of Preparation document, which sets out the Investment Manager's approach to producing these metrics, met the characteristics of suitable criteria required for an independent third-party assurance engagement.

This year, amidst a backdrop of heightened political focus on UK infrastructure, the Investment Manager assessed its infrastructure delivery at a subset of HICL's hospital assets using data from the NHS Estates Returns Information Collection ("ERIC"). InfraRed found that HICL's acute hospital assets outperformed the average acute hospital in England and Wales across various metrics indicative of infrastructure quality.

Further information on HICL's sustainability ambitions and the Group and Investment Managers' progress towards them can be found in HICL's standalone Sustainability Report, available on the Company's website under 'Investors Reports and publications'. The highlights can be found on page 32 of this report.

## Risk management

HICL's key risk appetite statement, approach to risk management and governance structure are set out in the Risk and Risk Management section, starting on page 49. Commentary relating to the Group's principal risks is set out below.

### Political and regulatory risk

**Geopolitics**

Geopolitical risk remained elevated during the year, with conflicts in the Middle East and Ukraine continuing to contribute to volatility in public markets. HICL has no direct exposure to either region, and the portfolio remains well insulated from secondary effects such as supply chain disruption.

Equity and bond markets were also affected by global political events in some of HICL's core jurisdictions, including changes of government in France and Germany and in the US, contributing to higher government bond yields across HICL's jurisdictions, feeding into discount rates. To date, there has been limited direct impact on the performance of the Group's assets, with the Company's core infrastructure investments inherently insulated from changes in trade policy or deglobalisation.

The announcement of general and specific tariffs from the US government and retaliatory measures from other nations have increased economic uncertainty. HICL has no direct exposure to the first order effects of tariffs. Given the nature and geographic footprint of the Company's assets, we do not currently expect any material impact on the performance of the Group's investments but there remains the risk of secondary order effects such as increased supply chain costs.

**UK infrastructure policy**

During the year, the UK Government launched several initiatives aimed at modernising ageing or outdated infrastructure and support growth. These include the consultation for a 10 Year Infrastructure Strategy paper which is due to be released in June 2025, the creation of the National Infrastructure and Service Transformation Authority ("NISTA"), and the Public Accounts Committee's inquiry into the use of private finance to fund infrastructure investment in the UK. InfraRed actively contributes to this discussion through its various industry and trade organisation memberships, including as a founder member of the Association of Infrastructure Investors in PPPs ("AIIPs"). An increase in dialogue between the public and private sectors on the important role of private capital in infrastructure is expected to lead to new investment opportunities for HICL as well as provide a positive policy backdrop to existing PPP investments.

**Regulatory risk**

Regulatory risk for the Company decreased in the year, with both Affinity and LSPH receiving positive final determinations covering the five-year period starting 1 April 2025. In the nearer term, the findings of the Independent Commission into the UK water sector (which is due to report in mid-2025) may result in changes to regulation.

While the outcome is still uncertain, InfraRed is actively participating in the process and expects a balanced set of recommendations from the Commission.

During the year, Texas Nevada Transmission submitted its draft rate case for Cross Texas Transmission ("CTT") to the regulator, setting out planned spending over the next five years and a proposed cost of equity allowance. CTT benefits from straightforward and transparent regulation and as well as the expertise and track record of CTT's operator and co-shareholder, LS Power. A decision is expected in the summer of 2025, with the risk of a reduced spending or cost of equity allowance balanced against the potential for outperformance.

More broadly, InfraRed mitigates regulatory risk by managing regulatory exposures across jurisdictions and regulators. The 23% of the portfolio with regulated revenues comprises eight investments, in three countries, spanning four different regulatory frameworks.

**Facility condition risk**

Following a thorough review as part of the September 2024 valuation process, InfraRed identified and recognised an increase in forecast cost risk associated with defect remediation and lifecycle delivery on a subset of HICL's PPP assets. PPPs currently constitute 57% of the Group's portfolio, and lifecycle risk and reward is borne by the relevant portfolio company for 59% of these. InfraRed is comfortable that the adjustments made in September remain appropriate and continues to closely monitor the appropriateness of asset-level lifecycle forecasts.

The planning and delivery of lifecycle spending is particularly important as PPP assets approach the end of their concessions. Within the next ten years HICL has 43 projects (16% of the portfolio by value) scheduled for transfer to the public sector, the first of which is in the financial year ending 31 March 2026. The risks relating to handback are substantially, but not entirely, mitigated for the 41% of the PPP portfolio where lifecycle risk is borne by the facilities management contractor.

**Highlights**

**35m**
**people worldwide use and depend on HICL-owned infrastructure in their day-to-day lives**

**>2,300**
**people employed directly by HICL's underlying assets**


Fortysouth

### Client relationships

In respect of the PPP portfolio, the Investment Manager continues to highlight that long-term partnership frameworks inherently carry certain risks, which can be heightened by broader operational and financial challenges facing the UK public sector. In certain sectors, such as UK healthcare, this pressure can translate into actions that could prove adverse to the interests of the PPP, including with respect to service delivery. The disposal of the Tameside Hospital PPP in the period for a nominal sum illustrates this risk. Although InfraRed generally enjoys excellent working relationships with HICL's public sector clients and such instances are not representative of the broader portfolio, further disputes could result in reduced or withheld payments of contracted revenues.

## Macroeconomic risk

The macroeconomic climate continues to weigh on listed market valuations for real assets, including for HICL. Financial markets remain volatile, with geopolitical unrest and concerns around sovereign indebtedness balanced with the potential tailwinds from future reductions in interest rates. InfraRed remains confident in the quality and valuation of HICL's portfolio, which has been supported by market transactions, including for listed portfolios. While this dynamic prevents HICL raising new equity at present, the Investment Manager has clearly demonstrated its ability to progress the Company's strategy nonetheless through portfolio rotation.

If inflation were to decrease more rapidly than projected, this may put downward pressure on cash generation and dividend cover given the Company's cash flows are correlated to inflation. HICL's valuation forecasts are below long-term market expectations, and short-term inflation fluctuations are not expected to significantly impact dividend cover. The Board's dividend guidance has been rigorously stress-tested by InfraRed against multiple macroeconomic scenarios, including a return to low inflation.

## Market and outlook

HICL is well positioned to deliver its total return strategy, notwithstanding a volatile macroeconomic backdrop. The Company's investments benefit from robust capital structures and long-term protected revenues, strategically brought together in a portfolio that delivers both resilient yields and long-term growth. This underlying asset quality and strategic portfolio construction have underpinned stronger cash generation in the year and prompted the Board's revised dividend guidance.

InfraRed continues to review high-quality investment opportunities for HICL, within a highly disciplined framework for capital allocation. Macroeconomic volatility presents variable market conditions and attractive opportunities to experienced investors. InfraRed's approach remains highly selective, focused on special situations and opportunities through existing investments where higher returns can be achieved. New investment opportunities will continue to be appraised against alternative uses of capital, including further share buybacks.

HICL's balance sheet is highly resilient, enabling a flexible and opportunistic approach to value creation. This has been exemplified by HICL's accretive portfolio rotation strategy, delivering over £500m of disposals above carrying value over the last 20 months. This activity not only provides a reliable signal of underlying portfolio value, but has enabled accretive rotation into attractive investments, debt reduction and share buybacks.

InfraRed continues to observe strong long-term drivers for infrastructure investment, underpinned by entrenched infrastructure megatrends, and independent from the economic cycle. Effective Government responses to this significant infrastructure 'gap' continue to be developed in real time, including the recent announcement of a €500bn infrastructure fund in Germany, and the 10 Year Infrastructure Strategy due in the UK this summer. Set against public sector balance sheets that are increasingly stretched across developed markets, the role for private capital is expected to be substantial and the opportunity for specialist investors, such as HICL, enduring.

1 Source: Global Infrastructure Hub (gihub.org), Deloitte

### Highlights

**0.7x**
Inflation correlation

**2.4%**
of the portfolio subject to refinancing requirements in the next two years


Texas Nevada Transmission

# Top 10 assets – operational highlights

**Investing in infrastructure:**
c.30%
**RCV growth in real terms between 2025-2030**

## Clean water

**providing on average 950 million litres of clean water each day to a population of more than 3.9 million people**

**Enriching lives:**
950m litres
clean water daily

# 1. Affinity Water

**Affinity Water provides on average 950 million litres of clean water each day to a population of more than 3.9 million people in Southern and Eastern England.**

Ofwat published its final determination for AMP8 (2025-2030) for Affinity Water ("Affinity") in the period, which was formally accepted by the company on 17 February 2025. The final determination reflects several positive movements by the regulator from its draft determination position which have delivered a modest increase in the overall valuation of the business. These movements included a c.30bps increase in the allowed Weighted Average Cost of Capital ("WACC"), a 23% uplift in total allowed expenditure and the removal of formal restrictions on gearing and distributions. Given the increased certainty around its financial outcomes following the final determination, HICL has reduced the uncertainty premium previously applied to the discount rate used to value Affinity by 30bps and expects that dividends from the company will resume during the financial year ending 31 March 2026.

In support of Affinity's significant capital programme and in line with previous disclosure, HICL has now made a formal commitment to invest an additional £50m into Affinity in the financial year ending 31 March 2026. HICL expects Affinity's Regulated Capital Value ("RCV") to grow by c.30% in real terms over the course of AMP8.

Affinity's operational performance over the year was ahead of expectations, with EBITDA 5% above HICL's valuation assumption. The management team maintained its focus on enhancing service delivery, with a particular emphasis on leakage reduction, an area in which Affinity remains an upper quartile performer. Penalties incurred in relation to per-capita consumption were in line with previous periods and have now been recalibrated for PR24 to account for changes in water usage patterns post Covid-19. The company also rectified the isolated issue that prevented it from meeting its water quality target for the year.

In October 2024, Ofwat published its latest Water Company Performance Report, the regulator's annual assessment of the 17 largest water companies in England and Wales. Affinity's performance was rated as 'average', with no company classed as 'leading' and three noted as 'lagging behind'. In addition to the progress on leakage, Ofwat's report showed that Affinity achieved the largest percentage reduction in water supply interruptions over the 2023-2024 financial year and labelled the company a 'top performer'[1] in this area.

In March 2025, Affinity successfully issued a £350m fixed rate, 15.5-year bond. The company achieved a margin 7bps within its existing spreads, which is a good outcome against the current market backdrop and reflects Affinity's strong business performance and prudent capital structure. This funding negates the need to undertake any refinancing before 2033 and supports the company's broader business plan for the AMP, which acknowledges the need to de-lever. As a result, the company's investment grade credit ratings were held two notches above Ofwat's required thresholds.

The outcome of PR24 and the recent debt issuance illustrate Affinity's strong positioning, which has been recognised by both the regulator and financial markets. InfraRed will continue to work closely with the company's management team as it executes its AMP8 business plan.

**Sector:** Electricity & Water
**Location:** UK
**% of portfolio:** 10.8% (March 2024: 8.3%)
**HICL holding:** 33.2%
**Concession life remaining:** Indefinite
**Status:** Operational

**Valuation sensitivity**

RCV multiple -/+0.05x


Change in NAV in pence per share

1 Defined by Ofwat as companies that achieve their performance commitment level and are within the top 25% of companies

Investing in infrastructure:
105km
dual carriageway

# Driving ambition

## connecting Bordeaux to the Spanish border via the A63 Autoroute

Enriching lives:
21m journeys in 2025

## 2. A63 motorway

**HICL's investment relates to a 105km stretch of the A63 Autoroute in France, which connects Bordeaux to the Spanish border. The road is an important trans-European transport corridor for both freight and leisure travel, enabling journeys from the Iberian Peninsula and Southwestern France to the whole of Northern Europe.**

Over the financial year, light and heavy vehicle traffic numbers grew by 4% and 2% respectively. This robust underlying performance demonstrates the motorway's strategic positioning as a key transport corridor in Europe. The valuation was stable during the year, despite lower-than-expected construction cost inflation, to which toll rates are contractually linked. HICL's valuation assumes that light and heavy vehicle traffic volumes grow at an annual rate of 1.4% over the long term, and is not sensitive to changes in interest rates due to the fixed-rate debt structure.

On 12 September 2024, the French constitutional court validated the recently enacted levy on long-distance transport revenues. The portfolio company continues to progress a legal challenge alongside other large motorway concessionaires. If the challenge is ultimately unsuccessful, the company expects any increase in costs due to the tax to be compensated through higher tolls. Nonetheless, if the levy remains imposed with no pass-through, InfraRed expects that the impact on HICL's valuation would be immaterial given the relatively small amount of revenue earned above the €120m threshold; the residual risk remains appropriately reflected in the discount rate used to value the investment.

In the year, HICL's portfolio company took steps to improve end-user experience and enhance environmental efficiency. This included awarding a 15-year sub-concession to Zunder to install eight fast-charging points at each service area along the route which, in addition to ensuring it meets its electric vehicle ("EV") charging obligations and benefitting EV drivers, will generate incremental variable revenue for the asset over the concession life. To meet the increasing parking needs of heavy goods vehicles travelling on the A63, HICL's portfolio company also began conducting development work to materially expand capacity and install a new parking system in one of its rest areas (see HICL's 2025 Sustainability Report).

**Sector:** Transport
**Location:** France
**% of portfolio:** 7.6% (March 2024: 7.9%)
**HICL holding:** 24.0%
**Concession life remaining:** 26 years
**Status:** Operational

**Valuation sensitivity**

Traffic growth rate -/+0.5%

(1.2) 0.8

Change in NAV in pence per share

**Valuation assumption: 1.4% CAGR**

# 3. Fortysouth

**Fortysouth is a leading independent mobile tower operator in New Zealand. With over 1,600 wholly owned towers covering 98% of New Zealand's population, Fortysouth enables mobile network operators, fixed wireless providers, and critical communications operators to deliver communications services that connect New Zealanders to each other and the world.**

Fortysouth delivered strong 2025 financial results, with EBITDA for the year significantly higher than in 2024. This performance was underpinned by the company's effective sales strategy, cost control and its availability-based, inflation-linked anchor tenancy contract with One NZ.

Fortysouth outperformed HICL's valuation assumption for the period as it signed 77 new colocation agreements and successfully transferred key existing mobile network operator ("MNO") customers onto long-term contracts that enhance the quality and visibility of these revenue streams. Approximately 80% of co-location agreements reached were with the New Zealand emergency services network which installs public safety equipment on Fortysouth's towers. The company's strategic partnership with this entity is a valuable source of incremental colocation opportunities, offsetting lower colocations from MNOs in the short-term.

The vast majority of tower upgrades budgeted for the year were delivered on schedule, highlighting management's continued effective collaboration with One NZ. Over the period, 182 towers were upgraded. The pace of new tower deployments over the period has kept the company on track to deliver over 290 new towers by March 2027. By changing the procurement approach for new towers, the management team has been able to reduce capital expenditure costs, which is expected to enhance the value of HICL's investment over the coming years. Fortysouth's progress with tower deployments and upgrades reflects New Zealand's significant 5G rollout ambitions, delivering advanced connectivity for the country.

Fortysouth has no refinancing requirement before 2027, however, InfraRed continues to work with management to explore an earlier refinancing, should it generate value and improve distributable cash flow.

**Sector:** Communications
**Location:** New Zealand
**% of portfolio:** 6.3% (March 2024: 6.5%)
**HICL holding:** 40.0%
**Concession life remaining:** Indefinite
**Status:** Operational

**Valuation sensitivity**

Tenancy Ratio -/+0.05x
New tower roll-out -/+10%


Change in NAV in pence per share

**Valuation assumptions: 0.25x increase in tenancy ratio by 2040 and 4.0% 10-year tower deployment CAGR**

## 4. Texas Nevada Transmission

**Texas Nevada Transmission ("TNT") comprises two distinct electricity transmission systems: Cross Texas Transmission ("CTT") and One Nevada Transmission ("ON Line"). Together, the networks consist of over 800km of high-voltage transmission lines, as well as a number of switching stations and substations, which have been fully operational since 2014.**

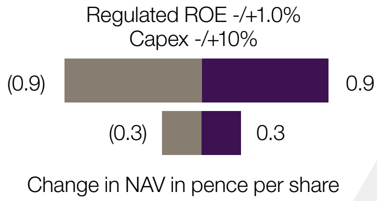
Over the financial year to 31 March 2025, TNT continued to perform well operationally, achieving an average availability of over 99% and no significant issues identified upon system inspections. This reflects the quality of maintenance undertaken by co-shareholder and operator LS Power, which is a highly reputable owner, operator and developer of transmission assets in North America. Despite this robust performance, HICL's valuation of TNT was adjusted primarily to reflect an increase in the US reference rate over the year, which is discussed in detail within the Valuation of the Portfolio section of this report.

CTT's rate case, which sets out the network's planned spending and capital structure for the next regulatory period, was submitted in January 2025, with an outcome expected in summer 2025. CTT continues to invest in growing its transmission capacity, with capital expenditure over 2026 now projected to be 3.6x greater than previously forecast. The current set of interconnection opportunities identified by TNT's management team implies a level of investment over the short term above HICL's acquisition assumption. However, HICL's valuation prudently assumes this will be an acceleration of capital expenditure as opposed to incremental spending. If the trend of actual capital expenditure exceeding HICL's assumption continues, the Company would expect a positive valuation impact given the growth of the asset base attracting the regulated return.

In the US, the extensive queue of projects awaiting grid interconnections has increased the need to ensure that the country has sufficient transmission capacity. According to Federally funded research from the Lawrence Berkeley Lab there are currently over 11,000 projects in this queue representing 1,570GW of generator capacity and 1,030GW of battery storage capacity. This compares to the total installed generating capacity of 1,300GW in the US today. The new interconnection opportunities received by CTT reflect TNT's overall strategic positioning in addition to the important role it continues to play in bringing power from Texas's rural, energy-generating regions to its main population centres, particularly as the deployment of generation projects is expected to accelerate.

**Sector:** Electricity & Water
**Location:** USA
**% of portfolio:** 5.1% (March 2024: 5.6%)
**HICL holding:** 45.8%
**Concession life remaining:** Indefinite
**Status:** Operational

**Valuation sensitivity**



## 5. London St. Pancras High Speed

**London St. Pancras High Speed ("LSPH", formerly High Speed 1) is the UK's only high-speed rail line, linking London St. Pancras with the Channel Tunnel. It is a vital component of the UK's green gateway to Continental Europe, and also enables fast and frequent domestic rail services between Kent and Greater London.**

International train path bookings reached 95% of pre-Covid levels on average over the 12 months to 31 March 2025, resulting in an 8% increase in international train path revenue relative to FY24. While these bookings were slightly below HICL's forecast due to fewer than expected spot bids, the early return of direct London to Amsterdam services and retail income being 7% above budget helped to offset the impact, enabling LSPH to achieve EBITDA for the year in line with HICL's valuation assumption.

Enabling greater competition on the line has been a key priority since the time of acquisition. In April 2025, LSPH launched its International Growth Incentive Scheme, designed to encourage international train operators to launch new services on the line by offering discounted prices over a three-year period. The business plans of prospective international operators were also aided by an independent report commissioned by the UK's rail regulator which found that capacity could be made available at the Temple Mills train depot if required.

HICL's valuation of LSPH continues to take a probability-weighted view of the likely impact of any new international operator. The long-term train path forecast is underpinned by a recent study suggesting that demand for cross-channel rail travel is expected to treble over the next 15 years[2], and offsets the impact of the slightly lower volume of train paths expected to be run by Eurostar over the next three years.

In January 2025, London St. Pancras Highspeed also received a positive regulatory determination. The lower maintenance costs required over the next five years reflect the high quality of the physical assets and will result in reduced track access charges payable by train operators. The track access charges within the scope of the regulatory review are passed through to Network Rail so there is no direct impact on the company. However, lower track access charges may have a positive impact on the number of train paths booked in the medium term, particularly in the context of discussions with potential new international operators.

Domestic services remain under UK government control and the company continues to benefit from the contractual underpin from the Department for Transport, guaranteeing 96% of pre-Covid domestic track access revenues. HICL's forecast continues to assume that domestic train path bookings will remain below pre-Covid levels until March 2028. Albeit over FY25, domestic paths were 12% higher than during the same period last year and the December 2025 timetable submitted by the domestic operator implies a further increase to levels c.89% of those observed before Covid-19.

**Sector:** Transport
**Location:** UK
**% of portfolio:** 4.9% (March 2024: 4.6%)
**HICL holding:** 21.8%
**Concession life remaining:** 16 years
**Status:** Operational

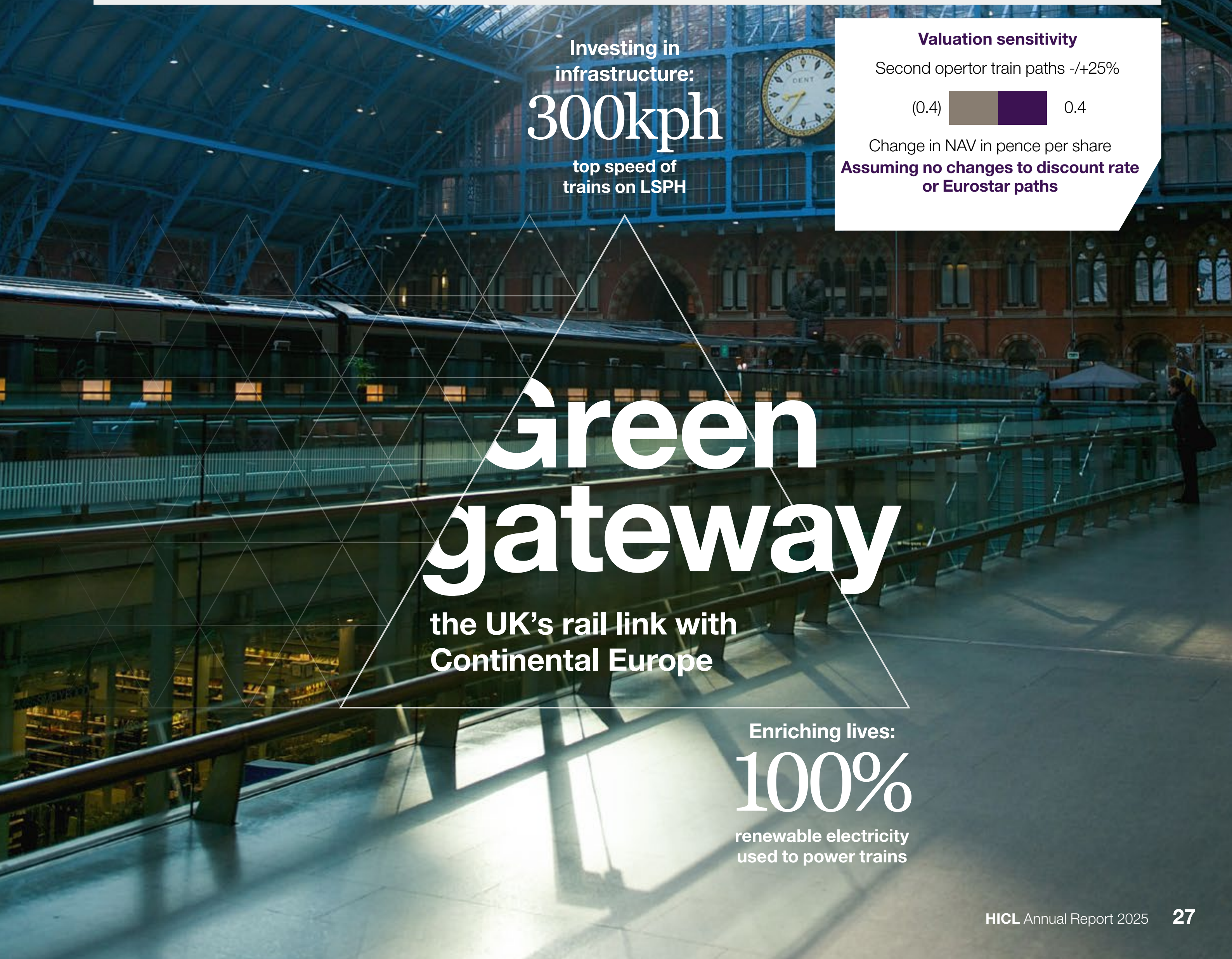
**Valuation sensitivity**

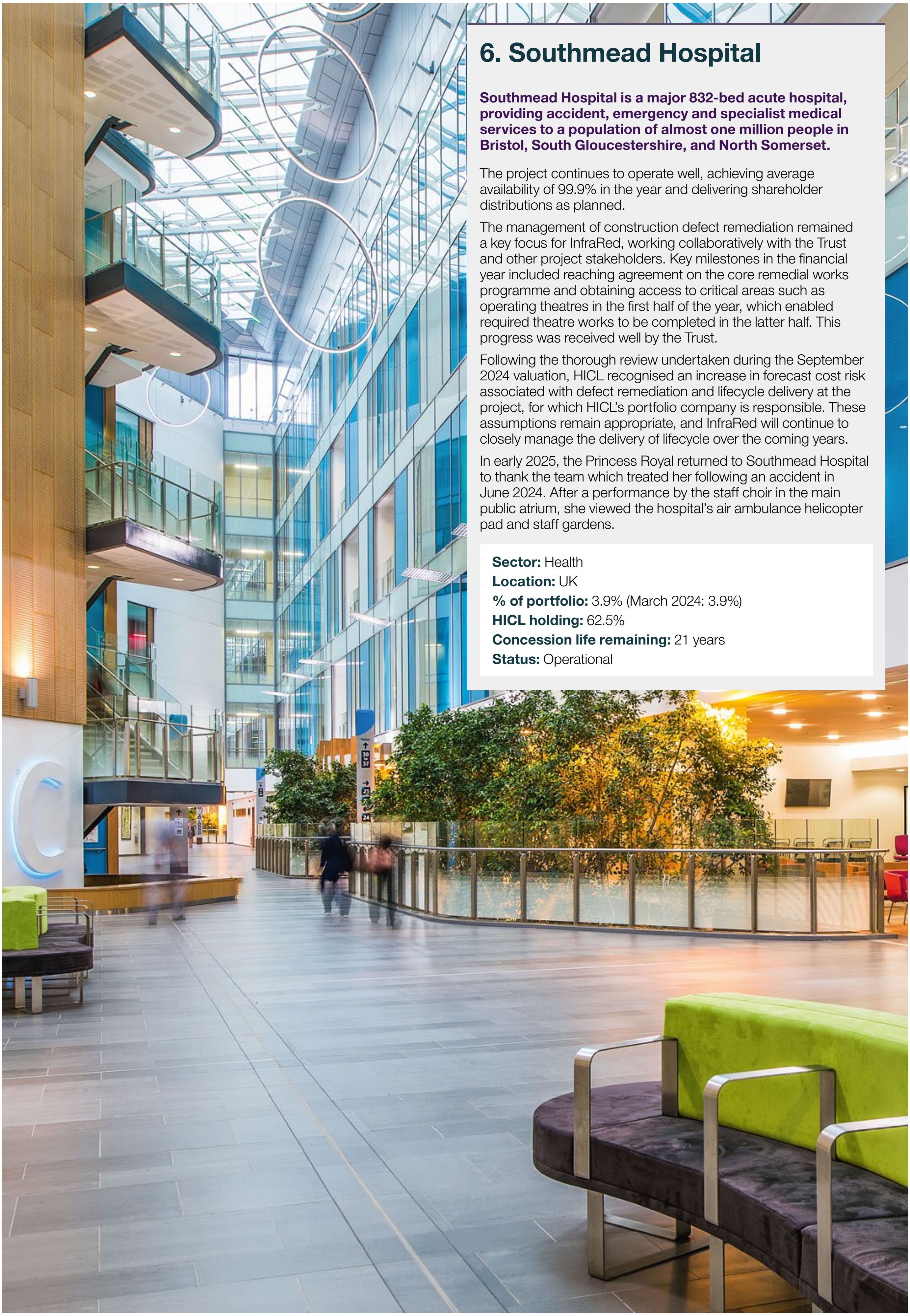
Second opertor train paths -/+25%

(0.4) 0.4

Change in NAV in pence per share

**Assuming no changes to discount rate or Eurostar paths**





## 6. Southmead Hospital

**Southmead Hospital is a major 832-bed acute hospital, providing accident, emergency and specialist medical services to a population of almost one million people in Bristol, South Gloucestershire, and North Somerset.**

The project continues to operate well, achieving average availability of 99.9% in the year and delivering shareholder distributions as planned.

The management of construction defect remediation remained a key focus for InfraRed, working collaboratively with the Trust and other project stakeholders. Key milestones in the financial year included reaching agreement on the core remedial works programme and obtaining access to critical areas such as operating theatres in the first half of the year, which enabled required theatre works to be completed in the latter half. This progress was received well by the Trust.

Following the thorough review undertaken during the September 2024 valuation, HICL recognised an increase in forecast cost risk associated with defect remediation and lifecycle delivery at the project, for which HICL's portfolio company is responsible. These assumptions remain appropriate, and InfraRed will continue to closely manage the delivery of lifecycle over the coming years.

In early 2025, the Princess Royal returned to Southmead Hospital to thank the team which treated her following an accident in June 2024. After a performance by the staff choir in the main public atrium, she viewed the hospital's air ambulance helicopter pad and staff gardens.

**Sector:** Health
**Location:** UK
**% of portfolio:** 3.9% (March 2024: 3.9%)
**HICL holding:** 62.5%
**Concession life remaining:** 21 years
**Status:** Operational

## 7. Pinderfields and Pontefract Hospitals

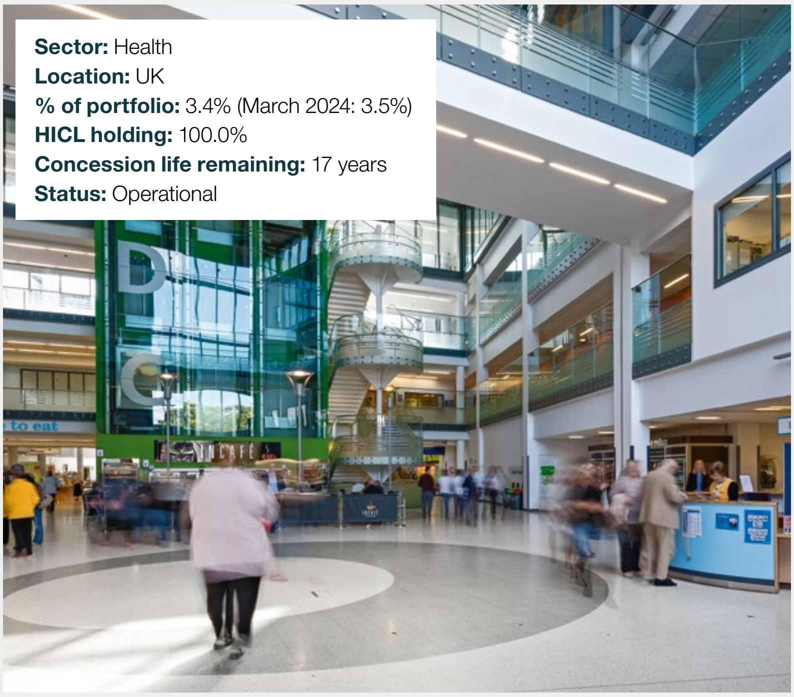
**Pinderfields and Pontefract Hospitals provide acute hospital services to more than half a million people living in the Wakefield and North Kirklees districts of West Yorkshire. Pinderfields Hospital is a designated major trauma centre and is home to two specialist regional services in burns and spinal injuries for the north of England.**

Operationally, the project continued to perform in line with expectations, achieving an average availability during the financial year of over 99.9%. This was reflected in the project being shortlisted in the Public / Private Collaboration, Healthcare sector category at the Operational PPP awards that took place in the year. Distributions for the year were in line with expectations, materially contributing to HICL's yield.

Following the thorough review undertaken during the September 2024 valuation, HICL recognised an increase in forecast cost risk associated with defect remediation and lifecycle delivery at the project, for which HICL's portfolio company is responsible. These assumptions remain appropriate, and InfraRed will continue to closely manage the delivery of lifecycle over the coming years.

Over the financial year, InfraRed worked closely with portfolio company stakeholders to progress the major programme of capital works, which are anticipated to complete in 2030. A significant milestone was met in May 2024 when the portfolio company's construction partner completed the building of a large temporary ward at Pinderfields Hospital, which currently holds 16 beds and spans 1,400m$^2$ of floor space.

The 16-bed arrangement is due to change to a 40-bed configuration over a six-month period commencing early November 2025. Since its completion, this ward has been used by the NHS Trust to accommodate patients while various components of the main hospital undergo upgrades. The works to haematology and intensive care unit ('ICU') wards were completed in February 2025. The completion of this temporary ward also enabled the release of an additional distribution to HICL which was tied to this milestone.



**Sector:** Health
**Location:** UK
**% of portfolio:** 3.4% (March 2024: 3.5%)
**HICL holding:** 100.0%
**Concession life remaining:** 17 years
**Status:** Operational

## 8. Royal School of Military Engineering

**HICL's investment covers over 50 buildings and five training facilities used by the Royal School of Military Engineering ("RSME") Group, which provides a wide range of training to the British Army and defence forces.**

RSME continued to operate well, with an average availability during the financial year of over 99.9%. The project continued to make regular distributions to HICL in line with forecast, contributing strongly to HICL's short-term yield profile.

Following the thorough review undertaken during the September 2024 valuation, HICL recognised an increase in forecast cost risk associated with defect remediation and lifecycle delivery at the project, which HICL's portfolio company is responsible for. A subsequent review of the lifecycle budget supported the existing forecast, and the suitability of the discount rate premium will therefore continue to be monitored over the coming years.

In the year, HICL's portfolio company supported a local day school catering to individuals with severe learning difficulties. This involved the purchase of straps to keep wheelchairs within a proprietary bicycle trailer system and improving access to the local woodland walks bordering the school's boundary (See HICL's 2025 Sustainability Report).

**Sector:** Accommodation
**Location:** UK
**% of portfolio:** 3.3% (March 2024: 3.5%)
**HICL holding:** 100.0%
**Concession life remaining:** 13 years
**Status:** Operational

## 9. Home Office

**HICL's investment relates to the state-of-the-art headquarters of the Home Office and the Department for Environment, Food & Rural Affairs in central London. The award-winning building has a number of energy-saving features and has been designed to enhance the experience of its 3,450 users.**

Operationally, the project continued to perform well, achieving 99.0% availability over the financial year despite day-to-day occupancy of the building remaining well below maximum levels due to changes in working patterns. The portfolio company continues to work closely with its facilities management partner to ensure the building remains available and that the internal environment is adapted to the number of users. This strong operational performance was reflected in the project being shortlisted in the Public / Private Collaboration category at the Operational PPP awards that took place in the year.

With six years of concession length remaining, InfraRed is working closely with various stakeholders to prepare for the return of the asset to the public sector. This includes the increasingly proactive oversight of lifecycle management along with detailed discussions around asset condition with the facilities management provider which is responsible for lifecycle delivery risk. Drawing on its wider handback strategy, as referred to in the Investment Manager's Report, InfraRed continues to work closely with the portfolio company and its contractors to ensure that preparations progressed in a timely fashion, liaising with the client and National Infrastructure and Service Transformation Authority ('NISTA') where appropriate.

**Sector:** Accommodation
**Location:** UK
**% of portfolio:** 2.9% (March 2024: 3.0%)
**HICL holding:** 100.0%
**Concession life remaining:** 6 years
**Status:** Operational

# 10. Altitude Infra

**Altitude Infra holds a controlling position in the largest independent wholesale fibre network in France. As the sole provider of fibre-to-the-home ("FTTH") in its 27 subsidised Public Initiative Networks ("PINs"), Altitude Infra serves more than five million homes with high-speed broadband.**

The asset benefits from France's attractive rural market framework, which is underpinned by robust, national FTTH deployment targets and overseen by Arcep, the French telecom regulator. With this quasi-monopolistic position, the company earns inflation-linked wholesale revenues from selling broadband and network services to internet service providers such as Free, Bouygues Telecom, Orange and SFR under a regulated tariff structure.

Following HICL's acquisition in 2023, Altitude Infra has performed well operationally and delivered significant progress against its broader strategic objectives, which are anchored around network rollout.

At 31 March 2025, the roll-out of Altitude Infra's fibre network in France was 96% complete, which is broadly aligned with the schedule assumed within HICL's valuation. With the roll-out now substantially concluded, focus has shifted to steady-state operations and the rate of new customer acquisition. Whilst Altitude Infra's customer penetration performance for the year was in line with its budget, accelerating this is a key priority for the company. As such, the management team has implemented several initiatives aimed at improving uptake, including additional internet service provider marketing, local stakeholder engagement and participation in copper decommissioning trials. These workstreams are led by the company's dedicated Wholesale Director tasked with increasing customer adoption.

InfraRed is represented at the Altitude Infra Board of Directors and uses this position to support the company's growth ambitions. Since HICL's acquisition, in addition to the connection of new users to the network, the management team has identified various value enhancement opportunities linked to the expansion of the company's footprint and optimising its capital structure.

An example of this activity is the strategic, value accretive refinancing completed at one of its underlying fibre network concession vehicles.

**Sector:** Communications
**Location:** France
**% of portfolio:** 2.9% (March 2024: 2.6%)
**HICL holding:** 5.9%
**Concession life remaining:** Indefinite
**Status:** Operational

**Valuation sensitivity**

Penetration Rate -/+5%

(0.3) 0.3

Change in NAV in pence per share

**Valuation assumption:**
**89% penetration rate in 2040**

# Our Sustainability Strategy

## Environment

Preserve the natural environment and mitigate the impacts of climate change by investing in the energy transition, delivering climate-resilient infrastructure and working to reduce GHG emissions from HICL's portfolio.

### 2025 Highlights

FY25 objective

- InfraRed conducted an initial analysis to better understand the portfolio's exposure to natural resource-related risks and opportunities, drawing on the Taskforce on Nature-related Financial Disclosures ("TNFD") recommendations
- Progressed the Company's net zero alignment plan, with the percentage of HICL's portfolio aligning, aligned to, or at net zero rising to 34% from 26% at 31 March 2024

### 2025 key stats

**91%**

**Portfolio companies with carbon reduction initiatives**
2024: 76%

**81%**

**Portfolio companies with positive biodiversity initiatives**
2024: 76%


Home Office

## Communities

Positively impact the communities in which HICL's assets are located by actively addressing the needs of clients, end users and other key stakeholders.

### 2025 Highlights

- Nine initiatives run by HICL portfolio companies recognised as Gold Standard at InfraRed's Creating Better Futures Awards for 2024
- Assessed the quality of infrastructure delivery at a subset of HICL's hospital assets using NHS Estates Returns Information Collection ("ERIC") data, finding that this was generally above average

### 2025 key stats

**92%**

**Portfolio companies that gave charitable contributions to environmental or social initiatives**
2024: 94%

**9**

**Portfolio company initiatives recognised as Gold Standard at InfraRed's 2024 Creating Better Futures Awards**
2024: 7


Blankenburg

## People

Promote fair and safe conditions as well as diverse and inclusive workplaces within HICL's portfolio companies and across the supply chain.

### 2025 Highlights

- Following planned Board Director rotation, the Company will be compliant with both the Hampton-Alexander Review and the Parker Review in 2025, in addition to meeting the FCA's Diversity Listing Rule targets from July 2026[1]
- Worked closely with the Investment Manager to enhance the Board's visibility over health and safety risk management processes for non-UK portfolio companies

### 2025 key stats

**96%**

**Portfolio companies which completed an independent health and safety audit**
2024: 85%

**17%**

**Gender pay gap at portfolio companies**
2024: 20%


A63

## Governance

Ensure that HICL maintains high standards of ethics and integrity through the rigorous implementation of policies and the provision of transparent and balanced disclosure.

### 2025 Highlights

- Specialist consultant review concluded that the Investment Manager's approach to producing metrics featured in this report was aligned with International Auditing and Assurance Standards Board criteria (see page 65)
- Significant expansion of share buyback programme which will be funded by asset disposals, further evidencing the alignment of the Board, Investment Manager and shareholders

### 2025 key stats

**100%**

**Portfolio companies with policies concerning tax**
2024: 93%

**100%**

**Portfolio companies with policies concerning sustainability matters**
2024: 93%


Royal School of Military Engineering

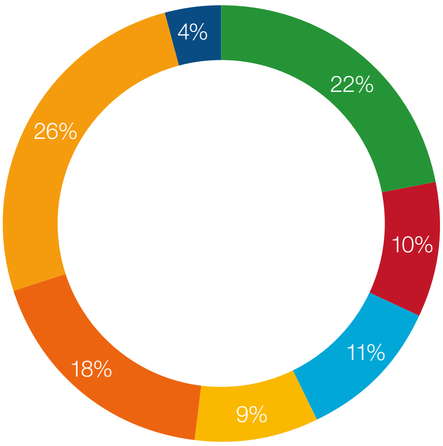
1 Subject to HICL's proposed Senior Independent Director candidate being approved at the Company's 2025 Annual General Meeting and Directors being re-elected at the 2025 Annual General Meeting

# Our societal contribution

By facilitating access to essential services in a socially responsible manner, our projects contribute to many of the UN Sustainable Development Goals ("SDGs") and deliver an inherent social good. However, both the Board and the Investment Manager acknowledge that making a genuine social contribution involves going above and beyond the reliable provision of infrastructure.

### Alignment of HICL's portfolio with the SDGs

**% by valuation as at March 2025**




| | |
|---|---|
| 3: Good health and wellbeing | 22% |
| 4: Quality education | 10% |
| 6: Clean water and sanitation | 11% |
| 7: Affordable and clean energy | 9% |
| 9: Industry, innovation and infrastructure | 18% |
| 11: Sustainable cities and communities | 26% |
| 16: Peace, justice and strong institutions | 4% |

**SDG**

| | |
|---|---|
| 3 GOOD HEALTH AND WELL-BEING | Ensure healthy lives and promote wellbeing for all at all ages |
| 4 QUALITY EDUCATION | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all |
| 6 CLEAN WATER AND SANITATION | Ensure availability and sustainable management of water and sanitation for all |
| 7 AFFORDABLE AND CLEAN ENERGY | Ensure access to affordable, reliable, sustainable and modern energy for all |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation |
| 11 SUSTAINABLE CITIES AND COMMUNITIES | Make cities and human settlements inclusive, safe, resilient and sustainable |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |

## How we support

HICL invests in 31 assets that directly promote good health and wellbeing, including hospitals, primary care centres and fire stations.

**People with access to HICL's healthcare facilities**

8.4m

HICL invests in 42 educational assets including schools, colleges, libraries, training facilities and universities that facilitate the provision of essential learning outcomes.

120k

**Student places across school, college and university facilities**

Affinity Water is one of the UK's largest water-only companies, owning and managing water projects and networks in an area approximately 4,500km$^2$ across three supply regions in the southeast of England.

**People served with clean water by Affinity Water**

3.9m

HICL invests in six electricity transmission assets with a total capacity of 4,500 MW which support the provision of clean energy.

**Homes connected to renewable electricity by HICL's OFTOs**

3.1m

HICL invests in six assets supporting industry innovation and infrastructure across fibre, telecommunications towers and accommodation. These assets provide essential services required to support the functioning of modern economies.

>5m

**Homes connected to high-speed internet by Altitude Infra**

**Accommodation places**

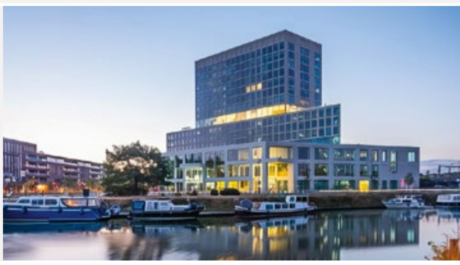
35,000

HICL invests in 17 assets supporting sustainable cities and communities, including roads, railways and rolling stock. These assets contribute to affordable and sustainable transport systems.

**Users of HICL's roads and railways**

>5m

HICL invests in eight assets promoting peace, justice and strong institutions, including prisons, police stations, judicial courts, and custodial centres.



2.3m

**People served by HICL's courts, fire stations and police stations**

Asset usage figures calculated based on publicly available data collected by InfraRed regarding the average annual number of people served by HICL's assets. Where data is not available, zero is assumed

# Financial Review

HICL Infrastructure Plc prepares its financial information in accordance with UK-adopted International Accounting Standards. Consistent with the 2024 Annual Report, the Company's financial performance is reported under the Investment Basis which consolidates the results of the Company, together with HICL Infrastructure 2 S.à r.l. ("Luxco") and Infrastructure Investments Limited Partnership ("IILP"), referred to as the "Corporate Group". Luxco and IILP are referred to as the "Corporate Subsidiaries".

Total return, which is defined as total comprehensive income for the year; net assets or Net Asset Value ("NAV"), or earnings per share ("EPS"), are the same under International Financial Reporting Standards ("IFRS") and the Investment Basis. The Board and the Investment Manager manage the Company on an Investment Basis, which is an Alternative Performance Measure ("APM") and is reconciled on page 39. Reconciliation of the Investment Basis financial information to the IFRS statements is provided from page 40.

## Summary income statement

| Investment Basis<br>£m | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|---|---|
| Dividend income received | **360.0** | 207.2 |
| Interest income receivable | **136.9** | 134.6 |
| Fair value loss on revaluation of investments | **(398.0)** | (237.4) |
| Foreign exchange loss on investments | **(38.3)** | (37.3) |
| Gain on foreign exchange derivatives | **23.0** | 27.5 |
| Other income | **13.5** | 10.8 |
| **Total investment income** | **97.1** | **105.4** |
| Expenses and finance costs | **(51.1)** | (74.8) |
| **Profit before tax** | **46.0** | **30.6** |
| Tax | **(0.1)** | (0.1) |
| **Total Return** | **45.9** | **30.5** |
| **Earnings per share** | **2.3p** | **1.5p** |

Total investment income decreased by 8% to £97.1m in the year to 31 March 2025 (31 March 2024: £105.4m). While the increase in discount rates was higher in the prior year (with a corresponding decrease in valuation) than in the current year, this was compensated for by a positive impact of macroeconomic factors in prior year. By contrast, in the current year, the impact of macroeconomic factors was also negative. The overall effect of these aggregated movements in discount rates and macroeconomic factors is that investment return is lower in the current year than the prior year.

Current year dividend income includes the disposal proceeds of Northwest Parkway, which was sold in the prior year but with proceeds received in the current year. There is an equal but opposite offset to the dividend income through fair value movement. The underlying[1] fair value movement was £111.0m (31 March 2024: £114.6m). Further details on the valuation movements are provided in the Valuation of the Portfolio section on page 42.

1 Fair value loss adjusted for dividend income, interest income, Director fees and early repayment fees

The table below shows the breakdown of other income:

| Investment Basis<br>£m | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|---|---|
| Project directors' fees | **9.4** | 6.5 |
| Interest on bank deposits | **1.4** | 0.6 |
| Early repayment fees | **2.7** | 3.7 |
| **Other income** | **13.5** | **10.8** |

Other income represents project directors' fees charged to project companies, which are recognised in other income when invoiced, early repayment fees on loans, and bank interest earned on deposits.

The Corporate Group's hedging policy targets NAV per share volatility of no more than 2% for a 10% movement in foreign exchange ("FX") rates. During the year, the net impact of foreign exchange movements was a £15.3m loss (31 March 2024: £9.8m loss), which represents 0.5% of the closing NAV (31 March 2024: 0.3%). This follows a 1.7% movement in weighted average FX rates in the year (31 March 2024: 2.3%).

The below table shows the impact of hedging on non-sterling assets:

| Foreign exchange hedging<br>£m | Rate as at 31 March 2025 | Non-UK assets | FX hedge | FX hedge as % of non-UK assets % | 1% sensitivity to movement in FX rates[1] |
|---|---|---|---|---|---|
| Euro | 1.19 | 761.1 | 432.3 | 57% | 3.3 |
| USA | 1.29 | 164.8 | 112.2 | 68% | 0.5 |
| Canada | 1.86 | 42.3 | 16.4 | 39% | 0.3 |
| New Zealand | 2.27 | 204.4 | 97.8 | 48% | 1.0 |
| **Total** | | **1,172.6** | **658.7** | **56%** | **5.1** |

1 Sensitivity impact is net of derivatives

## Expenses and finance costs

| Investment Basis<br>£m | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|---|---|
| Finance costs | **15.7** | 36.2 |
| Investment Manager fees | **30.7** | 33.9 |
| Directors' fees and expenses | **0.6** | 0.5 |
| Acquisition bid costs | **–** | (0.2) |
| Professional fees | **4.1** | 4.4 |
| **Expenses and finance costs** | **51.1** | **74.8** |

Finance costs decreased to £15.7m (31 March 2024: £36.2m) principally due to the full repayment of the Revolving Credit Facility ("RCF") in May 2024. The RCF was not utilised again until March 2025 at which point £10.0m was drawn. Finance costs therefore primarily reflect interest on the £150.0m of private placement notes. The average total borrowing in the year was £173.3m (31 March 2024: £478.4m), while the average interest rate was 5.8% (31 March 2024: 6.4%), reflecting the impact of an undrawn RCF throughout the majority of the year.

Investment Manager fees, including £0.1m charged to HICL Infrastructure Plc, were £30.7m (31 March 2024: £33.9m). The decrease was primarily due to the disposal activity in the prior year, resulting in a lower average Gross Asset Valuation in the current year and therefore lower management fees. Accordingly, the Directors' Valuation reduced to £3,227.1m at 31 March 2025 (31 March 2024: £3,333.4m). The calculation methodology is unchanged and is in line with the Investment Manager fee agreement shown on page 71.

## Tax

Tax charged to the Income Statement under the Investment Basis relates to the Company's immediate subsidiary, Luxco. As HICL Infrastructure PLC has Investment Trust Company ("ITC") status, it is exempt from tax on certain items on the basis that tax is already paid at the operating company level, thus protecting shareholders from suffering double taxation. The Directors monitor compliance with the ITC rules through reporting prepared by the Investment Manager and are of the opinion that the Company has complied with its obligations as an ITC for the year.

## Ongoing Charges Ratio ("OCR")

| Investment Basis £m | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|---|---|
| Investment Manager | **30.7** | 33.9 |
| Auditor fee for the Corporate Group | **0.5** | 0.4 |
| Non-audit fee paid to the Auditor: Interim review | **0.1** | 0.1 |
| Directors' fees and expenses | **0.6** | 0.5 |
| Other ongoing expenses | **2.6** | 2.4 |
| Total expenses | **34.5** | 37.3 |
| Average NAV | **3,133.4** | 3,267.6 |
| **Ongoing charges** | **1.10%** | **1.14%** |

The OCR is calculated in line with the Association of Investment Companies' ("AIC") guidance. It is defined as the annualised ongoing charges (which exclude acquisition costs, finance costs and other non-recurring items) divided by the average published undiluted Net Asset Value of £3,133.4m for the year (31 March 2024: £3,267.6m).

The OCR for the year is 1.10% (31 March 2024: 1.14%). The decrease is principally because of the lower GAV due to the prior year disposal activity, resulting in a lower management fee.

## Summary balance sheet and NAV

| Investment Basis £m | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Investments at fair value | **3,114.2** | 3,268.9 |
| Net other assets | **18.7** | 248.0 |
| Net debt | **(102.2)** | (303.9) |
| **Net assets** | **3,030.7** | **3,213.0** |
| NAV per share (before dividend) | **153.1p** | 158.2p |
| NAV per share (post-dividend) | **151.0p** | 156.1p |

Investments at fair value decreased by 5% to £3,114.2m (31 March 2024: £3,268.9m), principally due to the increase in the weighted average discount rate by 0.4% to 8.4% (31 March 2024: 8.0%) and a downside impact of FX movements on non-Sterling assets during the year. The only disposal during the year was the sale of Tameside Hospital for £1[2]. Further details on the movement in Investments at fair value, which are net of commitments, are given in the Valuation of the Portfolio section on page 42.

Net other assets decreased to £18.7m (31 March 2024: £248.0m), since the prior year number included a receivable for proceeds received in the year relating to the full disposal of Northwest Parkway and partial disposal of Hornsea II OFTO announced in the year ended 31 March 2024. These disposal proceeds were used to fully repay the RCF (balance of £187.2m at 31 March 2024) and fund the initial £50m of share buybacks announced in May 2024.

An analysis of the movements in net debt is shown in the Summary cash flow section below. The decrease relative to 31 March 2024 is primarily due to the fact that no acquisitions were made in the year. There was also an inflow of £21.5m from the physical settlement of FX forwards that were entered into in order to hedge the FX exposure on the non-Sterling investments, and where Sterling has strengthened compared to the other currencies over the full year period. The RCF balance was £10.0m as at the end of the year, used to partially fund the £100m expansion to the share buyback programme announced in March 2025.

NAV per share was 153.1p (31 March 2024: 158.2p) before the 2.07p fourth quarterly distribution, due to be paid in June 2025. NAV per share decreased by 5.1p, as a result of earnings per share of 2.3p and the benefit from the impact of share buybacks of 0.9p, offset by 8.25p of distributions for the year ending 31 March 2025. NAV per share and earnings per share are the same under the Investment Basis and IFRS.

## Key accounting estimates and judgements

In preparing these accounts, the key accounting estimate is the carrying value of the Corporate Group's investments, which are stated at fair value. Given the importance of the valuation of investments, the Board's Audit Committee has oversight of the Directors' Valuation process and challenges the Valuation Policy, process and application to individual investments on a semi-annual basis. A third party is also appointed to carry out an independent review of the Directors' Valuation. Notwithstanding the above, asset valuations for unquoted investments are inherently subjective, as they are based on assumptions where judgement is required.

The Corporate Group's underlying investments are generally not based on observable market data and are instead valued using a discounted cash flow analysis of forecast investment cash flows. The exception to this is the listed senior debt in the A13 Road project, which is valued using the quoted market price of the bonds.

A key judgement is the assessment of whether the Company meets the definition of an investment entity. IFRS 10 requires the Group's intermediate holding companies to be presented at fair value, which reduces the transparency of the underlying investment performance. As a result, the Group presents financial information on the Investment Basis to ensure that the commentary in the Strategic Report remains fair, balanced and understandable. The reconciliation of the Investment Basis to IFRS is shown on pages 40 and 41.

2 Disposal proceeds for prior year sale of Northwest Parkway and partial sale of Hornsea II OFTO were received in the current year

## Summary cash flow

| Investment Basis £m | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Cash from investments | **227.2** | 244.4 |
| Operating costs | **(37.0)** | (39.8) |
| Finance costs | **(12.9)** | (29.0) |
| **Net cash inflow before capital movements** | **177.3** | **175.6** |
| Cost of new investments | **–** | (435.1) |
| Investment disposal proceeds | **230.0** | 269.4 |
| Shares repurchased | **(61.2)** | – |
| Net cash flow from derivatives | **21.5** | 6.8 |
| Short-term intercompany borrowings | **–** | (0.3) |
| Debt arrangement fees paid | **–** | (2.5) |
| Dividends paid | **(166.1)** | **(167.6)** |
| **Movement in the year** | **201.5** | **(153.7)** |
| Net debt at start of year | **(303.9)** | (147.6) |
| Foreign exchange on cash | **0.2** | (2.6) |
| **Net debt at end of year** | **(102.2)** | **(303.9)** |

The Corporate Group ended the year with net debt of £102.2m (31 March 2024: £303.9m net debt). This is made up of drawings on the RCF of £10.0m (31 March 2024: £187.2m) and private placement loan notes of £150.0m (31 March 2024: £150.0m), net of cash and cash equivalents of £57.8m (31 March 2024: £33.3m).

The £230.0m investment disposal proceeds represent the amounts received into IILP in the current year from the prior year disposal of Northwest Parkway and partial disposal of Hornsea II OFTO, net of all direct costs and taxes.

Dividends of £166.1m (31 March 2024: £167.6m) were paid in the year, with the decrease from prior year reflecting the impact of share buybacks during the period, with 51.8m fewer shares in issue at the end of the year, repurchased for £61.2m[1] including direct costs. Dividend cash cover excluding disposals increased to 1.07x (31 March 2024: 1.05x). Including profit on disposals of £82.7m[2], the dividend cash cover is 1.56x (31 March 2024: including profit on disposals of £53.4m, cash cover was 1.37x).

## Debt and gearing levels

The Corporate Group's debt and borrowing facilities are held by IILP. As at 31 March 2025, IILP had drawn £10.0m on its RCF (31 March 2024: £187.2m) and £6.0m by way of letters of credit (31 March 2024: £6.0m). The RCF was fully repaid in May 2024 using disposal proceeds. £10.0m was subsequently drawn on the RCF in March 2025, used to support the £100m expansion to the Company share buyback programme announced at the same time, and with up to £50m of RCF funding in total approved by the Board and available to fund this programme. Planned disposals will be used to fully fund the buyback extension and repay the RCF. The RCF capacity was reduced from £650m to £400m in May 2024, reflecting a decreased forecast utilisation. In May 2025, the maturity of the RCF was extended by one year to 30 June 2027.

In addition, IILP had a committed balance of €92.5m on its Letter of Credit ("LCF") facility (31 March 2024: €109.6m). The LCF was originally put in place to support future equity commitments, and the decrease in the year was a result of a reduction in LC commitments associated with the partial disposal of Hornsea II OFTO in the prior year. IILP also had £150.0m of private placement loan notes in issue. Overall, the Corporate Group had £441.8m of available liquidity as at 31 March 2025, made up of £384.0m capacity[3] on the RCF and £57.8m of cash and cash equivalents.

The ratio of debt to Adjusted Gross Asset Value at the end of the year was as follows:

| | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| **Drawings** | | |
| Bank borrowings | **10.0** | 187.2 |
| Letter of credit facility[4] | **83.5** | 99.7 |
| Private Placement | **150.0** | 150.0 |
| | **243.5** | **436.9** |
| **Adjusted Gross Asset Value** | | |
| Directors' Valuation | **3,227.1** | 3,333.4 |
| Disposal proceeds due[5] | **5.1** | 233.2 |
| Cash and cash equivalents | **57.8** | 33.3 |
| | **3,290.0** | **3,599.9** |
| Borrowing ratio | **7.4%** | 12.1% |

## Capital management

While the Company's Ordinary Shares trade at a discount to the Net Asset Value and there are sufficient funds to transact, at the sole discretion of the Directors, the Company may:

- make market purchases of up to 14.99% per annum of its issued Ordinary Shares; and
- make tender offers for the Ordinary Shares.

In May 2024, the Company announced a share buyback programme of up to £50m, funded using disposal proceeds. An additional £100m of share buybacks were announced in March 2025, to be funded by additional planned disposal proceeds, and up to £50m in RCF borrowings in the short term. As at 31 March 2025, 51.8m shares had been bought back for a cost of £62.1m including direct costs. While trading at a discount to net asset value, the Company is unable to issue shares via a tap issuance[6], but can do so on a wholly pre-emptive basis.

## Alternative Performance Measures ("APMs")

The Directors assess the Corporate Group's performance using a variety of APMs that are not specifically defined under IFRS, which provide additional information to investors as to how the Company is managed and assessed. The APMs may not be directly comparable with those used by other companies and therefore the Directors wish to draw users' attention to GAAP measures in the financial statements from page 110 onwards. The Directors' Investment Basis is itself an APM.

1 £0.9m of the total £62.1m of shares repurchased, as mentioned throughout the Annual Report, were cash settled in early April 2025
2 This is the profit versus original cost on final disposal of Northwest Parkway and the partial disposal of Hornsea II OFTO in the prior year, and the current year disposal of Tameside Hospital
3 Consists of £400m facility less £10m of drawings and £6m of Letter of Credit utilisation
4 Consisting of £77.5m on the LCF and £6.0m on the RCF (31 March 2024: £93.7m on the LCF and £6.0m on the RCF)
5 Current year relates to a $6.6m tax refund due from the prior year Northwest Parkway disposal
6 Issuance of new shares as an extension of an original share issuance programme

The explanation and rationale for the Investment Basis is shown on page 36 and its reconciliation to IFRS is shown from page 40. The table below defines the Group's APMs.

| APM | Purpose | 2025 Investment Basis[1] | Calculation | Reconciliation to IFRS |
|---|---|---|---|---|
| **Annualised return from the portfolio** | A ratio of underlying portfolio performance within a given year | **7.7%** (2024: 9.0%) | £235.5m rebased return divided by £3,042.1m rebased valuation, as shown on the Valuation Report on page 42 | The calculation uses figures which are reconciled to the Investment Basis on page 40 which, in turn, is reconciled to IFRS in the Reconciliation of Investment Basis to IFRS section below<br>Under IFRS, the return is 1.6% based on investment income of £50.0m divided by an investment value of £3,031.5m |
| **Directors' Valuation** | A measure of the size of the investment portfolio including the value of further contracted future investments committed by HICL | **£3,227.1m** (2024: £3,333.4m) | £3,114.2m Investment Basis investments at fair value plus £112.9m of contracted commitments, including £49.9m of new commitment for Affinity Water | The calculation uses portfolio assets shown in the reconciliation in the Reconciliation of Investment Basis to IFRS section below<br>The IFRS valuation is £3,031.5m as at 31 March 2025 |
| **Distributable cash** | A measure of cash received by HICL Group from underlying projects in the year | **£260.0m** (2024: £229.0m) | Calculated as net cash inflow before capital movements of £177.3m shown in the 'Investment Basis Summary Cash Flow' plus £82.7m net profit over original cost on final disposal of Northwest Parkway and the partial disposal of Hornsea II OFTO in the prior year, and the current year disposal of Tameside Hospital | The calculation uses distributions received from investments plus profit on disposal<br>Under IFRS net cash inflow is £226.7m, consisting of cash received to support the Company dividend and share buybacks plus working capital requirements, net of expenses paid in the year |
| **Dividend cash cover** | A ratio of cash received from underlying projects in the period enabling distributions to shareholders | **1.56x[2]** (2024: 1.37x) | £177.3m distributable cash received in addition to £82.7m net profit versus original cost on final disposal of Northwest Parkway and the partial disposal of Hornsea II OFTO in the prior year, and the current year disposal of Tameside Hospital, divided by the £166.1m dividend for the year ending 31 March 2025 | The calculation uses the dividend paid in the 'Statement of Changes in Equity' divided by distributable cash<br>The IFRS equivalent is 1.0x, as sufficient funds are provided to the Company to cover the dividend of £166.1m and working capital of £4.7m |
| **Cash investments** | Identifying new opportunities in which to invest capital is a driver of HICL's ability to deliver attractive returns | **nil** (2024: £435.1m) | No investments were made in the year | The equivalent balance under IFRS is shown in the 'Reconciliation of Statement of Cash Flows'<br>There were no cash investments made by the Company and therefore there is no like-for-like IFRS equivalent |
| **Cash proceeds** | Cash proceeds from HICL's investments support HICL's returns to shareholders, as well as our ability to invest in new opportunities | **£230.0m** (2024: £269.4m) | £230.0m cash received into IILP in the year, directly or indirectly, from the disposal of investments in the year, net of all direct costs and taxes | The equivalent balance under IFRS is shown in the 'Reconciliation of Statement of Cash Flows'<br>The Company received cash to support the dividend and for working capital, which was all funded by distributions from HICL Group investments. Therefore there were no cash proceeds received by the Company relating to disposal of investments |
| **Net cash/ (debt)** | A measure of the available liquid cash to invest in the business offset by the Corporate Group's borrowings. This is an indicator of the financial risk in the Group's Statement of Financial Position | **£(102.2)m** (2024: £(303.9)m) | £57.8m cash and cash equivalents less £160.0m loans and borrowings | The equivalent balance under IFRS and the reconciliation to the Investment Basis is shown in the Reconciliation of Statement of Financial Position<br>Cash and cash equivalents is £0.7m under IFRS as at 31 March 2025, being the working capital held by the Company |
| **Borrowing ratio** | A measure of drawings as a percentage of adjusted gross asset value of the Corporate Group | **7.4%** (2024: 12.1%) | £243.5m debt (including £83.5m letters of credit) divided by adjusted Gross Asset Value of £3,227.1m. Adjusted Gross Asset Value is the Directors' Valuation plus announced disposals and cash and cash equivalents (£62.9m in total) | The equivalent balance under IFRS in the 'Reconciliation of Statement of Financial Position' in the Annual Report<br>The Company holds no debt, therefore the borrowing ratio is not applicable under IFRS |

1 APM calculations consistent with prior year
2 The calculation includes total profit on disposal of £82.7m. Excluding this, dividend cash cover is 1.07x. For 31 March 2024, profit on disposal was £53.4m and excluding this, dividend cash cover was 1.05x

# Reconciliation of Investment Basis to IFRS

## Reconciliation of Statement of Comprehensive Income

| | For the year ended 31 March 2025 | | | For the year ended 31 March 2024 | | |
|---|---|---|---|---|---|---|
| £m | Investment Basis | Consolidation adjustments | IFRS Basis | Investment Basis | Consolidation adjustments | IFRS Basis |
| Dividend income received and interest income receivable | 496.9 | (365.9) | 131.0 | 341.8 | (143.8) | 198.0 |
| Fair value loss on revaluation of investments | (398.0) | 317.0 | (81.0) | (237.4) | 74.6 | (162.8) |
| Foreign exchange loss on investments | (38.3) | 38.3 | – | (37.3) | 37.3 | – |
| Gain on foreign exchange derivatives | 23.0 | (23.0) | – | 27.5 | (27.5) | – |
| Other income | 13.5 | (13.5) | – | 10.8 | (10.8) | – |
| **Total investment income[1]** | **97.1** | **(47.1)** | **50.0** | **105.4** | **(70.2)** | **35.2** |
| Management fee | (30.7) | 30.7 | – | (33.9) | 33.9 | – |
| Finance costs | (15.7) | 15.7 | – | (36.2) | 36.2 | – |
| Other fund expenses[2] | (4.7) | 0.6 | (4.1) | (4.7) | – | (4.7) |
| **Total expenses** | **(51.1)** | **47.0** | **(4.1)** | **(74.8)** | **70.1** | **(4.7)** |
| **Profit before tax** | **46.0** | **(0.1)** | **45.9** | **30.6** | **(0.1)** | **30.5** |
| Tax | (0.1) | 0.1 | – | (0.1) | 0.1 | – |
| **Earnings for the year** | **45.9** | **–** | **45.9** | **30.5** | **–** | **30.5** |
| **Earnings per share** | **2.3p** | **–** | **2.3p** | **1.5p** | **–** | **1.5p** |

Notes:
1 Total income shown in the IFRS accounts only relates to HICL and not those portfolio companies held through investment entity subsidiaries. The consolidation adjustments represent the results recorded in the Corporate Subsidiaries
2 Other fund expenses comprise audit, valuation and other professional fees

## Reconciliation of Statement of Financial Position

| £m | For the year ended 31 March 2025 Investment Basis | Consolidation adjustments | IFRS Basis | For the year ended 31 March 2024 Investment Basis | Consolidation adjustments | IFRS Basis |
|---|---|---|---|---|---|---|
| **Investments at fair value** | **3,114.2** | **(82.7)** | **3,031.5** | **3,268.9** | **(56.4)** | **3,212.5** |
| Trade and other receivables | **7.6** | **(7.3)** | **0.3** | 237.7 | (237.4) | 0.3 |
| Other financial assets | **26.0** | **(26.0)** | **–** | 25.9 | (25.9) | – |
| Trade and other payables | **(13.9)** | **12.1** | **(1.8)** | (15.0) | 14.1 | (0.9) |
| Other current financial liabilities | **(1.0)** | **1.0** | **–** | (0.6) | 0.6 | – |
| Cash and cash equivalents | **57.8** | **(57.1)** | **0.7** | 33.3 | (32.2) | 1.1 |
| Loans and borrowings | **(160.0)** | **160.0** | **–** | (337.2) | 337.2 | – |
| **Net assets attributable to Ordinary Shares** | **3,030.7** | **–** | **3,030.7** | **3,213.0** | **–** | **3,213.0** |
| NAV per share (before dividend) | **153.1p** | **–** | **153.1p** | 158.2p | – | 158.2p |
| NAV per share (post-dividend) | **151.0p** | **–** | **151.0p** | 156.1p | – | 156.1p |

Note:
The Investment Basis financial statements are prepared for performance measurement and therefore reserves are not analysed separately

## Reconciliation of Statement of Cash Flows

| £m | For the year ended 31 March 2025 Investment Basis | Consolidation adjustments | IFRS Basis | For the year ended 31 March 2024 Investment Basis | Consolidation adjustments | IFRS Basis |
|---|---|---|---|---|---|---|
| Investment income received | **227.2** | **(96.2)** | **131.0** | 244.4 | (72.0) | 172.4 |
| Operating expenses paid | **(37.0)** | **32.9** | **(4.1)** | (39.8) | 35.1 | (4.7) |
| Finance costs paid | **(12.9)** | **12.9** | **–** | (29.0) | 29.0 | – |
| **Net cash inflow before capital movements** | **177.3** | **(50.4)** | **126.9** | 175.6 | (7.9) | 167.7 |
| Cost of new investments in subsidiary | **–** | **–** | **–** | (435.1) | 435.1 | – |
| Investment disposal proceeds | **230.0** | **(230.0)** | **–** | 269.4 | (269.4) | – |
| Investment repayment | **–** | **100.0** | **100.0** | – | – | – |
| Shares repurchased | **(61.2)** | **–** | **(61.2)** | – | – | – |
| Net cash flow from derivatives | **21.5** | **(21.5)** | **–** | 6.8 | (6.8) | – |
| Debt arrangement fees paid | **–** | **–** | **–** | (2.5) | 2.5 | – |
| Short-term intercompany borrowings | **–** | **–** | **–** | (0.3) | 0.3 | – |
| Dividends paid | **(166.1)** | **–** | **(166.1)** | (167.6) | – | (167.6) |
| **Movement in the year** | **201.5** | **(201.9)** | **(0.4)** | (153.7) | 153.8 | 0.1 |
| Net (debt)/cash at start of year | **(303.9)** | **305.0** | **1.1** | (147.6) | 148.6 | 1.0 |
| Foreign exchange on cash | **0.2** | **(0.2)** | **–** | (2.6) | 2.6 | – |
| **Net (debt)/cash at end of year** | **(102.2)** | **102.9** | **0.7** | (303.9) | 305.0 | 1.1 |

Note:
There is a difference between the change in cash and cash equivalents of the Investment Basis financial statements and the IFRS financial statements due to the cash balances held in the Corporate Subsidiaries. Cash held within the Corporate Subsidiaries is not shown in the IFRS statements but is shown in the Investment Basis financial information

# Valuation of the Portfolio

## Valuation methodology and approach overview

InfraRed is responsible for preparing the valuation of HICL's investment portfolio for the Directors' approval. This investment valuation is called the Directors' Valuation. It is an Alternative Performance Measure ("APM")[4] and comprises the investment portfolio and future commitments adjusted for disposals committed to by the Group at the reporting period end.

The Directors' Valuation is the Group's preferred valuation measure because it better represents the Group's total value at risk at the balance sheet date. The valuation methodology and policy[5] are unchanged from previous reporting periods.

The valuation is carried out on a six-monthly basis as at 31 March and 30 September each year. The Group's investments are predominantly unquoted and are mainly valued using a discounted cash flow analysis of forecast investment cash flows[6].

There is a secondary market for infrastructure investments and, where appropriate and publicly available, external data points are considered. The Directors' Valuation is a sum-of-the-parts valuation, and so no further adjustment is made to reflect the size, scarcity and diversification of the overall portfolio.

The key external (macroeconomic and fiscal) factors affecting the forecast of each portfolio company's cash flows in local currency are inflation rates, interest rates, GDP growth rates and applicable tax rates. The Investment Manager makes forecast assumptions for each of these external metrics using market data and economic forecasts. The Investment Manager also exercises its judgement to assess the expected future cash flows from each investment based on the detailed financial models produced by each portfolio company. The data in these models is adjusted to reflect specific operating assumptions and to replace metrics used by portfolio companies with those used by the Group where they are different.

The fair value for each investment is then derived from the application of an appropriate market discount rate and year-end currency exchange rate. The discount rate takes into account risks associated with the financing of the investment (e.g. liquidity, currency risks, market appetite) and its earnings quality (e.g. predictability and covenant of the revenues and service delivery challenges). These are generally differentiated by the phase of the investment's life (e.g. in construction or in operation).

More information on the Valuation Policy can be found on page 149.

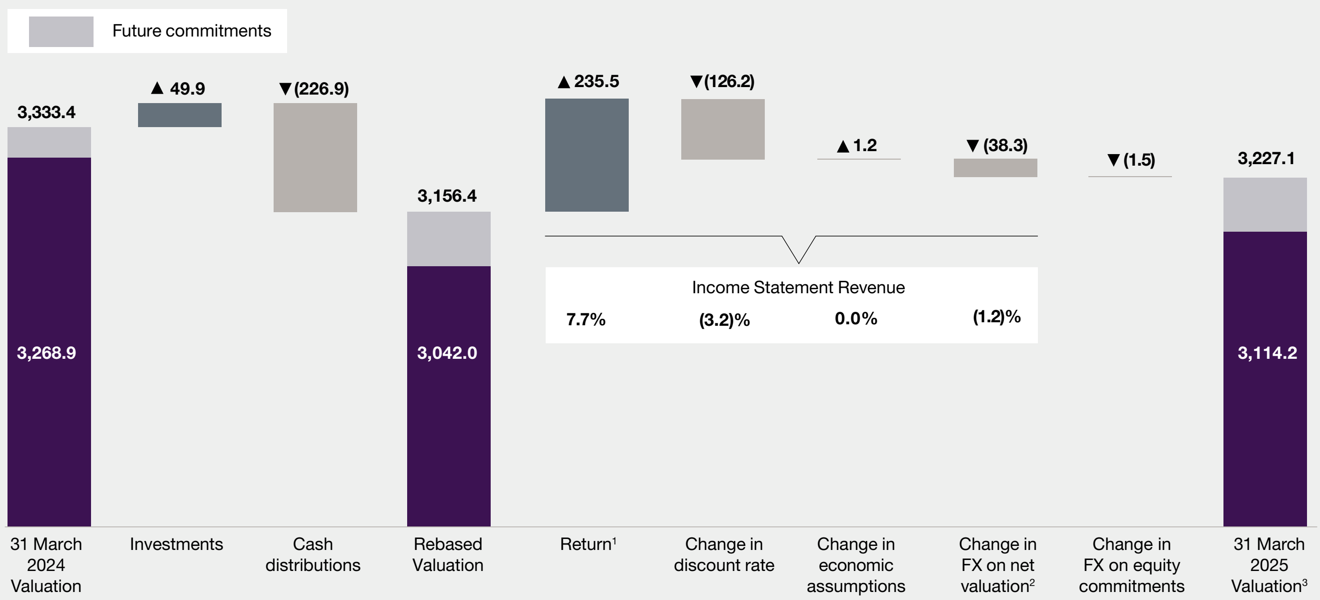
The Directors' Valuation is the key component in determining HICL's Net Asset Value ("NAV") and so the Audit Committee receives and challenges an independent report and opinion on the Investment Manager's valuation from a third-party valuation expert.

## Directors' Valuation at 31 March 2025

The Directors' Valuation of the portfolio at 31 March 2025 was £3,227.1m, a decrease of 3.2% (31 March 2024: £3,333.4m) versus prior year. The 31 March 2025 Directors' Valuation includes £112.9m of outstanding equity commitments (31 March 2024: £64.5m) in respect of three projects: Affinity Water (UK), the Blankenburg Tunnel (Netherlands) and the B247 Road (Germany).

A breakdown of the movement in the Directors' Valuation is shown in the chart below.

**Movement in the Directors' Valuation in the year ended 31 March 2025:**




1 'Return' comprises the unwinding of the discount rate and project outperformance, including actual inflation
2 FX movement net of hedging is a loss of £15.3m
3 £3,227.1m reconciles, on an Investment Basis, to £3,114.2m investments at fair value (IFRS) together with £112.9m of future commitments
4 Further detail on the Group's APMs, including a reconciliation to the IFRS financial statements, is shown on page 39
5 Refer to Appendix 2 on page 149 for further details on the Valuation Policy
6 The exception to this is the listed senior debt in the A13 Road project which is valued using the quoted market price of the bonds

## Investments
No cash investments were made during the year. As at 31 March 2025, investment commitments have increased to £112.9m (31 March 2024: £64.5m) due to the additional commitment of £49.9m on Affinity Water.

## Divestments
During the year, the Group disposed of its interest in Tameside Hospital for a nominal amount of £1 to the project's senior lender.

## Rebased net valuation
The three valuations shown in the chart have been split between investments at fair value and future commitments. The percentage movements have been calculated on the rebased valuation of £3,042.0m to reflect the returns generated on the capital employed in the year.

The rebased portfolio delivered Income Statement revenue of 3.3% in the year (31 March 2024: 2.8%). The income return showed an increase when compared to the year ended 31 March 2024. This was mainly due to a relatively smaller increase in the portfolio's discount rates in the current year, compared to the more substantial increases in the prior year, when risk-free rates in the UK rose significantly.

## Return from the portfolio
The return from the underlying portfolio of £235.5m (31 March 2024: £285.5m) represents a 7.7% (31 March 2024: 9.0%) increase in the rebased valuation, compared to the weighted average discount rate, or expected annualised return, of 8.0% at the start of the year. The return is stated before changes to discount rates and macroeconomic assumptions.

This annual portfolio performance was broadly in line with expectations at the start of the year. The first half of the year saw underperformance due to increased forecast lifecycle and defect costs in a subset of UK PPP assets where lifecycle delivery risk sits with the portfolio company (28% of the portfolio by value as at 31 March 2025). In response to these challenges, the Directors had increased the discount rate by 15bps for those UK PPP assets where lifecycle risk is borne by the portfolio company.

Largely offsetting this, HICL's growth and construction assets performed strongly in the second half of the year with a positive outcome on the Final Determination for Affinity Water and Blankenburg Tunnel successfully completing its construction and commencing its availability payment.

## Inflation
At 31 March 2025, RPI has reduced in the UK to 3.4% compared to 4.3% for the year ending 31 March 2024. Other jurisdictions also saw a reduction in inflation.

In France, CPI reduced significantly over the year and was 0.8% (31 March 2024: 2.3%). In the USA, CPI fell to 2.8% (31 March 2024: 3.5%). The impact of the decrease in actual inflation versus forecast assumptions resulted in a reduction in NAV of £4.7m (2024: £24.3m downside).

In the short to medium term, inflation forecasts are expected to slightly increase and this has been reflected in the Company's short-term UK inflation assumptions for 2026.

## Demand assets
HICL has five demand-based assets in the portfolio, representing 14% of the portfolio by value at 31 March 2025 (31 March 2024: 14%). Four of these demand-based assets, namely the A63 Motorway, LSPH, RMG Roads and M1-A1 are sensitive to GDP. Over the past year, A63 and LSPH traffic profiles were marginally below HICL's forecast. In addition, LSPH continues to benefit from the contractual underpin in relation to domestic track access revenues.

For further information on these assets, refer to the Top 10 assets – operational highlights on pages 22 to 31.

## Discount rates

As at 31 March 2025, HICL's weighted average discount rate increased to 8.4% from 8.0% at 31 March 2024. This upward revision reflects a notable rise in 20-30 year government bond yields across key jurisdictions, even as central banks have begun modestly cutting policy rates.

Over the past year, the Bank of England, US Federal Reserve and the European Central Bank have each reduced their base rates in total by 75 bps, 100 bps and 185 bps respectively. These reductions signal the onset of a potential easing cycle. However, in contrast, yields on long-dated government bonds have moved higher. This divergence reflects shifting market expectations where investors are pricing at a more cautious and protracted path for monetary easing.

The recently announced cash offer for BBGI Global Infrastructure S.A. also provides a highly relevant data point for the Company's PPP portfolio, however, contrasts with rising government bond yields. HICL's upward adjustment to the discount rate reflects these competing forces, alongside asset-specific considerations, both upwards and downwards. The revised rates are also consistent with observable market factors, which include data points across the Company's target markets and in other sectors and geographies in which it operates, government bond yields and the implied equity risk premium.

Throughout the year ended 31 March 2025, the Group executed one transaction, which was to divest its interest in Tameside Hospital for a nominal sum to the senior lenders, following a protracted dispute with the Client. Beyond this, the number of relevant infrastructure transactions observed in private markets continues to trend below longer-term averages, with wider variability in competitive tension for assets. The Investment Manager is noticing reduced levels of transaction activity as the disconnect in pricing between public and private markets persists and the future trajectory of interest rates remains uncertain. However, private investors still have capital to deploy and are seeking high quality infrastructure assets. Based on this, we expect transaction activity to increase, which should present opportunities for acquisition and divestment activity.

When setting the discount rate, the Investment Manager places significant emphasis on the equity risk premium implied by current government bond yields. For any change in the government bond yields, the Investment Manager evaluates the discount rates to ensure the premiums remain appropriate. The first six months to 30 September 2024 did not see any material movement to the average 20–30-year government bond yields. However, the second half of the year saw a significant rise in UK government bond yields which increased by 70 bps from 4.5% at 30 September 2024 to 5.2% at 31 March 2025.

Overall, the base discount rate for UK assets has increased by 40 bps since 31 March 2024. This results in a UK weighted average discount rate of 8.7% at 31 March 2025 (31 March 2024: 8.3%) and a risk premium of 3.5% (31 March 2024: 3.9%). The Investment Manager believes that the risk premium continues to be appropriate for HICL's core infrastructure UK assets.

Similarly, the USA, New Zealand and the Eurozone, have also seen increases in long-term government bond yields ranging between 50-60 bps. This has been accommodated in the increased Weighted Average Discount Rate.

## Changes in economic assumptions

Changes in economic assumptions resulted in a small positive impact of £1.1m (31 March 2024: £120.5m). This reduced impact relative to the previous year is attributed to the lower volatility in inflation rates over the past year compared to the prior year.

## Foreign Exchange

Sterling strengthened against all relevant currencies in the period resulting in a negative impact of £(38.3)m pre-hedging. Net of hedging, the impact was £(15.3)m.

## Valuation assumptions

Apart from the discount rates, the other key economic assumptions used in determining the Directors' Valuation of the portfolio are as follows:

| | | 31 March 2025 | 31 March 2024 |
|---|---|---|---|
| **Inflation rates** | UK (RPI and RPIx)[1] | 3.00% p.a. to March 2026<br>3.25% p.a. to March 2030<br>2.50% p.a. thereafter | 3.00% p.a. to March 2025<br>2.75% p.a. to March 2026<br>2.50% p.a. thereafter |
| | UK (CPI/CPIH )[2] | 2.25% p.a. to March 2026<br>2.50% p.a. thereafter | 2.25% p.a. to March 2025<br>2.00% p.a. to March 2026<br>2.50% p.a. thereafter |
| | Eurozone (CPI) | 2.00% p.a. | 2.25% p.a. to March 2025<br>2.00% p.a. thereafter |
| | Canada (CPI) | 2.25% p.a. to March 2026<br>2.00% p.a. thereafter | 2.25% p.a. to March 2025<br>2.00% p.a. thereafter |
| | USA (CPI) | 2.25% p.a. to March 2026<br>2.00% p.a. thereafter | 2.00% p.a. to March 2025<br>2.00% p.a. thereafter |
| | New Zealand (CPI) | 2.25% p.a | 2.75% p.a. to March 2025<br>2.25% p.a. thereafter |
| **Interest rates** | UK | 3.50% p.a. | 4.50% p.a. to March 2025, 3.25% p.a. thereafter |
| | Eurozone | 2.00% p.a. | 3.00% p.a. to March 2025, 2.00% p.a. thereafter |
| | Canada | 2.25% p.a. | 3.75% p.a. to March 2025, 3.00% p.a. thereafter |
| | USA | 3.75% p.a. to March 2026<br>3.50% p.a. thereafter | 4.25% p.a. to March 2025, 3.25% p.a. thereafter |
| | New Zealand | 3.25% p.a. to March 2030<br>3.50% p.a. thereafter | 4.25% p.a. to March 2025, 4.00% p.a. thereafter |
| **Foreign exchange rates** | GBP / EUR | 1.19 | 1.17 |
| | GBP / CAD | 1.86 | 1.71 |
| | GBP / USD | 1.29 | 1.26 |
| | GBP / NZD | 2.27 | 2.11 |
| **Tax rates** | UK | 25% | 25% |
| | Eurozone | Ireland 12.5%<br>France 25%<br>Netherlands 25.8% | Ireland 12.5%<br>France 25%<br>Netherlands 25.8% |
| | Canada | 23% and 27% | 23% and 27% |
| | USA | 21% Federal | 21% Federal and 4.6% Colorado State |
| | New Zealand | 28% | 28% |
| **GDP growth** | UK | 2.0% p.a. | 2.0% p.a. |
| | Eurozone | 1.8% p.a. | 1.8% p.a. |

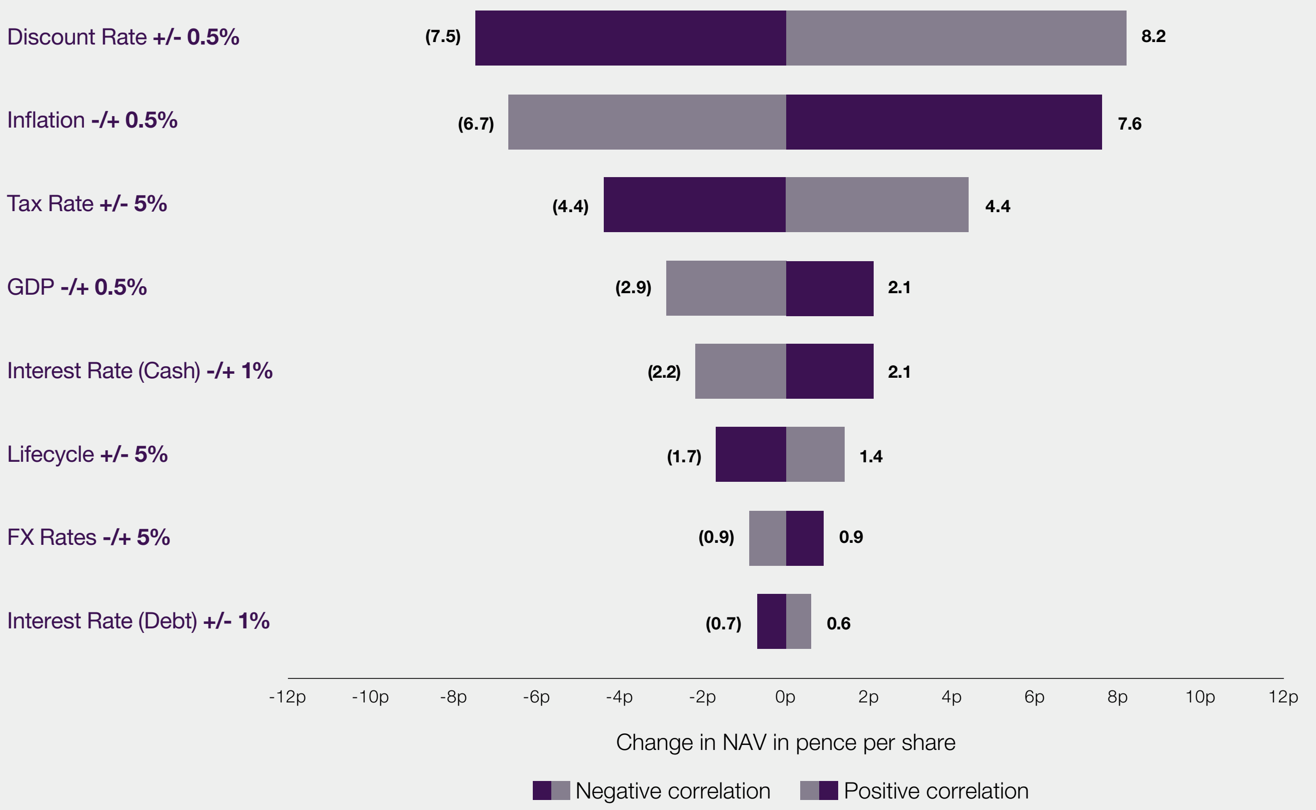
1 Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
2 Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

## Valuation of the Portfolio continued

### Valuation sensitivities

The portfolio's valuation is sensitive to each of the macroeconomic assumptions listed above. An explanation of the reason for the sensitivity and an analysis of how each variable in isolation (i.e. while keeping the other assumptions constant) impacts the valuation as follows below[1,2,3]. The sensitivities are also contained in Note 14 to the financial statements.

**Valuation sensitivities – impact in pence per share**




1 NAV per share based on 1,980 million Ordinary Shares as at 31 March 2025
2 Sensitivities for inflation, interest rates, tax rates and lifecycle are based on the 35 largest investments extrapolated for the whole portfolio
3 Foreign exchange rate sensitivity is net of Group hedging as at 31 March 2025

## Discount rate sensitivity

While not a macroeconomic assumption, the discount rate that is applied to each portfolio company's forecast cash flows, for the purposes of valuing the portfolio, is the single most important judgement and variable. The impact of a 0.5% change in the discount rate on the Directors' Valuation and the NAV per share is shown above. This sensitivity to a movement in discount rates is of a relatively linear relationship meaning that for a 1.0% movement in discount rates the impact would be broadly twice as large as that shown for a 0.5% movement.

## Inflation rate sensitivity

PPP projects in the portfolio have contractual income streams derived from public sector clients, which are rebased every year for inflation. For the demand-based assets, the concession agreement usually prescribes how user fees are set, which are generally reset annually for inflation. For Affinity Water, revenues are regulated by Ofwat in a five-yearly cycle with the pricing of water bills set with the aim of providing an agreed return for equity that is constant in real terms for the five-year period by reference to RPI currently and CPIH in the next regulatory period.

The chart shows that the Directors' Valuation and NAV per share are both positively correlated to inflation. The portfolio's inflation correlation at 31 March 2025 was 0.7x (31 March 2024: 0.7x) meaning that, should inflation be 1.0% p.a. higher than the valuation assumption for all future periods the expected return from the portfolio would increase by 0.7%, from 8.4% to 9.1%.

The portfolio valuation assumes UK inflation of 3.0% for the year ending March 2026, 3.25% to March 2030, and 2.5% thereafter. The March 2025 forecasts for RPI out to December 2025 range from 2.7% to 4.9% from 15 independent forecasters as compiled by HM Treasury, with an average forecast of 3.8%.

## Gross Domestic Product ("GDP") sensitivity

At 31 March 2025, the portfolio had four assets sensitive to GDP, namely the A63, LSPH, RMG Roads and M1-A1 Road. These assets are classified as GDP-sensitive because at times of higher economic activity there will be greater traffic volumes using them, generating increased revenues for the projects compared to periods of lower economic activity.

If outturn GDP growth was 0.5% p.a. lower for all future periods than those in the valuation assumptions set out on page 49, expected return from the portfolio (before Group expenses) would decrease 0.2% from 8.4% to 8.2% (31 March 2024: 7.8%).

## Interest rate sensitivity

The majority of HICL's portfolio companies' interest costs are at fixed rates, either through fixed-rate bonds, bank debt which is hedged with an interest rate swap or linked to inflation through index-linked bonds. However, there are five investments – Affinity Water, Fortysouth (NZ), TNT (USA), Altitude Infra (France), and XLT – which have refinancing requirements, exposing these investments to interest rate risk. The average gearing of these assets is 51% (31 March 2024: 50%), which is lower than the portfolio gearing at 66% (31 March 2024: 68%). As set out on page 47, were interest rates to be 1.0% higher in all future valuation periods, the expected return from the portfolio would decrease by (0.03)% as a result of higher financing costs, before accounting for the offsetting positive impact of higher interest rates on cash balances.

In the case of other investments, sensitivity to interest rates predominantly relates to the cash deposits which the portfolio company is required to maintain as part of its senior debt funding. For example, most PPP projects would have a debt service reserve account in which six months of debt service payments are held.

At 31 March 2025, cash deposits for the portfolio were earning interest at a rate of 3.4% per annum on average (31 March 2024: 4.9%).

## Lifecycle expenditure sensitivity

Lifecycle (also called asset renewal or major maintenance) expenditure concerns the replacement of material parts of the asset to maintain it over the concession life. It involves larger items that are not covered by routine maintenance, and for a building will include items like the replacement of boilers, chillers, carpets and doors when they reach the end of their useful economic lives.

The lifecycle obligation, together with the budget and the risk, is either taken by the project company (and hence the investor) or is subcontracted to the Facilities Management ("FM") contractor. Of the 111 investments, PPPs make up 57% of the overall portfolio by value. For 59% of these PPP investments (34% of the overall portfolio), the lifecycle risk and reward is borne by the project company while for the remaining 41%, the risk is borne by the facilities management contractor.

## Corporation tax rate sensitivity

The profits of each portfolio company are subject to corporation tax in the country where the project is located. The sensitivity considers a 5% movement in tax rates in all jurisdictions.

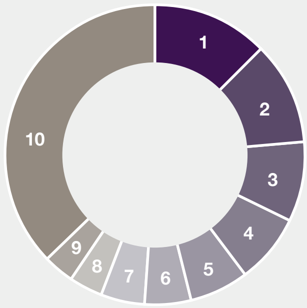
The UK corporation tax assumption for the portfolio valuation is 25% (2024: 25%).

## Foreign exchange rate sensitivity

34% of the portfolio by Directors' Valuation, has exposure to foreign exchange rates. The sensitivity shows, post-hedging, the impact of Sterling appreciating or depreciating against these currencies by +/- 5%.

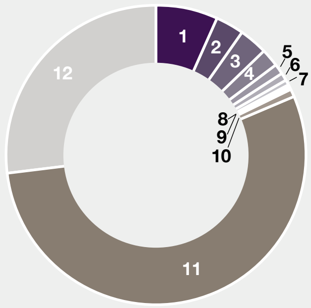
## Valuation of the Portfolio continued

### Ten Largest Exposures – Counterparty FM March 2025



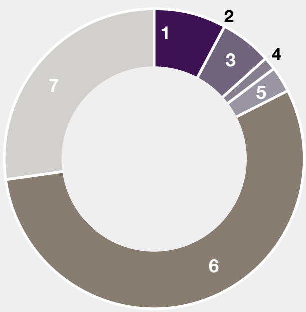
| | | |
|---|---|---|
| 1 | Bouygues | 13% |
| 2 | In-house | 11% |
| 3 | Equans | 9% |
| 4 | EGIS | 8% |
| 5 | Vodafone NZ | 6% |
| 6 | Network Rail | 5% |
| 7 | Siemens | 5% |
| 8 | Mitie | 3% |
| 9 | Babcock | 3% |
| 10 | Other | 37% |

### Ten Largest Exposures – Counterparty Construction March 2025



| | | |
|---|---|---|
| 1 | Colas | 7% |
| 2 | DEME | 3% |
| 3 | Siemens | 3% |
| 4 | Strabag | 2% |
| 5 | Bouygues | 1% |
| 6 | Balfour Beatty | 1% |
| 7 | Fluor | 0% |
| 8 | Laing O'Rourke | 0% |
| 9 | Vinci | 0% |
| 10 | Other contractors | 1% |
| 11 | Latent defects limitation/Warranty period expired | 55% |
| 12 | Assets subject to regulatory regimes[2] | 27% |

### Ten Largest Exposures – Counterparty Latent defect warranty periods March 2025



| | | |
|---|---|---|
| 1 | Within 1 year | 8% |
| 2 | 1-2 years | – |
| 3 | 2-5 years | 6% |
| 4 | 5-10 years | 1% |
| 5 | 10+ years | 3% |
| 6 | Latent defects limitation/Warranty period expired[1] | 55% |
| 7 | Assets subject to regulatory regimes[2] | 27% |

1 By value, at 31 March 2025, using Directors' Valuation excluding A13 senior bonds. 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

# Risk and Risk Management

## Risk management framework

HICL's risk management framework covers all aspects of its business. The Board monitors, challenges and evaluates InfraRed's management of risk through the consideration of scenarios that could materially impact the performance of HICL were they to occur. Having considered and analysed key risks, mitigating action may be undertaken to reduce the likelihood and impact of each risk manifesting.

The Board has ultimate responsibility for setting HICL's risk policy and risk appetite. It has convened a Risk Committee to assist the Board by assessing the Group's overall risk profile, recommending a risk appetite, and ensuring its framework is appropriately designed and effective. The terms of reference for the Risk Committee can be found on HICL's website.

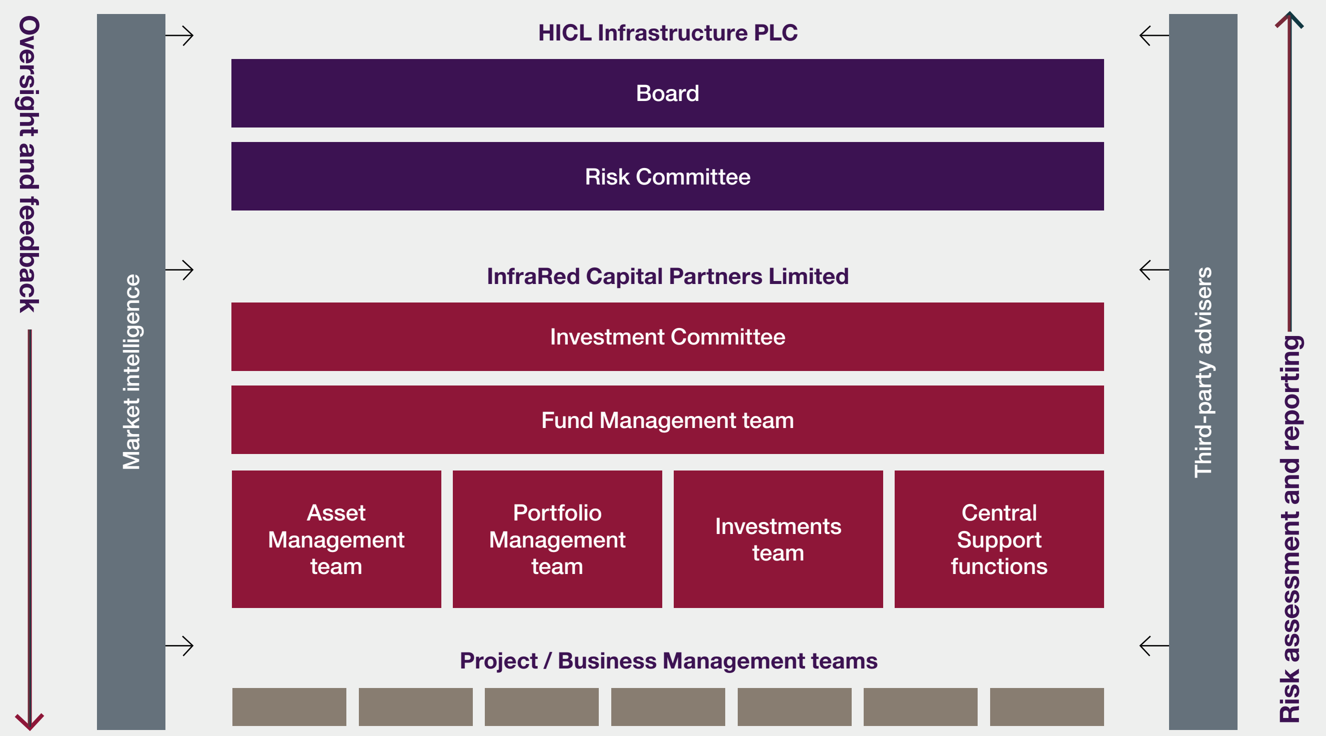
Day-to-day monitoring, evaluation and management of risk is undertaken by InfraRed as HICL's Investment Manager. Working closely with portfolio company management teams, InfraRed's Asset Management Team ensures the timely reporting of project-specific risks to the HICL Fund Management Team as and when they arise; the HICL Investment Committee also undertakes a formal review of project-specific risks on a quarterly basis. The Investment Manager is monitored and challenged by the Risk Committee, which reports to the Board.

The Investment Manager uses its experience, insight from investments within the Group's portfolio and the wider infrastructure market to consider future risks and develop appropriate mitigation strategies. The Investment Manager oversees the deployment of these strategies and directs portfolio company management teams as required. Relevant systems, policies, oversight and third-party assurance are utilised to ensure effective risk management.

The Board's Management Engagement Committee reviews the performance of the Investment Manager (as well as all key service providers) at least annually. The Risk Committee reviews the Investment Manager's internal controls and their effectiveness on a quarterly basis, and the Audit Committee also reviews InfraRed's financial control environment. No material issues were identified by any committee during the year. The Investment Manager also undertakes an annual assessment of the Company's other key service providers, which requires each supplier to sign a code of conduct and fill in a questionnaire confirming compliance with relevant laws and regulations. The Management Engagement Committee reviews the results of this assessment, and any actual or potential issues which could result in a material risk to the Group are shared with the Risk Committee and Board.

The Investment Manager's Risk team has developed a detailed self-assessment internal control report, and this is reviewed on a quarterly basis by the Risk Committee alongside similar control reports from the Administrator and Company Secretary as well as HICL's Depositary.

**This schematic sets out the Company's risk management framework:**



## Risk classes

Risk is evaluated across seven primary risk classes. These are set out in the table below along with the Investment Manager's assessment of:

– The potential financial impact of plausible 12-month downside scenarios, which are developed by the Investment Manager and reviewed by the Risk Committee. They represent the estimated impact of severe but plausible scenarios, meaning they are not worst case. Each scenario is presented before (inherent) and after (residual) the effect of mitigation strategies is considered; and
– A residual risk rating[1] based on the likelihood and mitigated impact of the prudent downside scenario for each risk class.

If any one of the plausible 12-month downside scenarios described above were to materialise, the NAV / share would be impacted immediately, but the effect on cash flow may extend beyond the current year, with a consequential impact on dividend cash cover.

The Risk Committee therefore focuses on the five-year cash flow impact of each scenario.

The Investment Manager regularly presents stress scenarios and associated mitigation strategies to the Risk Committee to assist its assessment of more severe but lower-probability downside scenarios. During the year, the Investment Manager worked with the Risk Committee to develop a more quantitative approach to risk appetite based on the outputs of the stress scenarios, and this will continue to evolve over the course of the next financial year.

The residual risk from portfolio performance is still considered to be high, and as part of the September 2024 valuation process InfraRed identified and reflected an increase in forecast cost risk associated with defect remediation and lifecycle delivery on a subset of UK PPP assets. These valuation adjustments reflect the challenging operating environment for capital works delivery and elevated client expectations as handback approaches. These assumptions were reviewed at the year-end and remain appropriate.

Notwithstanding the above, the Investment Manager achieved several key milestones which successfully mitigated the impact on the Group. Notably, Ofwat's final determination for Affinity Water was consistent with HICL's expectation that the Company will resume distributions in FY26, reducing uncertainty around cash generation in the short to medium term. The remediation of construction-related defects remains a priority, with works progressing well across several projects. InfraRed continued to mitigate the risk of adverse behaviour from public sector clients with effective engagement, particularly through its position as an active, founding member of The Association of Infrastructure Investors in Public Private Partnerships (AIIP). The AIIP added four new members in the year to strengthen its co-ordinated voice on industry issues with stakeholders including the UK government. The Investment Manager and Risk Committee also ensured that specific learnings from the protracted dispute at Tameside Hospital were reflected in the Company's risk management framework.

Despite financial risk being materially mitigated through the repayment of the RCF, which was subsequently extended to June 2027 after the period end, the residual risk rating for the Financial / Market Risk class was maintained as high in the year. This is due to persistent macroeconomic turbulence and elevated interest rates impacting the Company's share price, which has been at a material discount to NAV since February 2023. Higher government bond yields across HICL's core geographies were responsible for much of the increase in the portfolio's weighted average discount rate to 8.4% from 8.0% at 31 March 2024, which lowered the Company's net asset value.

The residual risk rating for the political risk class continues to be assessed as medium. Political and regulatory risk is an inherent feature of the infrastructure asset class which can evolve at relatively short notice. With elections having taken place across several HICL geographies in the year, new government policies have the potential to impact the Company either directly through its assets or indirectly through broader macroeconomic effects. The risks associated with these uncertain outcomes are primarily mitigated through HICL's diverse portfolio, which is exposed to a wide range of clients, sectors, regulatory regimes and geographies.

## Principal risks

The tables on the following pages summarise the principal risks which are regularly reviewed by the Risk Committee and have the potential to reduce the Company's ability to achieve its strategic objectives and materially impact HICL's financial performance and reputation. They are not an exhaustive list of risks and uncertainties faced by the group. Further information on the principal risks and uncertainties facing HICL can be found in HICL's March 2019 Prospectus which is available on the Company's website at www.hicl.com.

The Directors have carried out a robust assessment of the Company's emerging and principal risks. The movement in risk status for each principal risk, when compared with the previous financial year, is set out in the tables below. The Investment Manager's Report (starting on page 16) provides additional commentary on how the risk landscape faced by the Group has evolved during the year.

The risks posed by climate change, whilst not expected to be material to the Group, are an integral part of the Investment Manager's risk management framework. Further information on the assessment and management of climate-related risks can be found in the Task Force on Climate-related Financial Disclosures, starting on page 61.

1 There are five residual risk ratings: the lowest being 'Very Low', then 'Low', 'Medium', 'High' and 'Very High'

## Link to strategy

Deliver a sustainable dividend

Grow Net Asset Value

Build a diversified portfolio to manage risk

Provide a compelling cost proposition

## Change in risk level

No change

Decreased risk

Increased risk

| Primary risk classes | Residual risk rating | Change in year | NAV/share impact Inherent vs Residual | Five-year cash flow impact Inherent vs Residual |
|---|---|---|---|---|
| **Portfolio performance risk** | High | | | |
| **Financial / market risk** | High | | | |
| **Political risk** | Medium | | | |
| **Operational risk – execution** | Low | | | |
| **Operational risk – portfolio and asset management** | Very Low | | | |
| **HICL central management risk** | Very Low | | | |
| **Operational risk – regulation and compliance** | Very Low | | | |

Inherent Residual

# Portfolio performance risk

### Principal risk

## Adjustments to contracted or regulated revenues

**Movement in risk status in FY2025**

**Link to strategic objectives**

### Potential impact

- Reduced income from PPP projects due to availability deductions because of poor operational performance or a disputed approach to contract management by clients and advisers
- Under certain regulated regimes, failure to meet specified delivery outcomes can result in penalties being earned, reducing income
- Projects may be prevented from making distributions by lenders or in severe cases, default on financing arrangements
- Adverse reputational impacts from loss of revenue linked to acute operational issues

### Risk mitigation

- Contractual pass-through of deductions to subcontractors, which can be terminated and replaced if performance is poor for an extended period of time
- Collaborative and proactive agreement with public sector clients where disagreements arise over performance
- Diversity of regulatory mechanisms and performance regimes
- For most regulated assets, management team compensation linked to performance against regulatory outcomes

### FY25 outcome

- Low overall level of deductions across the PPP portfolio, with the vast majority passed down to subcontractors
- Large proportion of deductions were at Tameside Hospital which, following a protracted dispute with the client, was sold by HICL to the project's lenders for a nominal sum
- Addition of four new members to the AIIP to further share expertise on best approaches to managing PPP projects and strengthen the co-ordinated voice on industry issues with key stakeholders including the UK government
- Relatively low level of penalties incurred by Affinity Water, in line with expectations; Ofwat's published final determination for Affinity Water for AMP8 (2025-2030) is also expected to enable the resumption of distributions in FY26
- Revenues at Fortysouth (largely contracted) and TNT (regulated and contracted) in line with expectations

# Portfolio performance risk (continued)

Principal risk

## Revenue variability

**Movement in risk status in FY2025**

**Link to strategic objectives**

### Potential impact

- Actual usage of demand-based assets below valuation assumptions
- Potential default of financing arrangements in the case of significant underperformance
- Uncertain and unpredictable impact on usage from long-term behavioural changes, such as increased home working
- Take up or adoption of new communications technology slower or less than expected

### Risk mitigation

- Detailed analysis of demand risk as part of due diligence process at acquisition
- Use of independent third-party traffic forecasts where appropriate
- Assessment of risk of long-term behavioural changes as part of the Directors' Valuation
- Strategic and critical nature of the Group's demand-based assets
- Communications assets benefit from monopolistic wholesale market positioning or long-term contracts

### FY25 outcome

- Revenue at Altitude Infra ahead of valuation assumptions
- Changes in behavioural patterns post Covid-19 now well understood and incorporated into forecasts for A63 and London St. Pancras High Speed
- Independent report commissioned by the UK's rail regulator found that the Temple Mills depot could accommodate more trains if necessary, key for prospective new international operators for LSPH to launch new cross-channel services

Principal risk

## Construction defects

**Movement in risk status in FY2025**

**Link to strategic objectives**

### Potential impact

- Disputes with the subcontractor on the scope of remediation required
- Increased cost to the portfolio company where the construction contractor is no longer solvent or the statutory limitations period has expired
- Lenders preventing the project from distributing or in severe cases, default on financing arrangements
- Availability deductions may be levied depending on the extent of the defects and the works required for remediation
- Adverse reputational impact from material defect issues

### Risk mitigation

- Legal rights of portfolio companies to make claims against construction subcontractors for identified defects during the statutory limitations period
- Construction defects identified through targeted surveys as well as a regular programme of operations and maintenance
- Adjudication or court process used where disputes arise and cannot be commercially resolved
- Lifecycle budget to offset some costs following the expiry of the statutory limitations period

### FY25 outcome

- Construction of a temporary ward at Pinderfields and Pontefract Hospitals enabled improvement works to take place in the main hospital building
- Across the portfolio more broadly, proactive leadership and control of the delivery of remediation works by responsible parties where necessary
- At Birmingham Hospitals, several key commercial agreements pertaining to the ongoing programme of remedial works were signed with the client and contractor, including one which protects unitary charge payments to HICL's portfolio company via a standstill mechanism
- Specific learnings from the protracted dispute at Tameside Hospital related to construction defects were reflected in the Company's risk management framework following the disposal of the project to its lenders for a nominal sum

**Link to strategy**

Deliver a sustainable dividend | Grow Net Asset Value | Build a diversified portfolio to manage risk | Provide a compelling cost proposition

**Change in risk level**

No change | Decreased risk | Increased risk

Principal risk

## Construction, operations and maintenance counterparties

**Movement in risk status in FY2025**

Decreased risk

**Link to strategic objectives**

Deliver a sustainable dividend; Grow Net Asset Value; Build a diversified portfolio to manage risk

**Potential impact**

- Operational underperformance reducing a portfolio company's ability to fulfil its contractual obligations, potentially leading to revenue adjustments (see above)
- Failure of a counterparty, which is likely to lead to lenders preventing projects from distributing until the counterparty is replaced

**Risk mitigation**

- Well-diversified portfolio, mitigating concentration risk
- Counterparty credit risk assessed on a regular basis by InfraRed's internal credit risk team
- Continuous review of contingency plans for a scenario in which a key subcontractor enters administration or liquidation
- A number of potential replacement service providers from InfraRed's wide network

**FY25 outcome**

- No material deterioration in any counterparty rating
- Construction of Blankenburg Tunnel completed on schedule during the year, reducing HICL's overall construction risk exposure
- Construction process at B247 (0.3% of valuation) is behind schedule, albeit no valuation impact is anticipated due to contractual protections

Principal risk

## Operational costs

**Movement in risk status in FY2025**

Increased risk

**Link to strategic objectives**

Deliver a sustainable dividend; Grow Net Asset Value

**Potential impact**

- Budgets for management services contracts, lifecycle costs and insurance premia prove to be insufficient
- For certain regulated assets, overspend against allowances may reduce returns
- Overspends can also occur where portfolio company management teams are responsible for operational service delivery

**Risk mitigation**

- Risk for several types of operational cost generally passed down through fixed price contracts to industry specialists
- Regular assessment of lifecycle budget adequacy
- For regulated businesses, set stretching but achievable expenditure allowances
- For some assets, management team compensation linked to performance business plan
- For 41% of HICL's PPP portfolio (57 projects), lifecycle obligations sit with facilities management contractors as opposed to HICL's project companies

**FY25 outcome**

- The challenging operating environment for capital works continues to affect lifecycle costs in the UK PPP sector, in particular those projects approaching handback. In the year, an increase in forecast cost risk associated with defect remediation and lifecycle delivery on a subset of UK PPP assets was applied to the Directors' valuation
- Operational costs at all operating businesses either in line with or below valuation assumptions

# Financial and market risk

**Principal risk**

## Investor sentiment

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
| --- | --- | --- | --- |
| Link to strategic objectives | – Prolonged periods where the share price trades below HICL's prevailing NAV, inhibiting HICL's ability to issue new equity capital<br>– Inability to capitalise on attractive investment opportunities | – Ability to refinance HICL's Revolving Credit Facility ("RCF") to extend maturity and size (if deemed appropriate)<br>– Under the authority granted by shareholders, HICL may repurchase shares equating to c.14.99% of its total issued share capital<br>– Strategic disposal to generate cash to pay down drawings under the RCF and facilitate opportunistic acquisitions without substantially increasing HICL's gearing<br>– Private Placement diversifies sources of capital and extends the maturity of debt to a longer tenor at a fixed rate | – HICL's share price discount to NAV widened from 21% on 31 March 2024 to 28% on 31 March 2025<br>– The Group's RCF term was extended by one year<br>– £50m share buyback programme completed<br>– New capital allocation plan announced, under which a further £100m will be deployed towards share buybacks before the end of the calendar year and the Company will target disposals in excess of £200m over FY26<br>– New investments in FY26 expected to be limited to HICL's existing c.£50m commitment to support Affinity Water's business plan |

**Principal risk**

## Discount and interest rates

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
| --- | --- | --- | --- |
| Link to strategic objectives | – Increases in interest rates may lead to increases in long-term government bond yields, which in turn may lead to increases in the discount rate used for comparable market transactions<br>– All other things being equal, higher discount rates would result in a reduction in the portfolio valuation | – Higher interest rates usually coincide with higher inflation, elements which materially offset each other in the portfolio valuation<br>– Higher deposit interest income when interest rates increase partly mitigates the value reduction arising from increased discount rates<br>– Low overall sensitivity to the impact of increased interest rates on financing costs at portfolio level<br>– Adequate and reasonable risk premium added to risk-free reference rate (long-dated government bonds) used to corroborate reference discount rates | – A discount rate increase was applied in H1 to a subset of UK PPP assets where lifecycle delivery risk sits with the portfolio company. A further increase was made in the valuation as at 31 March 2025 to reflect significant increases in government bond yields in key geographies. These changes took the portfolio's weighted average discount rate to 8.4% from 8.0% at 31 March 2024<br>– Refinancings completed successfully at TNT, Affinity Water and Altitude Infra<br>– Discount rates used in the Directors' Valuation corroborated by market transactions and the Board's third-party expert opinion on the valuation |

**Link to strategy**

Deliver a sustainable dividend

Grow Net Asset Value

Build a diversified portfolio to manage risk

Provide a compelling cost proposition

**Change in risk level**

No change

Decreased risk

Increased risk

**Principal risk**

## Inflation

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| Increased risk<br><br>**Link to strategic objectives**<br>Deliver a sustainable dividend; Grow Net Asset Value | – Adverse impact on portfolio valuation and distributable cash flows if inflation levels below HICL's long-term assumptions<br>– Potential defaults under loan arrangements in sustained periods of deflation<br>– Sustained high inflation may lead to increases in interest rates and therefore discount rates<br>– In some cases, inflation may impact costs to a greater extent than revenues | – HICL's inflation assumptions are carefully considered as part of the Directors' Valuation, drawing from a wide range of forecasts<br>– Lower inflation usually coincides with lower interest rates, elements which materially offset each other in the portfolio valuation<br>– Negative impact of discount rate increases should be largely offset by positive impact of inflation<br>– In many cases, both costs and revenues are contractually linked to the same inflation index | – Actual inflation, especially in the UK and Europe, declined faster than expected and was below HICL's forecast assumption<br>– Broader market turbulence and macroeconomic uncertainty resulted in rising government bond yields despite falling inflation<br>– Valuation assumptions assume a modest decrease in inflation over the coming year |

# Political risk

**Principal risk**

## Policy changes

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| Decreased risk<br><br>**Link to strategic objectives**<br>Deliver a sustainable dividend; Grow Net Asset Value; Build a diversified portfolio to manage risk | – Clients of HICL's portfolio companies or national governments may choose to terminate contracts<br>– 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<br>– Governments may consider taking certain assets back into public ownership | – PPPs generally have a contractual right to receive compensation in the event of counterparties voluntarily terminating a PPP contract<br>– InfraRed's active involvement in various industry bodies which, on behalf of the infrastructure sector, engage with politicians, civil servants, other policy shapers, and regulators<br>– InfraRed's direct interaction with stakeholders of the portfolio's projects to extol the value that the private sector brings to the delivery of public infrastructure | – The new Labour government in the UK has identified infrastructure investment, delivered in partnership with the private sector, as a key economic growth catalyst and is reassessing the scope to use PFI / PPP frameworks<br>– The broader need for infrastructure procurement enjoys bipartisan political support across HICL's core geographies<br>– The Labour Party in the UK has confirmed that rolling stock leasing companies (such as XLT) fall outside of its selective nationalisation plans. HICL's investment in LSPH is also not expected to be impacted<br>– Heightened political scrutiny of UK water companies as a result of sewage overflow events and broader concerns around financial management; negative sentiment may indirectly impact Affinity Water despite it having no sewerage exposure. Risk was reduced after Ofwat's final determination for AMP8 (2025-2030) reflected several positive outcomes for the company. |

# Political risk (continued)

Principal risk

## Legal or regulatory changes

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| Link to strategic objectives | – Exposure to higher contractual costs or obligations due to legal and regulatory changes<br>– Adverse impact on the assets that are subject to regular price control reviews in the event of failure to deliver the specified levels of service or investment | – Continuous monitoring of potential and actual changes to regulations by the Investment Manager and its advisers to ensure both the Group and its service providers remain compliant<br>– Protection in relation to changes in legislation is provided by most social and transport infrastructure concessions through their contractual structures<br>– InfraRed's participation in relevant consultation processes to ensure that the legislature and regulators hear the concerns and views of HICL, in its capacity as a private sector investor<br>– Well-diversified portfolio across clients, sectors and countries | – Affinity Water was rated as an 'average' performer (in line with the highest awarded grade) in Ofwat's most recent Water Company Performance Report<br>– Ofwat's final determination for AMP8 (2025-2030) for Affinity Water reflected several positive outcomes for the company<br>– An independent review of the UK water sector and its regulation was launched by the UK government and is ongoing; InfraRed expects a balanced outcome for Affinity Water<br>– LSPH has limited direct exposure to regulatory price control but also received a positive determination from the Office of Road and Rail, under which reduced track access charges (which are passed down to the operator) may have a positive impact on the number of train paths booked<br>– Texas Nevada Transmission submitted its draft rate case for Cross Texas Transmission to its regulator, setting out planned spending over the next five years. A decision is expected in the summer of 2025 |

Principal risk

## Taxation changes

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| Link to strategic objectives | – Adverse impact on the Group and portfolio value due to taxation legislation or treaty changes, such as corporation tax rates and cross-border tax rules | – Closely monitor relevant cross-border tax rules and broader taxation legislation developments for any potential adverse impact on the Group | – French constitutional court validated the levy on revenues earned by long-distance transport infrastructure operators. The portfolio company at A63 Motorway is progressing a legal challenge alongside other large motorway concessionaires. If this is ultimately unsuccessful, HICL expects to be compensated through higher tolls. Nonetheless, if the levy remains with no pass through, InfraRed expects an immaterial impact on HICL's valuation given the revenue threshold for this tax is €120m; the residual risk is also reflected in the discount rate used to value the investment<br>– No other material changes in tax legislation |

**Link to strategy**

Deliver a sustainable dividend | Grow Net Asset Value | Build a diversified portfolio to manage risk | Provide a compelling cost proposition

**Change in risk level**

No change | Decreased risk | Increased risk

# Operational risk – execution

**Principal risk**

## Inadequate due diligence

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| No change<br><br>**Link to strategic objectives**<br>Deliver a sustainable dividend; Grow Net Asset Value | – Underperformance against acquisition assumptions due to poor or inadequate due diligence | – InfraRed's Investment team adopts a thorough due diligence approach and have a depth of experience in buying and selling infrastructure assets<br>– Support of specialist advisers (e.g. lawyers, technical consultants, sustainability advisers and tax advisers)<br>– Oversight is provided by the HICL Investment Committee, and by the Risk Committee and Board in respect of matters falling outside the Investment Manager's Approved Investment Parameters ("AIP") | – No new asset acquisitions in the year. Most recent acquisitions continue to perform in line with expectations |

**Principal risk**

## Asset pricing

| Movement in risk status in FY2025 | Potential impact | Risk mitigation | FY25 outcome |
|---|---|---|---|
| Decreased risk<br><br>**Link to strategic objectives**<br>Build a diversified portfolio to manage risk; Provide a compelling cost proposition | – Infrastructure assets become less attractive due to high asset pricing<br>– Overpayment for assets leads to lower realised investment returns than expected | – InfraRed's disciplined and selective acquisition strategy, leveraging the Investment Manager's international Investments team<br>– New acquisitions can provide inherent protection against rising interest rates through inflation correlation or regulated cost of capital structures | – Discount rates used to value new acquisitions corroborated by market data points, including HICL's disposal activity, and acquisitions and disposals made by other InfraRed-managed funds<br>– The recently announced cash offer for BBGI Global Infrastructure S.A. provides a highly relevant data point for the Company's PPP portfolio and supports HICL's valuation approach for these assets<br>– Pricing data points from other market transactions also provided pertinent inputs to the adequacy of discount rates used in HICL's valuation process |

# Viability Statement

The AIC Code of Corporate Governance (the "AIC Code") requires the Directors to make a statement regarding the Company's viability in the Annual Report, explaining how they have assessed the Company's prospects, the period of time for which they have made the assessment and why they consider that period to be appropriate.

The Directors have determined that the five-year period to March 2030 remains an appropriate period over which to assess the Company's viability due to the following reasons:

- The period aligns with the Company's business planning processes, including how the Directors assess the Company at their annual strategy board meeting;
- It is the period over which the internal stress testing is performed; and
- Although the long-term and / or contractual nature of our investments means that the Directors have a higher level of confidence over the endurance and longevity of the Company, it is challenging to assess and determine the regulatory, tax and political environment outside the five-year period with any certainty.

## Assessment of HICL's Prospects

### a. Business planning process

The Directors' primary assessment of the Company's prospects is achieved through the annual strategic and business planning exercise. The Directors review a five-year budget and business plan, which is prepared by the Investment Manager and includes cash flow projections to aid strategic planning and provide support for the dividend approval process. The projections consider cash balances, investment commitments, key covenants and limits, dividend cover, investment policy compliance and other key financial indicators over that five-year period. These projections are based on the Investment Manager's expectations of future asset performance, income and costs and are consistent with the methodology applied to provide the valuation of investments.

### b. Portfolio diversification

HICL's portfolio consists of 111 companies whose underlying assets are predominantly fully constructed and operating. PPPs make up 57% of the portfolio at 31 March 2025, and all of HICL's investments are in jurisdictions with established and proven legal systems. The Company, via the investments indirectly held by the Corporate Subsidiary IILP, benefits from predictable long-term, contracted and inflation-linked cash flows together with a set of risks that can be identified and assessed (see Risk and Risk Management on page 49). The projects are each financed on a non-recourse basis to the Company and forecasting is supported by detailed financial models. The Directors believe that the non-recourse financing and diversification within the investment portfolio (the top 10 make up 51% of the portfolio) helps to withstand and mitigate the risks it is most likely to meet. Finally, the Company and its Corporate Subsidiaries have a low level of operating expenses relative to forecast receipts from its portfolio investments, with its largest single cost being the management fee, charged to IILP.

### c. Approach to debt and gearing

The Company funds its investments using equity and via IILP, a long term £150m private placement loan, which is due for repayment in two tranches in 2033 and 2035. The gearing of the Company and its Corporate Subsidiaries is well within its Board-approved investment parameters in the five-year period. In addition, the Company can withstand a material increase in interest costs due to the purchase of a £200m cap, held by IILP, which protects the Company if SONIA rates exceed 6.5%. The cap runs until June 2026.

The Company, via IILP, also has access to RCF of £400m, which is £16m drawn (made up of £10m of cash drawn and £6m LC utilisation) at year end. Likewise the Company, via IILP, also has access to its Letter of Credit facility which is £77.5m drawn at year end.

### d. Capital allocation process

Consistent with others in the alternative assets investment company sector, the Company has suffered from an uncertain macroeconomic backdrop and its shares have traded at a discount to NAV for all of the year. Against this backdrop, the Company has demonstrated its disciplined approach to capital allocation by continuing its strategic asset disposal programme. This programme generated proceeds from previously announced asset sales of £244m and allowed the full repayment of the drawings on the RCF at the beginning of the year. Should capital markets remain closed for an extended period, the Company, via IILP, has access to an RCF, of which £384m remains undrawn at 31 March 2025.

## Assessment of Viability

In making this statement, the Directors have considered the resilience of the Company and its Corporate Subsidiaries, considering both its current position and its principal risks, in severe but plausible downside scenarios, and the effectiveness of any mitigating actions. Consideration has been given to the current increased market volatility, political environment and heightened geopolitical risk.

The Investment Manager has prepared sensitivity analysis including various stress scenarios which have been considered previously by the Risk Committee. These include:

- Increasing tax rate assumptions by 5% for all assets;
- Increasing lifecycle costs by 33%;
- Inflation is 2% lower in every period than the base case assumptions;
- Assuming an increase in projects not distributing of 20% of the portfolio (note this represents projects entering distribution lock-up for a period of 24 months after which they are released);
- A 15% reduction in distribution from the Company's operational assets highlighting hypothetical operational challenges;
- Required injection of £50.0 million in an asset bailout combined with an average forecast RCF cost of at least 200 basis points above base case; and
- Combined scenario assuming:
  - Funding a hypothetical £50m equity injection to continue operating one or multiple assets and increased interest rates;
  - 15% reduction in distributions from operational assets;
  - Increase in lifecycle costs of 33%; and
  - 50% reduction in final distributions from assets whose concessions end within the viability period.

Individually, due to the diversified nature of the Company's portfolio, these scenarios pose a minimal threat to the Company's solvency. A severe scenario was also prepared to assess the loss in revenue necessary to cause insolvency. Even under this scenario the analysis demonstrated that the Company should remain viable over the five-year assessment period.

## Viability Statement

The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to March 2030, on the assumption that there is sufficient liquidity in the debt market to allow the Company, via its Corporate Subsidiaries, to refinance or repay obligations becoming due under its Revolving Credit Facility and Letter of Credit Facility, and that its investments are not materially affected by retrospective changes to government policy, laws or regulations.

# Strategic Report Disclosures

## Investment Policy

HICL's Investment Policy is to ensure a diversified portfolio which has a number of similarly sized investments and is not dominated by any single investment. HICL will seek to acquire Infrastructure equity with similar risk / reward characteristics to the current portfolio, which may include (but are not limited to):

- Public sector, government-backed or regulated revenues;
- Concessions which are predominantly 'availability' based (i.e. the payments from the concession do not generally depend on the level of use of the project asset); and / or
- Companies in the regulated utilities sector.

HICL will also seek to enhance returns for shareholders by acquiring more diverse infrastructure investments. The Directors currently intend that HICL may invest in aggregate up to 35% of its total assets (at the time the relevant investment is made) in:

- Project companies which have not yet completed the construction phases of their concessions but where prospective yield characteristics and associated risks are deemed appropriate to the investment objectives of HICL. This may include investment in companies which are in the process of bidding for concessions, to the extent that such companies form part of a more mature portfolio of investments which HICL considers appropriate to acquire;
- Project companies with 'demand-based' concessions where the Investment Manager considers that demand and stability of revenues are not yet established, and / or project companies which do not have public sector sponsored / awarded or government-backed concessions; and
- To a lesser extent (but counting towards the same aggregate 35% limit, and again at the time the relevant investment is made) in limited partnerships, other funds that make infrastructure investments and / or financial instruments and securities issued by companies that make infrastructure investments, or whose activities are similar or comparable.

## Geographic focus

The Directors believe that attractive opportunities for HICL to enhance returns for investors are likely to arise outside as well as within the UK (where the majority of the projects in the current portfolio are based). HICL may therefore make investments in the European Union, Norway, Switzerland, the Americas and selected territories in Asia and Australasia. HICL may also make investments in other markets should suitable opportunities arise. HICL will seek to mitigate country risk by concentrating on investment opportunities in jurisdictions where it considers that contract structures and enforceability are reliable and where (to the extent applicable) public sector obligations carry what the Investment Manager believes to be a satisfactory credit rating and where financial markets are relatively mature.

## Single investment limit and diversity of clients and suppliers

For each new acquisition made, HICL will ensure that such investment acquired does not have an acquisition value (or, if it is a further stake in an existing investment, the combined value of both the existing stake and the further stake acquired is not) greater than 20% of the total gross assets of HICL immediately post-acquisition.

The total gross assets will be calculated based on the last published gross investment valuation of the portfolio plus acquisitions made since the date of such valuation at their cost of acquisition.

The purpose of this limit is to ensure the portfolio has a number of investments and is not dominated by any single investment.

In selecting new investments to acquire, the Investment Manager will seek to ensure that the portfolio of investments has a range of public sector clients and supply chain contractors, in order to avoid over-reliance on either a single client or a single contractor.

## Restrictions under the Listing Rules

In accordance with the requirements of the Financial Conduct Authority, HICL has adopted the policies set out below:

- HICL's primary objective is investing and managing its assets with a view to spreading or otherwise managing investment risk. HICL must, at all times, invest and manage its assets in a way which is in accordance with its Investment Policy;
- HICL will not conduct a trading activity which is significant in the context of HICL as a whole. HICL will not cross-finance businesses forming part of HICL's investment portfolio; and
- No more than 10%, in aggregate, of HICL's assets will be invested in other listed closed-ended investment funds.

The Listing Rules may be amended or replaced over time.

To the extent that the above investment restrictions are no longer imposed under the Listing Rules, those investment restrictions shall cease to apply to HICL.

## Risks and uncertainties

The principal risks and uncertainties facing HICL can be found in HICL's March 2019 Prospectus which is available on the Company's website at www.hicl.com. An update on the key risks currently faced by the Company and associated mitigants are set out in the Risk and Risk Management section of this report starting on page 49.

## Environmental, social and community matters

For a detailed explanation of HICL's approach to Environmental, Social and Governance / Responsible Investment, please see HICL's Sustainability Policy, which can be found on the Company's website at www.hicl.com. A comprehensive review of the year, including case studies from the portfolio, can be found in HICL's Sustainability Report 2024, also available on the website.

## Research and development activities

None.

## Section 172(1) Statement

The Directors discharge their duties under Section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole.

As a closed-ended investment company, HICL has no employees. Explanations of the impact of HICL's activities on other stakeholders are included in the Strategic Report.

## Gender diversity

At the year end, the Board of Directors comprised seven non-executives: four male and three female.

HICL has no employees.

## Leverage

HICL is required under the Alternative Fund Managers Directive ("AIFMD") to make available to investors information in relation to its leverage. Leverage is considered in terms of HICL's overall exposure to financial or synthetic gearing and includes any method by which its exposure is increased whether through borrowing of cash or securities, foreign currency holdings, leverage embedded in derivative positions or by any other means. It is expressed as the ratio between the total exposure of HICL and its Net Asset Value such that if its exposure was equal to its Net Asset Value, leverage would be disclosed as 100%; a value above 100% means that HICL has leverage equal to the percentage amount above 100%. Exposure values are calculated by two methods, gross and commitment, as defined within the AIFMD. Exposure under the gross method represents the aggregate of all HICL's exposures other than cash balances held in base currency; the commitment method takes into account the effect of different treatment of certain cash and cash equivalent items and of offsetting instruments between eligible assets to reflect netting and hedging arrangements in line with regulatory requirements.

Maximum leverage levels have been set by the Board and InfraRed and are in accordance with the maximum borrowing allowed by HICL's Articles of Association.

The table below sets out the current maxima, and permitted limit and actual level of leverage for HICL as a percentage of its Net Asset Value as at 31 March 2025.

| Leverage | Gross Method | Commitment Method |
|---|---|---|
| Maximum limit | 150% | 125% |
| Actual level | 126% | 105% |

**Mike Bane**
**Chair**
20 May 2025

# Climate-related financial disclosures (TCFD)

## Introduction

HICL is a closed-ended investment company, and therefore under Listing Rule 15.4.29R is not required to comply with Listing Rule 9.8.6R(8). The Company has, however, been voluntarily reporting using the four pillars of the Task Force on Climate-Related Financial Disclosures (TCFD) since its 2019 Annual Report & Financial Statements and has added to these disclosures in subsequent reporting periods. TCFD is the established framework for consistent, comparable and clear reporting on a company's approach to climate-related risks and opportunities and assessing its potential impact on that company.

HICL's climate-related financial disclosures were prepared in accordance with the four TCFD pillars and 11 recommendations set out on page 66. The Company acknowledges that there is always scope for improvement.

The Company's climate-related financial disclosures, set out below, cover the 12-month period to 31 March 2025 (the "Reporting Period") and satisfy the obligation of InfraRed Capital Partners Limited, as the Company's Investment Manager, to prepare a product report for the Company in accordance with section ESG 2.3.5 of the FCA Handbook.

The disclosures below provide key climate-related information, and cross-references to where additional information can be found (either within this report, or within HICL's 2025 Sustainability Report, published on the HICL website on the same day as this report).

## Governance

The Board and Investment Manager recognises that climate change may have a material impact on investment performance and returns over the short, medium and long-term. Therefore, climate change considerations are embedded throughout HICL's business by seeking to factor in climate-related risks and opportunities in investment decisions and management of portfolios with a view to delivering compelling risk-adjusted returns to shareholders.

The Board has overall responsibility for the oversight of HICL's sustainability risks and opportunities, of which climate change is an important subset. The Board and the Investment Manager meet on a quarterly basis, during which they review the risks facing the Company, including risks related to climate change. The quarterly meetings are also used to formally review the Company's progress against its broader sustainability strategy and objectives, along with its positioning with respect to various sustainability-related regulatory frameworks. Sustainability is also a key topic at the Board's annual strategy meetings.

Some of the Board's committees also have key roles:

- The Risk Committee oversees and challenges InfraRed's risk management processes and analysis, and has a specific remit to examine 'horizon' risks such as the long-term consequences of climate change
- The Management Engagement Committee considers how HICL service providers, including InfraRed, adhere to HICL's Sustainability Policy
- The Audit Committee reviews the Company's approach to disclosures, including those relating to climate change

Although management of the portfolio, as well as investment decisions within agreed parameters, is delegated to InfraRed as the Investment Manager, the Board has overall responsibility for the Company's investment policy.

On behalf of HICL, InfraRed actively identifies and mitigates the risks that climate change poses to the Company and its portfolio, whilst also looking to reduce the actual and potential adverse impacts of business decisions on climate change, and as ultimately on society. Further details of the process is outlined on the following pages.

In relation to climate-related opportunities, the Investment Manager presents a review of the market to the Board on a quarterly basis. As part of this review, potential new acquisition opportunities are highlighted, including those which directly support the transition to a low-carbon economy.

Further information on HICL's corporate governance framework is provided on page 72 of this Report. A diagram setting out HICL's reporting and risk management framework is set out on page 49 of this Report.

## Strategy

In 2024, on behalf of HICL, InfraRed engaged a third-party climate specialist advisor to conduct a scenario-based climate change risk assessment of the Company's portfolio.[1] This assessment is still considered valid as the Company did not make any new investments during its financial year ended 31 March 2025 and there have been no material updates to the climate science underpinning the assessment.

The key identified risks and opportunities with relation to HICL's business are summarised in the table below. In the short term, based on current climate conditions, a subset of HICL's assets remain exposed to acute and chronic physical risks arising from different extreme weather events, but the overall exposure is limited, and mitigations are in place, and regularly reviewed. The Company may also be exposed to transition risks if there are rapid, unexpected changes to government policy, which are more likely under the 1.5°C scenario as set out below. In general, the portfolio-level findings of the climate change risk assessment demonstrate that the Company remains highly resilient to both physical and transition risks associated with climate change. The Board and the Investment Manager will seek to update and review this assessment periodically.

### Summary of material risks and opportunities

| TCFD Category | Climate-related factor | Potential financial impact | Potential materiality |
|---|---|---|---|
| Physical | Flooding | **Risk:** Damage to physical structures resulting in unavailability / increased cost | 4°C – Low<br>1.5°C – Low |
| Physical | Winter storm | **Risk:** Damage to physical structures resulting in unavailability / increased cost | 4°C – Low<br>1.5°C – Low |
| Physical | Drought | **Risk:** Usage restrictions or increased costs at Affinity Water<br>**Opportunity:** Increased long-term investment required at Affinity Water | 4°C – Med<br>1.5°C – Low |
| Transition | Retrofitting of energy efficiency solutions | **Opportunity:** Variation contracts awarded for existing PPP assets | 4°C – Low<br>1.5°C – Low |
| Transition | Increased public transport use | **Risk:** Lower traffic using toll roads<br>**Opportunity:** greater usage of LSPH | 4°C – Low<br>1.5°C – Med |
| Transition | Move towards electric vehicles and trains | **Opportunity:** Co-located EV charging at HICL's toll road projects<br>**Opportunity:** Long-term use case for XLT | 4°C – Low<br>1.5°C – Low |
| Transition | Increased need for renewable energy | **Opportunity:** Long-term use case for OFTO | 4°C – Low<br>1.5°C – Low |
| Transition | Remote working | **Risk:** Reduced traffic volumes using demand-based transport assets<br>**Opportunity:** Greater take-up and adoption of technology benefitting communications assets | 4°C – Low<br>1.5°C – Med |

The process and methodology undertaken by the Manager to analyse potential physical and transition risks consists of four stages:

### Process and methodology

The flow chart below sets out the process undertaken by the Investment Manager:

**1 Physical risks: climate hazard exposure assessment**

A location-based quantitative and qualitative physical risk assessment of HICL's portfolio based on three scenarios:

| Scenario | Assumed global temperature increase from pre-industrial times by the end of the century | Representative Concentration Pathways (RCP)[2] |
|---|---|---|
| Hothouse world | >4°C | 8.5 |
| Middle of the road | 2-3°C | 4.5 |
| Net zero by 2050 scenario | 1.5°C | 1.9/2.6 |

**2 Physical risks: impact assessment**

An assessment of acute and chronic hazards which would cause downtime and reduction in capacity using several proprietary vulnerability models developed by the specialist adviser that are specific to the assets

**3 Physical risks: modelling financial impact**

Modelling the financial impact or Value at Risk (VaR) associated with the current (now until 2030) and future (beyond 2040) physical risk exposure and the consequences in terms of financial impact or loss

**4 Transition risk: sector exposure assessment**

This step included a sector-based assessment of exposure to transition risks of the portfolio

1 By value, using the Directors' Valuation as at 31 March 2025, excluding the Company's investments in A13 senior bonds
2 RCPs specify concentrations of greenhouse gases that will result in total radiative forcing increasing by a target amount by 2100, relative to pre-industrial levels

## Physical risk analysis

The primary impact of climate change for HICL is likely to be borne by its portfolio companies: increased operating costs or reduced revenues as a result of physical risks materialising. In many cases physical mitigation measures already exist and there is a degree of contractual protection from increased costs to implement further measures. Such risks are likely to be exacerbated under a 4°C scenario, whereas under a 1.5°C scenario assets are more likely to be impacted by transition risks.

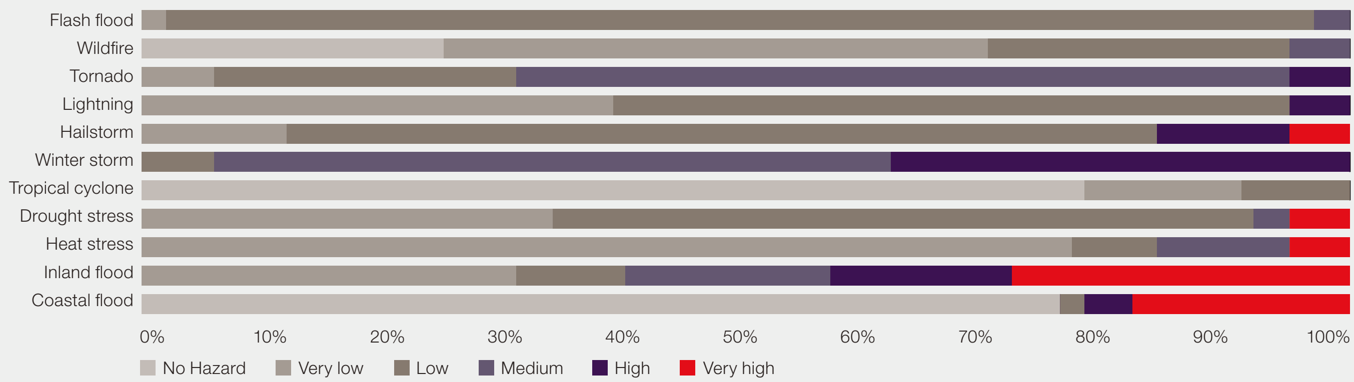
The following table shows the physical-risk hazard exposure for HICL's portfolio.

| | Hazard Exposure | | | |
|---|---|---|---|---|
| | Current Climate (RCP 2.6 scenario) | | 2040-50 (RCP 8.5 scenario) | |
| **Sector** | **Acute** | **Chronic** | **Acute** | **Chronic** |
| Communications | 4 | 3 | 4 | 3 |
| Electricity and water | 3 | 2 | 3 | 2 |
| Social infrastructure | 3 | 1 | 3 | 2 |
| Transport | 4 | 1 | 4 | 2 |

Key: Very high | High | Moderate | Low | Very low

The chart below sets out the portfolio exposure (by Directors' Valuation as at 31 March 2025 excluding A13 senior bonds) to physical climate risks based on current climate conditions, without mitigation:

**Portfolio exposure (by percentage of Directors' valuation as at 31 March 2025 excluding A13 senior bonds)**




HICL's portfolio is currently exposed to chronic hazards at 'very low' to 'moderate' levels, with limited intensification over time (beyond 2040) under a 'hothouse world' scenario (>4°C). As would be expected, exposure to acute hazards is greater, reaching 'moderate' to 'high' levels. However, these classifications are unchanged in the >4°C scenario, demonstrating a lower level of vulnerability of the portfolio, even in the event of extreme climate change. Specific exposure levels vary by sector and geography, and InfraRed takes actions to address heightened exposure to certain hazards at the portfolio company level.

HICL's main physical risk exposures based on both current and future conditions are to winter storms, subsidence, river flooding and coastal flooding which is expected based on the weighting of the portfolio towards Northern Europe. Geographical location is also an inherent mitigant against other physical risks such as drought and heat stress. Although some assets have very high exposure to flooding, significant physical mitigation already exists in the form of flood defences, particularly in low-lying countries such as the Netherlands.

The potential annual loss across the portfolio from windstorms and flooding is not expected to be material, with mitigation measures further reducing any impact in years with 'severe' impact events.

HICL's assets benefit from comprehensive insurance policies, which cover physical damage as a result of climate-related events. As is common with real assets, insurance is one of the primary risk mitigants against the financial impact of physical damage. In the future, and particularly under a 4°C scenario, it is possible that the cost of obtaining insurance increases as a result of the increased likelihood of severe weather events, although this is likely to be limited to a small number of assets. The impact of climate change risks on future insurance premiums is factored into the assumptions used in the valuation of each of HICL's assets.

### Transition risks and opportunities analysis

Examples of transition risks under a 1.5°C scenario include increased public transport use, a reduction in overall journeys and car sharing, which could impact some of HICL's demand-based assets. Beyond 2040, under a 1.5°C scenario, the impact of transition risks could be greater, but many assets have inherent protection as they provide vital services and generate low direct emissions.

### Net zero alignment of the portfolio

To further strengthen the resilience of the HICL portfolio to transition climate risks, the Investment Manager actively seeks to anticipate and build capacity at portfolio company level to manage such risks. The key industry frameworks that help the Manager assess the extent to which the Fund's portfolio is prepared for and aligned with a lower carbon, energy-resilient future are the Net Zero Investment Framework (NZIF)[1] and the Private Markets Decarbonisation Roadmap ("PMDR").[2] These frameworks were developed by the investment industry for the investment industry and categorise the level of alignment across the five stages listed in the infographic below.

Currently, 34% of HICL's portfolio by value is aligning, aligned to or at net zero. See page 14 of HICL's 2025 Sustainability Report for more information about InfraRed's approach to assigning assets into the various stages of alignment to net zero.

As set out in this report, the Company has set interim targets relating to net zero:

**Portfolio coverage:** 50% of HICL's portfolio to be net zero, aligned to net zero, or aligning to net zero by 2030.

**Portfolio engagement:** 90% of all portfolio company emissions to be subject to direct or collective engagement and stewardship actions by 2030.

The Company commits to reviewing these targets every five years at a minimum.

### Climate opportunities

There is likely to be greater scope to take advantage of opportunities arising from the transition to lower-carbon, energy resilient economy, such as asset repurposing and additional investment, for instance in the installation of new EV charging infrastructure at toll road assets. There will likely be the need for related investment such as rapid charging or retrofitting of energy efficiency solutions. A key tenet of HICL's vision is to support sustainable modern economies by investing in assets linked to the energy transition, and a 1.5°C scenario is likely to increase the number of attractive investable opportunities in this space.

As of 31 March 2025, 27% of the portfolio is currently invested in climate solutions[3]. While the Company anticipates that this will grow over time and commits to maintaining transparency on the percentage of the portfolio invested in climate solutions, the NZIF for Infrastructure recognises the difficulty in setting a climate solutions target for funds of HICL's nature. The Company is therefore not setting a formal target at this time.

## Risk management

### How we identify and assess climate risks and opportunities:

For new acquisitions, climate-related risks and opportunities are considered throughout the investment process by the Investment Manager. At the due diligence phase, the identification of climate-related risks (physical or transition) and the potential impact (positive or negative) is a standard practice. The findings of the climate change risk assessment are presented to the Investment Manager's Investment Committee for consideration in the investment approval.

For existing projects, risks have been identified and assessed through a detailed climate change risk assessment, as set out on pages 62 and 63. Over the year, InfraRed's Asset Management and Sustainability teams continued to engage with the management teams of HICL's portfolio companies, the vast majority of which have, guided by the findings of the climate change risk assessment, discussed specific climate-related risks and opportunities at board level, updated risk registers, and developed mitigation strategies, where necessary.

### How we manage climate risks and opportunities:

InfraRed's Asset Management team ensures the timely reporting of project-specific risks relating to climate change to the HICL Fund Management team as and when they arise; the HICL Investment Committee also undertakes a formal review of all project-specific risks on a quarterly basis. This process ensures that material climate-related risks feed into the Investment Manager's quarterly reporting to the Risk Committee, which in turn reports to the Board.

The Company's positioning with respect to a transition to a lower-carbon, energy-resilient economy is primarily considered through the Investment Manager's active approach to asset management and portfolio construction.

HICL's core infrastructure investments provide essential services to communities, and as a result are inherently well positioned. For HICL's PPP projects, energy use is driven by the client, with the portfolio company generally responsible for maintaining the equipment which provides the building's heating, cooling and lighting. Any changes to these systems required under a 1.5°C scenario would usually be accounted for under existing lifecycle budgets or alternatively treated as a contract variation. In relation to HICL's GDP-correlated demand-based assets such as toll roads, which may be exposed to transition risks and opportunities under a 1.5°C scenario, these benefit from strong strategic positioning, in many cases serving as the connection between key regional hubs. The Company also invests directly in assets which are likely to benefit from a low-carbon transition, such as OFTOs.

More broadly, InfraRed's exclusion policy specifically covers carbon-intensive industries such as coal, oil and gas (where not aligned to a low-carbon transition) and HICL does not invest in assets whose primary purpose is electricity generation.

Sustainability considerations, including those related to climate, are incorporated into the Investment Manager's risk management framework, which is used as the basis of risk reporting to the HICL Risk Committee. In particular, sustainability considerations feature as a material risk in the following risk classes:

- **Political risk:** in particular, policies associated with energy security and the transition to net zero carbon emissions
- **Operational risk:** execution: through transaction due diligence and investment decisions
- **Portfolio performance risk:** sustainability risks can affect operational performance, including transitional and physical risks associated with adverse climate change

1 Developed by the Institutional Investors Group on Climate Change (IIGCC) with support from other industry stakeholders and recommended for use by both asset owners and asset managers
2 Supplementary guidance to NZIF developed by Initiative Climat International (ICI) and Sustainable Markets Initiative
3 Climate solutions are defined as renewable energy, battery storage and other supporting infrastructure for the energy transition. This definition was informed by the EU taxonomy. We note that changes in the EU taxonomy may lead to certain projects being reclassified, and our baseline may need to be revised to reflect such changes

Climate-related risk is an explicit building block of portfolio performance risk. Individual project companies submit regular progress reports to InfraRed on the mitigation measures they are taking in response to the climate change risk assessment. In turn, this enables the HICL Risk Committee to consider the overall impact at portfolio level.

Further details are provided in the Risk and Risk Management on page 49 of this report.

## Metrics and targets

The Board and the Investment Manager consider several metrics in the management of the Company's climate-related risks and opportunities including, but not limited to:

### Greenhouse gas ("GHG") emissions

HICL has disclosed in the table below its Scope 1, 2 and 3 GHG emissions for calendar year 2024.

Due to the nature of its business, HICL has no Scope 1 or Scope 2 GHG. The Company's Scope 3 emissions primarily relate to the emissions of its portfolio companies, although there is also a small contribution from procurement of services and business travel.

### The below sets out HICL's emissions for the calendar year ending 31 December 2024:

| **Emissions (Attributable basis)** | **Year ended 31 December 2024** | Year ended 31 December 2023 |
|---|---|---|
| **Scope 1**<br>Direct GHG emissions – occur from sources that are owned or controlled by the organisation | Nil | Nil |
| **Scope 2**<br>Indirect GHG emissions – occur from the generation of purchased electricity, heating, cooling and steam | Nil | Nil |
| **Total Scope 1 and 2 (market-based) emissions ($tCO_2e$)** | **Nil** | Nil |
| **Scope 3** | | |
| Category 1, emissions from indirect purchased goods and services ($tCO_2e$) | 285 | 174 |
| Category 15, emissions from all operational investments ($tCO_2e$) | 90,007 | 82,537 |
| Category 15, emissions from all investments under construction ($tCO_2e$) | 4,569 | 7,022 |
| **Total Scope 1, 2 and 3 emissions ($tCO_2e$)** | **94,861** | 89,733 |
| Total Scope 1, 2 and 3 emissions ($tCO_2e$) – including sold assets[1] | 94,861 | 94,453 |

## Other key climate metrics[2]

Our specific climate and environment related metrics and targets, as set out in this report, have been made considering the TCFD recommendations and are set out below:

| **Metric** | **Current Year** | Previous Year | **% Portfolio reporting** | **Goals** |
|---|---|---|---|---|
| Carbon Reduction Initiatives | **91%** | 76% | 100% | 50%<br>of portfolio aligning, aligned to or achieving net zero by 2030 |
| Weighted Average Carbon Intensity ($tCO_2e$ / £m revenue) – Scope 1, 2 and 3 | **309** | 280 | 98%[4] | |
| Carbon Footprint ($tCO_2e$ / £m invested) – Scope 1, 2 and 3 | **30** | 26 | 98% | |
| Water Reduction Initiatives | **88%** | 88% | 100% | **For portfolio companies where we have operational control:**[3]<br>100%<br>of portfolio companies with material water consumption to have reduction initiatives in place by 2025 |
| Waste Reduction Initiatives | **90%** | 87% | 100% | |
| Positive Biodiversity Impacts | **81%** | 76% | 100% | |
| Climate change risk register and Board meetings | **86%** | 83% | 100% | |
| Portfolio emissions subject to direct or collective engagement and stewardship actions | **85%** | 76% | 98% | 90%<br>of emissions to be subject to direct or collective engagement and stewardship actions by 2030 |

1 Considers emissions from assets sold during the relevant year
2 Commentary on the changes in HICL's metrics in comparison to 2024 can be found on pages 12, 20, 24 and 28 of HICL's 2025 Sustainability Report
3 Note this target relates to portfolio companies where we have operational control in relation to setting and implementing water and waste reduction initiatives. Where we do not have operational control (such as PPP/PFI projects), we will still engage on these initiatives
4 98% of HICL's portfolio by valuation has emissions data reflected in the Total GHG Emissions calculations. For more information on HICL's methodology for estimating and reporting GHG emissions, please see page 33 of HICL's 2025 Sustainability Report

## TCFD recommendations index

The table below sets out the 11 TCFD recommendations, and where the related information can be found.

| Recommendation | Recommended Disclosure | Pages |
|---|---|---|
| Governance | – Describe the board's oversight of climate-related risks and opportunities.<br>– Describe management's role in assessing and managing climate-related risks and opportunities. | Pages 62 and 63 |
| Strategy | – Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br>– Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.<br>– Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Page 62 and 63 |
| Risk management | – Describe the organization's processes for identifying and assessing climate-related risks.<br>– Describe the organization's processes for managing climate-related risks.<br>– Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | Page 64 |
| Metrics and targets | – Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.<br>– Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.<br>– Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | Page 65 |

# Governance

**WHAT'S IN THIS SECTION**

# Board and Governance

## Group structure

Investments are made via the Corporate Subsidiaries, which comprise a group structure involving a Luxembourg-domiciled investment company and an English limited partnership (the "Partnership"), together the Corporate Subsidiaries. HICL's assets are therefore held indirectly through the Corporate Subsidiaries and any subsidiaries are wholly owned by the general partner of the Partnership on behalf of the Partnership. InfraRed has been appointed the Investment Manager of HICL and the Operator of the Partnership.

InfraRed has been appointed Alternative Investment Fund Manager ("AIFM") in accordance with the AIFM Directive, and also provides the registered office of HICL.

The Company invests in infrastructure investments indirectly via the Corporate Subsidiaries:

- HICL Infrastructure 2 S.à r.l., a société à responsabilité limitée established in Luxembourg, is the sole limited partner in the Partnership, an English limited partnership which has a special purpose vehicle, the General Partner, as its general partner.
- The General Partner is a wholly owned indirect subsidiary of InfraRed Partners LLP. The General Partner, on behalf of the Partnership, has appointed InfraRed as Operator of the Partnership. HICL Infrastructure 2 S.à r.l. invests the contributions it receives in capital contributions and partner loans to the Partnership, which acquires and holds the infrastructure investments.

HICL Infrastructure 2 S. à.r.l. has an independent Board, on which a HICL Board Director sits, and takes advice on administration matters from RSM Tax & Accounting Luxembourg S.à r.l.

Aztec Financial Services (UK) Limited is the Administrator to HICL and also provides company secretarial services.

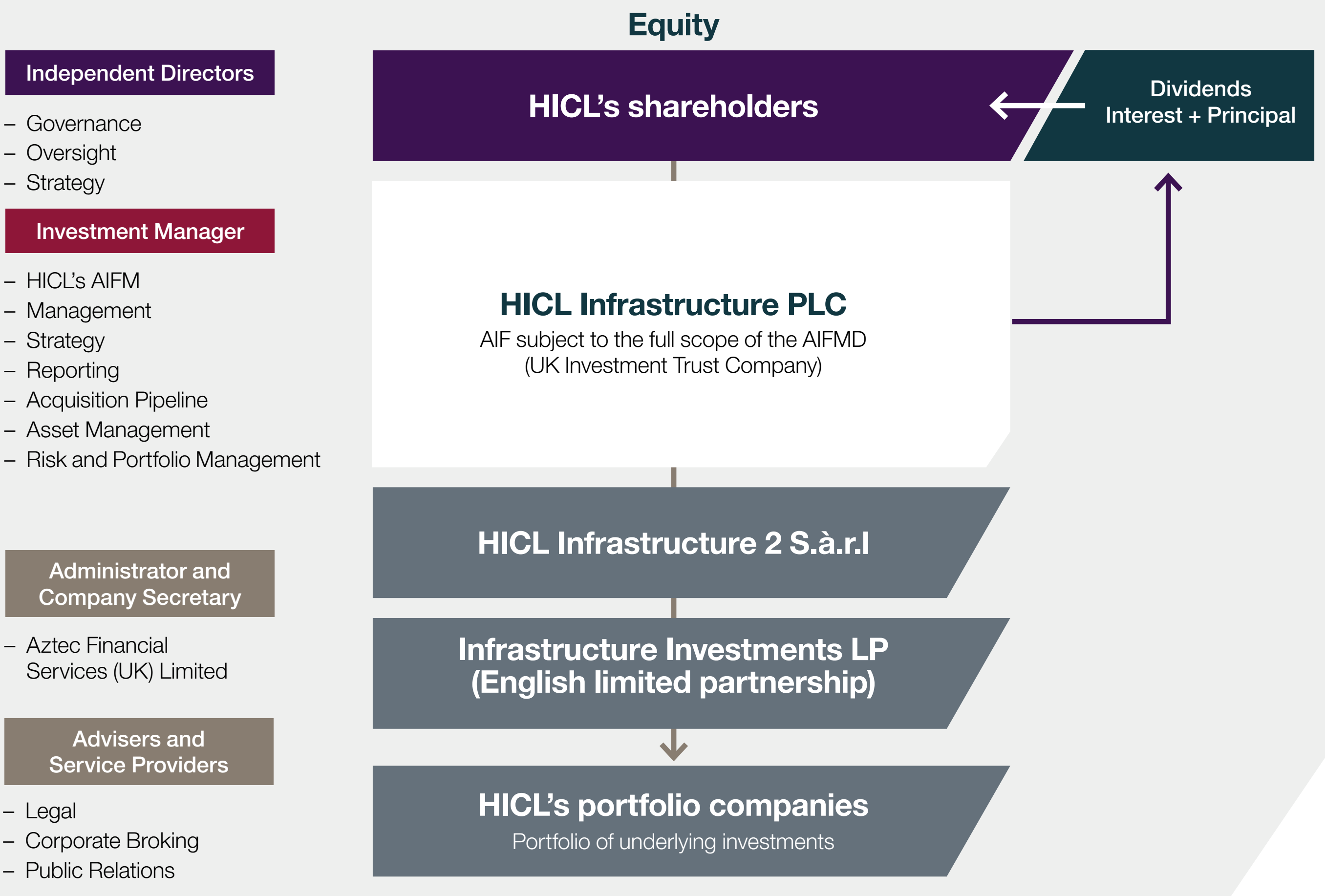
HICL's infrastructure investments are registered in the name of the General Partner or wholly owned subsidiaries of the Partnership.

Each of the underlying investments is made by a portfolio company, (not shown in the operational structure diagram) which through its contractual structure ensures no cross-collateralisation of the liabilities (being, principally, the debt repayment obligations).

## Operational structure

HICL Infrastructure PLC ("HICL", or the "Company" and, together with its subsidiaries, the "Group") is a registered investment company with an independent Board of Directors. Its shares have a premium listing on the Official List of the UK Listing Authority and trade on the main market of the London Stock Exchange.

HICL's portfolio comprises over 100 infrastructure investments. The Company's strategy relies on the expertise of its Investment Manager, InfraRed Capital Partners Limited ("InfraRed") and is centred around protecting and enhancing the value of the existing portfolio, in addition to sourcing new, appropriately priced assets. HICL has a 31 March year end, announces its full-year results in May and interim results in November. It also publishes two Interim Update Statements each year, normally in March and August.



# Board of Directors

## The Board and the Committees

As at 31 March 2025, the Board of HICL comprised seven independent, non-executive Directors whose role is to manage HICL in the interests of shareholders and other stakeholders. In particular, the Board approves and monitors adherence to the Investment Policy and Acquisition Strategy, determines risk appetite, sets policies, agrees levels of delegation to key service providers and monitors their activities and performance (including, specifically, that of the Investment Manager) against agreed objectives. The Board will take advice from the Investment Manager, where appropriate – for example, on matters concerning the market, the portfolio and new acquisition opportunities.

The Board meets regularly – at least five times a year, each time for two consecutive days – for formal Board and Committee meetings. One of these Board meetings is devoted to considering the strategy of HICL. There are also a number of ad hoc meetings dependent upon business needs. In addition, the Board has formed six Committees as set out on page 75.

Management of the portfolio, as well as investment decisions within agreed parameters, is delegated to InfraRed as the Investment Manager, which reports regularly to the Board.

At the quarterly Board and Committee meetings, the operating and financial performance of the portfolio, its valuation and the appropriateness of the risk and controls are reviewed.

## Mr Mike Bane
**Chair of Board of Directors**

**Chair of Nomination Committee**
**Nationality: British**

### Background and experience
Mike Bane has been a Guernsey resident for over 25 years. He is a retired chartered accountant with over 35 years of professional experience providing services to the asset management industry, including the infrastructure sector. He was a member of EY's EMEIA Wealth and Asset Management Board and led EY's services to the asset management industry in the Channel Islands. He is non-executive chair of the Guernsey Health Improvement Commission. Mike graduated with a BA in Mathematics from Oxford University.

### Date of appointment*
Appointed to the Board on 1 July 2018

### Other public company directorships
(listed in London unless noted otherwise)**:
- Apax Global Alpha Limited
- abrdn Property Income Trust Limited

## Mr Kenneth Reid
**Senior Independent Director**

**Chair of Management Engagement Committee**
**Nationality: British**

### Background and experience
Ken Reid is a Chartered Engineer with more than 35 years of international experience in the sectors of infrastructure development and investment, construction and services. Working initially with Kier Group, and then from 1990 with Bilfinger Berger AG, he has been a project leader and senior management executive responsible for large and complex projects, operating companies and investment entities across all continents. From 2007 to 2010, Ken served as a member of the Group Executive Board of Bilfinger Berger AG.

Ken graduated in Civil Engineering from Heriot-Watt University, and subsequently from Edinburgh Business School with an MBA. He is a long-standing Member of the Institution of Civil Engineers, and is a member of the Singapore Institute of Directors. Ken currently also serves as a non-executive director of Sicon Limited.

Effective from July 2023, Ken assumed the role of HICL's Senior Independent Director.

### Date of appointment*
Appointed to the Board 1 September 2016

### Other public company directorships
(listed in London unless noted otherwise)**:
- None

## Ms Rita Akushie
**Chair of Audit Committee**
**Nationality: British**

### Background and experience
Rita Akushie is a chartered accountant and is currently the Pro Vice-Chancellor (Finance & Operations) at the University of London. She was appointed to the Board in January 2020.

She is a senior finance and commercial leader and for 24 years held Finance Director, CFO and Deputy CEO roles in the Social Housing sector for a number of organisations, including the Newlon Group.

In January 2019, Rita joined Cancer Research UK as Chief Financial Officer & Executive Director of Corporate Resources, where she had responsibility for Finance, Property, Procurement, Legal and Compliance.

Rita graduated with a BA in Economics from the University of Ghana and is a fellow of the Institute of Chartered Accountants in England & Wales ("ICAEW") and a fellow of the Association of Corporate Treasurers, UK.

### Date of appointment
Appointed to the Board on 1 January 2020

### Other public company directorships
(listed in London unless noted otherwise)**:
- None

* Assuming a continuation of the years of service as a Director of HICL Infrastructure Company Limited
** Certain of the Directors maintain additional directorships that are also listed but not actively traded on various exchanges. Details may be obtained from the Company Secretary

### Ms Liz Barber
Nationality: British

**Background and experience**
Liz Barber was previously at Kelda Group (Yorkshire Water) where she served as Chief Executive Officer from 2019 until 2022, having previously served as Chief Financial Officer from 2010. Prior to that, Liz held a number of senior partner roles with EY LLP.

Liz is a fellow of the ICAEW where she is a member of the board and Chair of the Risk Committee.

Liz graduated from the University of Leeds, where she has served as a Lay Member of Council and Deputy Chair.

Liz is the Senior Independent Director of Cranswick plc, Sizewell C Limited where she also chairs the Audit and Risk Committee and is the Audit and Risk Committee Chair for Encyclis Limited.

Liz was previously a non-executive director of KCOM Plc, a UK fibre broadband provider, and chaired the Yorkshire and Humber Climate Commission.

**Date of appointment**
Appointed to the Board on 1 September 2022

**Other public company directorships**
(listed in London unless noted otherwise)**:

- Cranswick plc
- Renew Holdings plc

### Ms Frances Davies
Chair of Remuneration Committee
Nationality: British

**Background and experience**
Frances Davies 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. Frances is also on the Aegon UK plc Group Board and serves as Chair of the Federated Hermes Property Unit Trust.

Previously Frances served as Head of Global Institutional Business at Gartmore Investment Management. She had also been a Director at Morgan Grenfell Asset Management and SG Warburg. Ms Davies graduated with an MA in Philosophy, Politics and Economics and an MPhil in Management Studies, both from Oxford University.

**Date of appointment**
Appointed to the Board on 1 April 2019

**Other public company directorships**
(listed in London unless noted otherwise)**:

- Supermarket Income REIT PLC

### Mr Simon Holden
Chair of Risk Committee
Nationality: British

**Background and experience**
Mr Simon Holden, Chartered Director ("CDir") and Fellow of the Institute of Directors, brings a combination of private equity investing and deep equity capital markets experience to the Board. He held investment director and interim-executive roles across several portfolio companies whilst working at Terra Firma Capital Partners (and Candover Investments prior to that). An independent director since 2016, he has represented shareholder interests in a portfolio spanning: i) LSE-listed FTSE 250 alternative asset companies (including infrastructure, real estate, growth equity, IP rights, and activist mandates); ii) private equity funds; iii) private operating companies; and iv) pro-bono public sector advisory roles. An experienced Senior Independent Director and Risk Committee Chair, he has successfully completed a wide variety of value creation and corporate action strategies whilst navigating dynamic challenges and engaging constructively with shareholders throughout.

Simon is currently a director of HICL Infrastructure PLC., Chrysalis Investments and JPMorgan Global Core Real Assets (in managed wind-down) and graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering.

**Date of appointment***
Appointed to the Board 1 July 2016

**Other public company directorships**
(listed in London unless noted otherwise)**:

- Chrysalis Investments Limited
- (In managed wind-down during 2025-2026) – JPMorgan Global Core Real Assets Limited (in managed wind-down)
- (Retired) – Hipgnosis Songs Fund Limited – retired 29 July 2024 having successfully led a competitive public-to-private process concluding in a recommended Scheme of Arrangement to funds managed by Blackstone at a 45% premium to pre-bid share price, 18% to NAV
- (Retired – Trian Investors 1 Limited (traded on the Specialist Funds Segment of the LSE) – retired 26 April 2023 as part of a members' voluntary liquidation following the successful conclusion of the investment strategy and subsequent company closure

### Mr Martin Pugh
Nationality: British

**Background and experience**
Martin Pugh has over 35 years in the infrastructure industry, spanning roles in construction, development, investment, asset management and strategic projects. Most recently he has provided executive management support to several major infrastructure projects and, prior to this, he held senior executive positions within Bilfinger Project Investments, overseeing the investment performance of assets in multiple sectors and across the UK and Europe.

Martin graduated in Civil & Structural Engineering and is a Chartered Engineer.

**Date of appointment**
Appointed to the Board on 1 September 2022

**Other public company directorships**
(listed in London unless noted otherwise)**:

- None

* Assuming a continuation of the years of service as a Director of HICL Infrastructure Company Limited

** Certain of the Directors maintain additional directorships that are also listed but not actively traded on various exchanges. Details may be obtained from the Company Secretary

# The Investment Manager

InfraRed is the Investment Manager to HICL. In addition, InfraRed is the Operator of the Partnership by the General Partner, on behalf of the Partnership. Under the terms of the Limited Partnership Agreement, the Operator has full discretion to acquire, dispose of or manage the assets of the Partnership, subject to investment guidelines set out by the Board.

InfraRed is part of the InfraRed Group, an infrastructure investment business, managing a range of infrastructure funds and investments. InfraRed's infrastructure investment team has a strong record of delivering attractive returns for its investors, which include pension funds, insurance companies, funds of funds, asset managers and high net worth investors domiciled in the UK, Europe, North America, Middle East and Asia.

Since 1990, the InfraRed Group (including predecessor organisations) has launched 24 investment funds investing in infrastructure and property, including HICL.

InfraRed is owned by Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life"). InfraRed operates as a distinct business under SLC Management, Sun Life's alternatives asset management business. As of 31 March 2025, Sun Life had total assets under management of C$1,540bn. For more information please visit www.sunlife.com.

The InfraRed Group currently manages ten infrastructure funds (including HICL). The InfraRed Group currently has a staff of over 160 employees and partners, based mainly in offices in London and with regional offices in New York, Seoul, Madrid and Sydney. Its infrastructure team comprises over 100 professionals, all with an infrastructure investment background and a broad range of relevant skills, including private equity, structured finance, construction, renewable energy and facilities management.

Within the infrastructure team, there is:

- a Fund Management team with overall responsibility for the activities provided to HICL;
- an Investments team responsible for business development and sourcing new investments;
- an Asset Management team responsible for managing the portfolio of investments; and
- a Portfolio Management team responsible for financial reporting, cash flow management, debt, foreign exchange hedging and tax.

Five senior members of the InfraRed team make up InfraRed's Investment Committee on behalf of HICL. The Investment Committee has combined experience of over 100 years in making infrastructure investments and managing investments and projects.

Further details on the InfraRed Group can be found at www.ircp.com.

Under the terms of the Investment Management Agreement, InfraRed is entitled to a fixed management fee of £100,000 per annum, together with all reasonable out-of-pocket expenses. InfraRed will not receive any Directors' or other fees from any project company.

During the year InfraRed, in its capacity as Operator, and the General Partner was entitled to annual fees calculated on the following basis and in the following order:

(i) **1.1 per cent** of the proportion of the Adjusted Gross Asset Value of HICL's investments which have a value of up to (and including) £750m in aggregate;

(ii) **1.0 per cent** of the proportion of the Adjusted Gross Asset Value of HICL's investments that is not accounted for under which, together with the investments under (i) above, have an Adjusted Gross Asset Value of up to (and including) £1.5bn in aggregate;

(iii) **0.9 per cent** of the proportion of the Adjusted Gross Asset Value of HICL's investments not accounted for under (i) or (ii) above which, together with investments under (i) and (ii) above, have an Adjusted Gross Asset Value of up to (and including) £2.25bn;

(iv) **0.8 per cent** of the proportion of the Adjusted Gross Asset Value of HICL's investments not accounted for under (i), (ii) or above which, together with investments under (i), (ii) and above, have an Adjusted Gross Asset Value of up to (and including) £3.0bn; and

(v) **0.65 per cent** of the proportion of the Adjusted Gross Asset Value of HICL that is not accounted for under (i), (ii), (iii), (iv) above.

There are no acquisition or performance fees payable.

These fees are calculated and payable quarterly in arrears and are based on the Adjusted Gross Asset Value of HICL's assets at the beginning of the period concerned, adjusted on a time basis for acquisitions and disposals during the period.

Following the year end, a change to the basis of the annual fee was agreed with effect from 1 July 2025, following the finalisation of the contractual documentation. The new basis of the annual fee will be the equal weighting of: (i) the Company's average closing daily market capitalisation, and (ii) the most recently published semi-annual NAV. Apart from replacing Adjusted Gross Asset Value with the new fee basis as described above, there is no change to the calculation methodology and no other changes to the fees are proposed.

The Investment Management Agreement may be terminated by either party giving the other party 36 months' written notice (or, at HICL's option, making a payment in lieu of such notice). InfraRed's appointment as Operator has corresponding termination provisions, and if InfraRed's appointment as Investment Manager is terminated, it may unilaterally terminate its appointment as Operator, and vice versa.

## Introduction

The Board recognises the importance of a strong corporate governance culture that meets the requirements of the UK Governance framework, including the UK Listing Authority as well as other relevant bodies such as the Association of Investment Companies ("AIC") of which HICL is a member. The Board has put in place a framework for corporate governance which it believes is appropriate for an investment company. All Directors contribute to the Board discussions and debates. The Board believes in providing as much transparency for investors and other stakeholders as is reasonably possible within the boundaries of client and commercial confidentiality.

## AIFM Directive

The Alternative Investment Fund Managers Directive seeks to regulate AIFMs and imposes obligations on Managers who manage Alternative Investment Funds ("AIFs") in the EU or who market shares in such funds to EU investors. HICL is categorised as an externally managed AIF for the purposes of the AIFM Directive. In order to maintain compliance with the AIFM Directive, HICL complies with various organisational, operational and transparency obligations, including the pre-investment disclosure information required by Article 23 of the AIFM Directive.

## Non-mainstream pooled investments

HICL conducts its affairs as an Investment Trust. On this basis, the Ordinary Shares should qualify as an "excluded security" and therefore be excluded from the FCA's restrictions in COBS 4.12 of the FCA Handbook that apply to non-mainstream pooled investment products.

## The AIC Code of Corporate Governance

As a member of the AIC, the Board has considered the Principles and Provisions of the 2024 AIC Code of Corporate Governance (the "AIC Code"), a framework of best practice in respect of the governance of investment companies.

The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to investment companies. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council ("FRC"), provides more relevant information to shareholders. HICL has complied with the Principles and Provisions of the AIC Code.

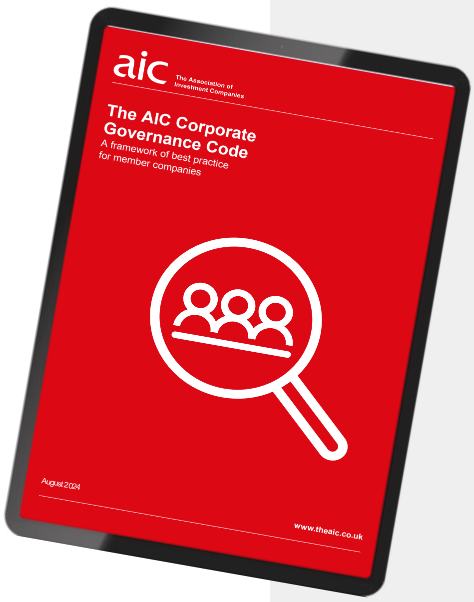
The AIC Code is available on the AIC website (www.theaic.co.uk).

It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

## Board

As at 31 March 2025, the Board comprised seven non-executive Directors. In accordance with Provision 10 of the AIC Code, all of the non-executives who served during the year are independent of the Investment Manager. The Chair, Mike Bane, met the independence criteria of the AIC Code Provision 11 upon appointment and has continued to meet this condition throughout his term of service.

Although not a requirement of the AIC Code, in accordance with guidance in Provision 11, the Board has one Senior Independent Director, Ken Reid. Ken met the independence criteria of the AIC Code Provision 11 upon appointment and has continued to meet this condition throughout his term of service. Being non-executive Directors, none of the Directors have a service contract with the Company.




Download the AIC Framework online www.theaic.co.uk

## The Articles of Incorporation provide that each of the Directors shall resign at each Annual General Meeting ("AGM") in accordance with Provision 23 of the AIC Code. All Directors intend to resign.

With the exception of Simon Holden, the other Directors intend to offer themselves for re-election at the forthcoming Annual General Meeting in July 2025. Ken Reid will subsequently resign from the Board in August 2025 having served nine years at that point.

The Board believes that the composition of the Board and its Committees reflects a suitable mix of skills and experience and that the Board, as a whole, and its Committees functioned effectively during the last 12 months.

The Board is scheduled to meet at least five times a year and between these formal meetings there is regular contact with the Investment Manager, the Secretary and the Company's Joint Corporate Brokers. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company that should be brought to the attention of the Directors.

The Directors also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The attendance record of Directors for the year to 31 March 2025 is set out on page 76.

During the period to 31 March 2025, a further three ad hoc and Committee meetings of the Board took place.

In addition to the statutory matters discussed at each quarterly Board meeting, the principal focus is on the reports provided by the Investment Manager, as well as those put forward by HICL's Corporate Brokers and financial public relations ("PR") agent. These are all standing agenda items.

Matters relating to HICL's risk management and internal control systems (including associated stress tests), are considered by the Risk Committee (which, in turn, reports any significant matters / findings to the Board) and these are set out in more detail in the Risk Committee Report on page 80.

## Papers are sent to Directors electronically, normally at least a week in advance of the Board meetings. Board papers include:

**A review of portfolio performance in the period with material issues identified and discussed;**

**Investment activity in the period and the pipeline of potential new investment opportunities;**

**A review of any sustainability issues and Group sustainability initiatives from the period;**

**A review of any health and safety matters in the period;**

**A detailed financial review, including detailed management accounts, valuation and treasury matters; and**

**Reports from HICL's Corporate Brokers and from the financial PR company.**

## Diversity policy

The Board believes that a diversity of viewpoints and personal experiences, along with broad professional expertise, lead to better decisions, is critical to innovation and provide a competitive advantage in HICL's marketplace. When recruiting new Directors, the Board searches for candidates from a diverse range of backgrounds and communities to attract the widest breadth of talent, skills and outlook. The Board's policy is to appoint individuals on merit, based on their skills, experience and expertise.

HICL has achieved the key targets of the Hampton-Alexander Review and the Parker Review, that 33% of the Board of Directors should be women by the end of 2020 and at least one Director is from an ethnic minority background by 2024. As at 31 March 2025, 43% (three) of the Board of Directors were women and 14% (one) was from an ethnic minority.

The FCA's Listing Rules require a listed company to disclose in its annual report whether it has met its diversity target of at least one senior position on its board of directors (i.e. Chair, Chief Executive, Senior Independent Director or Chief Financial Officer) being held by a woman. Furthermore, the Listing Rules recognise that such a disclosure requirement might not be appropriate in the context of Chapter 15 closed-ended investment companies, the boards of which are typically comprised wholly of non-executive directors.

However, the HICL Board believes it is important that this target should be substantively met, and accordingly highlights that the Chairs of the Audit, Risk, and Remuneration Committees are female.

HICL has no employees beyond its non-executive Board.

**43%**
of the Board are woman

**14%**
are from an ethnic minority

### Gender identity and ethnic background reporting as at 31 March 2025

| | Number of HICL Board members | Percentage of the HICL Board | Number of senior positions on the HICL Board | Number in Executive Management | Percentage of Executive Management[1] |
|---|---|---|---|---|---|
| **Gender identity** | | | | | |
| Men | 4 | 57% | 2 | 6 | 86% |
| Women | 3 | 43% | | 1 | 14% |
| **Ethnic background** | | | | | |
| White British or other White (including minority-white groups) | 6 | 86% | 2 | 7 | 100% |
| Black/African/Caribbean/Black British | 1 | 14% | 0 | 0 | 0% |
| Other ethnic group | 0 | 0% | 0 | 0 | 0% |

1 Executive Management is comprised of InfraRed's HICL Investment Committee and senior members of Aztec which acts as Company Secretary

# Committees of the Board

The Board meets regularly – at least five times a year, each time for two consecutive days – for formal Board and Committee meetings.

The Board has formed six Committees; Audit, Management Engagement, Market Disclosure, Nomination, Remuneration and Risk which manage risk and governance.

Management of the portfolio, as well as investment decisions within agreed parameters, is delegated to InfraRed as the Investment Manager, which reports regularly to the Board.

At the quarterly Board and Committee meetings, the operating and financial performance of the portfolio, its valuation and the appropriateness of the risk and controls are reviewed.

## Board committees

### Audit Committee

**Chair**
Ms R Akushie

**Members**
Ms E Barber, Ms F Davies, Mr S Holden, Mr M Pugh, Mr K Reid
invitation: Mr M Bane

### Risk Committee

**Chair**
Ms E Barber[1]

**Members**
Ms R Akushie, Mr M Bane, Mr S Holden[1], Ms F Davies, Mr M Pugh, Mr K Reid

### Remuneration Committee

**Chair**
Ms F Davies

**Members**
Ms R Akushie, Mr M Bane, Ms E Barber, Mr S Holden, Mr M Pugh, Mr K Reid

### Nomination Committee

**Chair**
Mr M Bane

**Members**
Ms R Akushie, Ms E Barber, Ms F Davies, Mr S Holden, Mr M Pugh, Mr K Reid

### Management Engagement Committee (MEC)

**Chair**
Mr K Reid

**Members**
Ms R Akushie, Mr M Bane, Ms E Barber, Ms F Davies, Mr S Holden, Mr M Pugh

### Market Disclosure Committee

**Chair**
Mr M Bane

**Members**
Ms R Akushie, Ms E Barber, Ms F Davies, Mr S Holden, Mr M Pugh, Mr K Reid

1 Mr Holden was succeeded by Ms Barber as Chair of the Risk Committee on 25 February 2025

## Delegation of responsibilities

The Board has delegated the day-to-day administration of the Company to Aztec Financial Services (UK) Limited in its capacity as Company Secretary and Administrator.

HICL delegates the majority of the day-to-day activities required to deliver the business model, including responsibility for the majority of HICL's risk and portfolio management, to the Investment Manager, InfraRed, subject to the overall oversight and supervision of the Directors.

InfraRed also operates and manages the Partnership and its assets in accordance with and subject to the Investment Policy, investment guidelines and Approved Investment Parameters ("AIPs") that are adopted by the Directors from time to time in conjunction with (and with the agreement of) InfraRed.

The strategies and policies which govern the delegated activities have been set by the Board in accordance with Section 172 of the Companies Act 2016.

## Committees of the Board

As well as regular Board meetings, the following Committees met during the course of the year (as set out in the table below):

Audit, Management Engagement, Market Disclosure, Nomination, Remuneration, and Risk. The formal terms of reference for each Committee have been approved by the Board of HICL and are available on the Investor Relations section of HICL's website.

For efficiency and as all Directors are non-executive, all Committees (apart from the Audit Committee) comprise all the Directors of the Board.

The respective reports of the Remuneration Committee, the Risk Committee and the Audit Committee are set out on pages 88, 80 and 82, respectively, of this Annual Report.

The Chair and members of each Committee as at 31 March 2025 were as follows:

## Board attendance

| | Formal Board Meetings (5) | Audit Committee (8) | Management Engagement Committee (1) | Market Disclosure Committee (1) | Nomination Committee (3) | Remuneration Committee (3) | Risk Committee (4) |
|---|---|---|---|---|---|---|---|
| Mr M Bane* | 5 | 7 | 1 | 1 | 3 | 2 | 4 |
| Ms R Akushie | 4 | 7 | 1 | 1 | 3 | 2 | 3 |
| Mr S Holden | 5 | 8 | 1 | 1 | 3 | 2 | 4 |
| Mr K Reid | 5 | 6 | 1 | 1 | 2 | 2 | 4 |
| Ms F Davies | 5 | 8 | 1 | 1 | 3 | 2 | 4 |
| Ms E Barber | 5 | 7 | 1 | 1 | 3 | 2 | 3 |
| Mr M Pugh | 5 | 7 | 1 | 1 | 3 | 2 | 4 |

* Mr Bane attends Audit Committee by invitation

### Conflict of interest

As at 31 March 2025, the Board comprised seven non-executive Directors, all of whom are independent of the Investment Manager. None of the Directors sit on boards of other entities managed by the Investment Manager.

Each Director is required to inform the Board of any potential or actual conflicts of interest prior to any Board discussion.

It is expected that further investments for HICL will be sourced by InfraRed and it is likely that some of these will be investments that have been originated and developed by, and may be acquired from InfraRed or from a fund managed by, InfraRed. Equally, HICL may choose to sell one or more of its existing investments to a fund managed by InfraRed. In order to deal with these potential conflicts of interest, detailed procedures and arrangements have been established to manage transactions between HICL, InfraRed or funds managed by InfraRed (the "Rules of Engagement"). If HICL invests in funds managed or operated by InfraRed, HICL shall bear any management or similar fees charged in relation to such funds provided, however, that the value of HICL's investments in such funds shall not be counted towards the valuation of HICL's investments for the purposes of calculating the management fees payable to InfraRed. It is possible that, in the future, HICL may seek to purchase certain investments from funds managed or operated by InfraRed once those investments have matured and to the extent that the investments suit HICL's investment objectives and strategy. If such acquisitions are made, appropriate procedures from the Rules of Engagement will be put in place to manage the conflict. Key features of the Rules of Engagement are described in HICL's March 2019 Prospectus, available on the website at www.hicl.com.

## Risk management and internal controls

The Board is responsible for HICL's system of internal control and for reviewing its effectiveness. To help achieve this end, the Board has a designated Risk Committee. It follows a process designed to meet the particular needs of HICL in managing the risks to which it is exposed.

At each Board meeting, the Board also monitors HICL's investment performance in comparison to its stated objectives and it reviews HICL's activities since the last Board meeting to ensure adherence to approved investment guidelines. The pipeline of new potential opportunities is considered, and the prices paid for new or incremental investments during the quarter are also reviewed, as are the offers received in relation to potential disposals.

The Investment Manager prepares management accounts and updates business forecasts on a quarterly basis, which allows the Board to assess HICL's activities and review its performance.

The Board has reviewed the need for an internal audit function and it has decided that the systems and procedures employed by the Investment Manager and the Secretary, including their own internal review processes and those of their parent companies, and the work carried out by HICL's external Auditors provide sufficient assurance that a sound system of internal control, which safeguards HICL, is therefore considered unnecessary albeit, from time to time, independent assurance assignments may be commissioned by the Board.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and rely on the operating controls established by both the Company Administrator and the Investment Manager.

The Audit Committee also plays a vital role in overseeing internal controls. For more information please see the Audit Committee Report starting on page 82.

The Board and the Investment Manager have agreed clearly defined investment criteria, return targets, risk appetite and exposure limits. Reports on these performance measures, coupled with cash projections and investment valuations, are submitted to the Board and the relevant Committees at each quarterly meeting.

## Relations with shareholders

The Board welcomes the views of shareholders and places great importance on communication with HICL's shareholders.

HICL reports its full-year results to shareholders in May and interim results in November as well as publishing two Interim Update Statements each year, normally in March and August. HICL also holds an AGM in July.

Results of Extraordinary and Annual General Meetings are announced by the Company promptly after the relevant meeting. Additionally, other notices and information are provided to shareholders on an ongoing basis through the Company's website in order to assist in keeping shareholders informed. The Secretary and Registrar monitor the voting of the shareholders, and proxy voting is taken into consideration when votes are cast at the AGM.

Senior members of the Investment Manager make themselves available to meet with principal shareholders and key sector analysts.

Feedback from these meetings is provided to the Board on a regular basis.

Shareholders may contact any of the Directors via the Company Secretary – including any in his or her capacity as Chair of one of HICL's Committees, as appropriate – whose contact details are on HICL's website.

During the year Mike Bane (Chair), Ken Reid (SID) and Frances Davies held individual meetings with a number of institutional shareholders. The Board's intention is to continue to foster an open, two-way communication with its shareholders.

## Management Engagement Committee (MEC)

**The MEC of the Board is responsible for reviewing all major service providers to HICL, which includes the Investment Manager. The terms of reference of this Committee are approved by the Board of HICL and are available on HICL's website.**

The MEC met in February 2025 to review the performance of the key service providers including the Investment Manager. No material weaknesses were identified in relation to the Investment Manager; the recommendation to the Board was that the current arrangements are appropriate and that the Investment Manager provides good quality services and advice to HICL.

A review of key service providers was also undertaken. Overall, the feedback on performance throughout the year was that key services had been delivered to a very high standard and the Committee resolved that the continued appointment of all providers, including InfraRed, be recommended to the Board for approval, which was duly granted.

The full terms of reference for the MEC are available from HICL's website.

## Market Disclosure Committee

**The Committee has responsibility for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules.**

The Market Disclosure Committee met once in the year to 31 March 2025.

A discussion on whether a Market Disclosure Committee needs to be held is routinely taken during the quarterly Board meetings.

The full terms of reference for the Market Disclosure Committee are available from HICL's website.

# Nomination Committee

## The Committee believes that Board composition with respect to the balance of skills, gender, experience and knowledge, coupled with the mixed length of service, provides for a sound base from which the interests of investors will be served to a high standard.

There is a good spread of skills on the Board and an appropriate level of knowledge of regulatory requirements and regulations, generally, as well as a number of Directors with accounting qualifications and a good understanding of investment companies. A summary of the wide range of skills and competencies offered by Directors' on the Board are summarised in the matrix below:

Succession planning for key roles, including the Chair and the Chair of the Audit Committee, as well as the mix of skills and experience on the Board more generally with respect to Director recruitment, are explicitly considered and discussed by the Nomination Committee.

Other than in exceptional circumstances, it is the policy of the Board that Directors, including the Chair, will not serve more than nine years on the Board, including time spent on the Board of HICL Infrastructure Company Limited. As a general rule, a Director who has served more than nine years will not be considered independent.

HICL has adopted a Diversity Policy (see the Report of the Directors, page 92), which the Nomination Committee takes regard of in all decision-making. The Nomination Committee had three meetings in the year to 31 March 2025.

The full terms of reference for the Nomination Committee are available from HICL's website.

### Board evaluation

In line with recognised best practice, the Nomination Committee undertakes an externally facilitated Board evaluation at least once every three years. In the intervening periods, the Nomination Committee undertakes an annual self evaluation which considers the performance, tenure, and independence of each non-executive Director.

The Board most recently conducted its external self-evaluation last year, which was undertaken by Lintstock Ltd.

### Director skills matrix

During the year, the Nomination Committee appointed Lintstock Ltd to undertake an independent review of Directors' skills and experience. This exercise also enabled Directors to rank the importance of the range of skills required for the role, and also informs succession planning. The outputs of the review were considered by the Nomination Committee in May 2025.

The table below displays the concentration of skills amongst Directors across all of the areas considered in the review.
The scoring is based on a survey undertaken by all Directors, with the output subsequently moderated to account for the spread of ratings provided by Directors, and the Board members' views as to which of their colleagues they consider to be a key source of expertise in each area.

**Skills & Expertise**

| | Investment Company | UK PLC Executive | Non-Executive | Investor Engagement | Strategy | Transactions | Audit / Finance | Infrastructure | Sustainability |
|---|---|---|---|---|---|---|---|---|---|
| **Mike Bane** | Expertise | | Expertise | Expertise | Experience | Experience | Expertise | Experience | Experience |
| **Ken Reid** | Expertise | | Expertise | Expertise | Expertise | Expertise | Experience | Expertise | Experience |
| **Rita Akushie** | | Experience | Expertise | Experience | Expertise | Expertise | Expertise | Experience | Experience |
| **Liz Barber** | Experience | Experience | Expertise | Experience | Expertise | Experience | Expertise | Expertise | Expertise |
| **Frances Davies** | Expertise | Experience | Expertise | Expertise | Expertise | Expertise | Experience | Experience | Expertise |
| **Simon Holden** | Expertise | Experience | Expertise | Expertise | Expertise | Expertise | Experience | Expertise | Experience |
| **Martin Pugh** | Experience | | Expertise | | Expertise | Expertise | Experience | Expertise | Experience |

**Key:** Expertise Experience

# Risk Committee Report

I took over as Chair of the Risk Committee on 25 February 2025 from Simon Holden, who chaired the Committee from April 2017 and will be stepping down from the Board in July 2025 in line with the UK Corporate Governance code. I would like to thank Simon for his steadfast leadership of the Committee over the past eight years and for his significant contribution to the maturing of HICL's approach to risk management.

The Risk Committee operates within clearly defined terms of reference, which are available on the Company's website. The Risk Committee includes all Directors and meets four times a year, coinciding with the quarterly Board meetings, and is available to meet ad hoc should material matters arise.

In discharging its responsibilities, the duties of the Risk Committee comprise defining the risk appetite of the Group, assessing, monitoring and managing the principal risks to which the Group is exposed, as well as establishing and overseeing mitigating action. The Committee considers risk exposure and controls, stress and scenario planning, regulatory compliance, portfolio company controls and the three lines of defence.

**Liz Barber**
**Risk Committee Chair**

20 May 2025

## Main duties and general approach

The Risk Committee's main duties are, as set out in its terms of reference, to consider and where necessary make recommendations to the Board, on the following:

- the implementation of an effective governance structure and control framework which considers key areas of risk which are reported on as appropriate;
- the Group's risk appetite statement (reviewed annually at a minimum), taking account of the current economic, political, and business environment, as well as any short-term shocks or longer-term trends which might affect portfolio performance or the reputation of the Company;
- risk limits and tolerances, and risk management;
- ongoing regulatory compliance;
- the Group's risk profile, challenging the assessment and measurement of key risks whilst monitoring the actions taken to manage and mitigate them;
- scenario analysis to determine whether proposed mitigation is sufficient to manage the business risk profile within the Company's stated appetite; and
- the Investment Manager's advice on material proposed changes to the investment strategy, the treasury policy, the hedging policy, and the risk policy.

## Statement of the Chair of the Risk Committee

HICL has a risk management framework covering all aspects of the Group's business. The Company is an Alternative Investment Fund ("AIF") and the Investment Manager (as Alternative Investment Fund Manager, ("AIFM")) is responsible for risk management and has well-established systems and controls to manage and monitor risk. The Board places reliance on the Investment Manager's systems and controls, and through its Risk Committee (and its Audit Committee), monitors, reviews and challenges their effectiveness.

The risk management framework operates across a range of timeframes and likelihoods, from: i) previously identified risks with mitigating actions already underway; ii) near-term emerging risks, including potential catalysts of 'black swan' events; and iii) longer-term 'horizon risks' that might influence HICL's portfolio and investment policy in the decades ahead.

The risk management framework follows a cascade approach, with three 'lines of defence,' to effectively safeguard and protect the interests of HICL and its shareholders. The Investment Manager implements mitigation strategies, which are regularly reported to and assessed by the Risk Committee:

- The first line is the development of systems to implement effective controls. These are set out in documents such as the Company's and the Investment Manager's Policies and Controls Manuals. The Company must be satisfied that the Investment Manager's systems and processes ensure that risk is effectively anticipated, controlled, reported, and overseen. InfraRed, as the Investment Manager, is responsible for the identification, classification, assessment, and management of risk both within the existing portfolio and in evaluating new investment opportunities.
- The second line is that of oversight and engagement from the Risk Committee, which scrutinises and challenges InfraRed's approach to risk management. At each quarterly meeting, the Committee conducts an in-depth review of the most material risks faced by the Group, which are assessed quantitatively (based on potential valuation and cash flow impact) and qualitatively (reputational impacts). The Committee also considers longer-term factors to which the Company may need to adapt in the future ('horizon risks'), as well as risks which may impact the future delivery of the Company's Investment Proposition, including 'black swan' risks and climate change. Mitigation strategies are proposed by the Investment Manager, with progress being monitored by the Risk Committee. The Risk Committee also ensures that all relevant policies are up to date and that delegated authorities are observed.
- The third line is third-party assurance which is used on an as-needed basis to provide independent scrutiny of the Company's risk management and control framework. The results are reported to each of the Risk Committee and the Audit Committee as appropriate.

## Routine business

The Committee considered and noted compliance with HICL's Investment Policy and other policies relating to gearing, hedging and risk reportable events, which are fundamental to the Company's risk appetite.

Within the Investment Policy, the Risk Committee has established AIPs. These are designated thresholds that are approved by the Board in coordination with the Investment Manager. These set the perimeter of HICL's risk appetite as it relates to portfolio construction, fund-level gearing and hedging. AIPs are adjusted from time to time based on the evolution of the Company's investment strategy and operating environment, with the current framework having been most recently refreshed in February 2023. Given the persistent macroeconomic volatility experienced during the year, the Risk Committee and the Investment Manager are currently operating based on a more rigorous oversight of capital allocation decisions than would be required by the AIPs, as set out in more detail below.

The Committee's routine quarterly agenda covers, inter alia, a summary of key risks faced by the Group (including changes to the potential impact or timing of known risks as well as a consideration of emerging and longer-term 'horizon' risks, with climate and environmental risks notable amongst these), an assessment of 'black swan' risks (which are by definition unlikely to occur but could arise with limited warning and have a potentially significant impact on the Company), a review of HICL's risk management policies and updates on relevant fund or portfolio company matters as required.

The management of health and safety is delegated to the Investment Manager who, at every HICL Risk Committee meeting, will report on significant (RIDDOR[1] notifiable) health and safety events for all projects and make recommendations in respect of actual or potential matters of concern. The safe working practices of HICL's service providers, portfolio companies and contractors and the avoidance of injuries are always of paramount concern and are closely monitored. The Risk Committee and Investment Manager regularly discuss the ways in which RIDDOR reporting across HICL's portfolio can be enhanced further.

The Committee considered, at each meeting, regulatory compliance reports from Aztec, the Company's Administrator and Secretary and from HICL's Depositary. No significant action points or notable comments arose in respect of these regular reviews.

The Committee concluded each quarterly meeting with an assessment of whether HICL was performing in compliance with its stated risk appetite and, confirmed that, taken as a whole, this was the case. The Committee also concludes by ensuring the Investment Manager's attention focuses on any areas the Chair wishes to see closer scrutiny of and reporting against in subsequent quarters as matters arising.

## Process and reporting updates

Over the course of the year, the Investment Manager continued to refine its risk management process and its quarterly reporting to the Risk Committee in several areas:

### Stress testing and scenario analysis

A rolling programme of stress testing and scenario analysis for HICL was presented to the Risk Committee at each of its meetings throughout the year. The Investment Manager continued to refine the scenarios included within each Primary Risk Class based on the Company's evolving portfolio and operating environment. With some of HICL's PPP assets now approaching the end of their concession terms, the Investment Manager presented a new stress test in the Portfolio Performance risk class to assess the uncertainties around these processes in greater detail. Relevant tests in this risk class relating to client interactions and the Group's exposure to borrowing costs were also updated to reflect the macroeconomic and political environment.

### Facility condition risk

Given the increasingly challenging operating environment for capital works and elevated client expectations as handback approaches, the Risk Committee led new workstreams in the year to assess the Company's exposure to facility condition risk in greater detail. The outputs of these workstreams informed the increase in forecast cost risk associated with defect remediation and lifecycle delivery on a subset of UK PPP assets that were then reflected in HICL's portfolio valuation.

### Capital allocation oversight

Given the persistent volatility in the macroeconomic environment and the consequential impacts on the Company's share price and ability to raise equity capital, the Risk Committee and the Investment Manager decided to maintain the more rigorous transaction oversight framework agreed in the previous year. Under this framework, all potential new investments and disposals are reviewed by the Board with approval sought to enter into the transaction when HICL's shares trade below the Company's Net Asset Value. The Risk Committee also assisted the Board with broader capital allocation decisions during the year, particularly with respect to the use of disposal proceeds, which in turn influenced the decision to fully repay the Company's RCF and launch a share buyback programme. These actions were guided by the Committee's intention to reduce HICL's exposure to risks within the financial / market risk class, which remains outside its appetite as a result of the share price performance.

### Risk appetite analysis

The Investment Manager worked with the Risk Committee to complete a detailed review of the Company's Risk Appetite Statement, which considers the economic, political, and business environment, as well as any short-term shocks or longer-term trends that may affect portfolio performance. An outcome of this was the introduction of a scale that grades HICL's seven primary risk classes according to the Company's appetite to take risk. This was produced with consideration of example grading systems included in the UK Government Finance Function's latest Risk Appetite Guidance Note. Working closely with the Risk Committee, the Investment Manager also enhanced the Company's quantitative risk management approach, and revised HICL's risk incident materiality thresholds to ensure these are appropriately robust as the Company and market continue to evolve.

1 Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1985

# Audit Committee Report

## I am pleased to present the Audit Committee report for the year ended 31 March 2025. My report outlines the work performed by the Committee in the year.

We held regular scheduled meetings during the year, four of which were aligned with the Company's reporting cycle. Member attendance can be found on page 76. Other regular attendees at these meetings included: the Company Chair, members of the Investment Manager including the CFO, the external Auditor, KPMG LLP, and the independent third-party valuation expert. In accordance with the Committee's role in the investment valuations, separate meetings were held to review and challenge the Investment Manager's valuation assumptions, judgements and resulting valuations of the Company's underlying portfolio of infrastructure assets. The full list of Committee roles and responsibilities can be found in the terms of reference available on HICL's website.

The Audit Committee is the formal forum through which the external Auditor reports to the Board of Directors.

After a thorough tender process, and to manage the risk around the longevity of auditor engagement, the Board intends to appoint Deloitte LLP as the Company's new auditor, for the financial year starting 1 April 2025, subject to shareholder approval at the 2025 Annual General Meeting. Accordingly, this will be the final year that KPMG will audit the Company. I would like to thank KPMG for their contribution to the Company as auditor, and I look forward to working with Deloitte in future years.

I met with the CFO in advance of Committee meetings, to discuss their reports as well as any relevant issues. I also met privately with KPMG as part of my ongoing review of their effectiveness. In addition, the Committee held a discussion with KPMG without the Investment Manager present, and where they reviewed KPMG's audit findings. I also met periodically with other members of the Investment Manager who have responsibility for HICL.

I, or another member of the Audit Committee, will continue to be available at each AGM to respond to any questions from shareholders regarding our activities.

**Rita Akushie**
**Audit Committee Chair**

20 May 2025

## Governance and responsibilities

All members of the Committee are independent non-executive Directors. The Board believes members have the necessary range of financial, risk, control and commercial experience required to provide effective challenge to the Investment Manager, external Auditor, and other advisers as appropriate. In particular, the Board is satisfied that Rita Akushie, Mike Bane, attending by invitation of the Committee, and Liz Barber have the recent and relevant financial experience required as outlined in the Financial Reporting Council's ("FRC's") Corporate Governance Code.

The external Auditor and the third-party valuation expert are invited to attend the Audit Committee meetings at which the Annual and Interim Reports are considered, and at which they can meet with the Audit Committee without representatives of the Investment Manager being present. The Audit Committee has direct access to KPMG LLP and to key senior staff of the Investment Manager, and it reports its findings and recommendations to the Board, which retains the ultimate responsibility for the Company's financial statements.

## Committee effectiveness

The results of the Committee effectiveness review for 2025 confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit.

## What the Committee reviewed in the year ended 31 March 2025

### Financial reporting
- Annual and interim reports
- Key accounting judgements and estimates
- Application of APMs, including the Investment Basis
- The Annual Report to ensure that it is fair, balanced and understandable
- RCF extension

### External audit
- Confirmation of the external Auditor's independence
- Policy and approval for non-audit fees
- FY2025 audit plan, including significant audit risks (being the valuation of investments in Investment Entity Subsidiaries)
- Audit results report, including the results from audit procedures performed to address significant audit risks
- External Auditor performance and effectiveness
- A tender of the Company's external audit, resulting in the intention to appoint Deloitte LLP as the new auditors effective from 1 April 2025

### Internal control, compliance and risk management
- HICL's system of control and risk management
- The Viability Statement and the supporting stress test scenarios
- An update on compliance with HMRC's Senior Accounting Officer ("SAO") regime including wider tax controls
- Updates on changes to the UK Corporate Governance Code, covering Board responsibility around risk management and internal control framework and annual accounts disclosure requirements, with the material changes effective from accounting periods beginning after 1 January 2026

### Risk review
- Valuation reports and the investment portfolio valuation
- Updates on compliance with regulatory rules and compliance monitoring findings
- Approach to tax policy and strategy
- Annual tax update
- Going concern and liquidity

## Compliance with Corporate Governance code

During the year, the Committee received a further update on the changes to the UK Corporate Governance code, covering the Board's requirements around monitoring of a risk management and internal control framework, with a particular focus on the requirement to declare effectiveness of controls in the annual accounts, effective from accounting periods beginning on or after 1 January 2026. Work is ongoing to ensure compliance with the Code as it comes into force.

The Company's internal control and risk management systems, including those in relation to the financial reporting process include:

- An overview of the Investment Manager's system of key control and oversight processes, line manager reviews and systems' access controls;
- updates for the Committee on accounting developments, including draft and new accounting standards and legislation;
- approval of the Company's budget in February 2025 by the Board and a comprehensive system of financial reporting to the Board, based on the annual budget with quarterly reporting of actual results, analysis of variances, scrutiny of key performance indicators and regular re-forecasting;
- reports from the Investment Manager on matters relevant to the financial reporting process, including quarterly assessments of internal controls, processes and fraud risk;
- independent updates and reports from the external Auditor on accounting developments, application of accounting standards, key accounting judgements and observations on systems and controls, where appropriate;
- an overview of the Investment Manager's appointment of experienced and professional staff, both by recruitment and promotion, of the necessary calibre to fulfil their allotted responsibilities as part of the Management Engagement Committee in February 2025; and
- appropriate Board oversight of external reporting.

## Going concern and viability

The Directors are required to make a statement in the Annual Report as to the Company's long-term viability. The Committee provides advice to the Board on the form and content of the statement, including the underlying assumptions, shown on page 58. To enable it to provide this advice, the Committee evaluated a report from the Investment Manager setting out its view of the Company's long-term viability and content of the proposed Viability Statement. This report was based on the Group's five-year strategic plan and covered forecasts for investments and realisations, liquidity and gearing, including forecast outcomes of the stress test of the plan and forecast capital and liquidity performance against an assessment of the Group's risk profile.

## Areas of accounting judgement and control focus

The Committee pays particular attention to matters it considers to be important by virtue of their complexity, level of judgement and potential impact on the financial statements and wider business model. Significant areas of focus considered by the Committee are detailed in the table below, alongside the actions taken by the Committee (with appropriate challenge from the external Auditor) to address them.

| Significant issue considered | Audit Committee actions and conclusions |
| --- | --- |
| **Valuation of investments**<br>The total carrying value of 'Investments at fair value through profit or loss' at 31 March 2025 was £3,031.5m (2024: £3,212.5m). See Note 12 to the financial statements.<br><br>The fair value of the Company's investment is based on the Net Asset Value ("NAV") of the direct Corporate Subsidiary, Luxco. Luxco's NAV is based on the NAV of IILP, being the Limited Partner of IILP. The NAV of IILP in turn is based on the fair value of the underlying investments in its portfolio of infrastructure assets.<br><br>Other than the A13 Senior Secured Bond (which is listed and therefore valued based on the quoted market price), market quotations are not available for the Company's underlying investments, so their valuations are undertaken using a discounted cash flow methodology. This methodology requires a series of material judgements to be made, as further explained in the Valuation of the Portfolio section starting on page 42 of this report. | The Audit Committee met eight times throughout the year to discuss the valuation process and methodology with the Investment Manager as part of the 2024 Interim and 2025 Annual Report process and early NAV release in October 2024.<br><br>The Investment Manager carries out valuations semi-annually and provides detailed valuation reports to the Audit Committee. The Audit Committee also receives half-year and year-end valuation reports and opinions from a third-party valuation expert. The Audit Committee considered and challenged the valuation assumptions, with particular focus on inflation, judgements, and methodology.<br><br>The Audit Committee met with KPMG six times during the year. In November 2024, the Audit Committee reviewed and agreed KPMG's initial audit plan, while in April 2025 the Audit Committee discussed the audit approach with a final update on the audit provided by KPMG in May 2025.<br><br>KPMG explained the results of their audit and confirmed that the results of KPMG's audit testing were satisfactory. |
| **Valuation of investments – discount rates**<br>The discount rates used to determine the valuation are selected and recommended by the Investment Manager. The discount rate is applied to the expected future cash flows from each investment's financial forecasts to arrive at a valuation (discounted cash flow valuation). The resulting valuation is therefore sensitive to the discount rate selected.<br><br>The Investment Manager is experienced in valuing these investments and adopts discount rates reflecting their current and extensive experience of the market. The Investment Manager sets out the discount rate assumptions and the sensitivity of the valuation of the investments to this discount rate in the Valuation of the Portfolio section starting on page 42 of this report. | The Audit Committee challenged the Investment Manager on its material judgements and compared this to feedback from the third-party valuation expert.<br><br>The Investment Manager highlighted to the Audit Committee the forecast impact on cash flows of several stress scenarios alongside its assessment of the risk to these cash flows.<br><br>The Investment Manager presented analysis of the risk-free rate movement and implied risk premium when determining discount rates.<br><br>The Audit Committee was satisfied that the range of discount rates was appropriate for the valuation carried out by the Investment Manager. |
| **Valuation of investments – key forecast assumptions**<br>The key forecast assumptions are future inflation rates, interest rates, rates of GDP and tax rates. These assumptions are explained in further detail in the Valuation of the Portfolio section starting on page 42 of this report. | The Audit Committee considered in detail and provided robust challenge to the economic assumptions that are subject to judgement and that may have a material impact on the valuation. In addition, the Audit Committee considered the impact (both actual and potential) of geopolitical and macroeconomic issues on these key economic assumptions as well as on the investments' underlying cash flows, in particular for those with demand risk. Particular focus was also given to the assessment of lifecycle risk on PPP assets.<br><br>The Audit Committee reviewed the Investment Manager's valuation reports, in conjunction with a report and opinion on the valuation from a third-party valuation expert.<br><br>Inflation during the year was slightly lower than HICL's assumptions that resulted in a small downside. In the short term, inflation forecasts are expected to increase slightly and this has been reflected in the Company's short-term UK inflation assumptions for 2026. The third-party valuation expert confirmed that the inflation assumptions were in line with within their acceptable range.<br><br>The Investment Manager provided sensitivities showing the impact of changing these assumptions, which have been considered by the Audit Committee and the external Auditor.<br><br>The Audit Committee concluded that the Investment Manager's valuation process was robust, that a consistent valuation methodology had been applied throughout the year and that the key forecast assumptions applied were appropriate. |

| Significant issue considered | Audit Committee actions and conclusions |
|---|---|
| **Going concern and Viability Statement**<br>The financial statements have been prepared on a going concern basis, with the assessment period of five years unchanged in the Viability Statement. See Note 2 for details. | The Investment Manager provided a paper explaining the rationale for the going concern basis of preparation, which has been considered by the Audit Committee and the external Auditor.<br><br>The Audit Committee met with the Investment Manager to discuss the rationale and challenge key assumptions applied, as part of its review of the Annual Report.<br><br>The Audit Committee also reviewed the Company's Viability Statement and accompanying commentary, as well as projections and sensitivities prepared by the Investment Manager to support the Statement.<br><br>The Audit Committee concluded that the Investment Manager's judgement applied to the going concern basis of preparation and the Company's Viability Statement was appropriate. |
| **Alternative Performance Measures ("APMs")**<br>There are various APMs used throughout the Annual Report to give investors more information. One of these is the Investment Basis which is included to aid users of the Annual Report to assess the Company's underlying operating performance and its gearing, as well as providing greater transparency into HICL's Statement of Financial Position, including its capacity for investment and ability to make distributions. Total return, NAV, and EPS are the same under IFRS and the Investment Basis. The Board and the Investment Manager manage the Company on an Investment Basis. | The Audit Committee reviewed the Investment Manager's assessment of the Investment Basis, including its presentation, by challenging the disclosures made in the Annual Report and whether due attention was given to the distinction between the Investment Basis and IFRS.<br><br>Other APMs and their relevance to investors were challenged by the Audit Committee in order that the Annual Report provides meaningful disclosure to investors. The Financial Review section starting on page 36 details the assessment and calculation of APMs. |
| **Fair, balanced and understandable**<br>The 2024 AIC Code of Corporate Governance requires the Board to present a fair, balanced and understandable assessment of the Company's position and prospects.<br><br>As noted above, the Company prepares pro forma summary financial information under the Investment Basis and IFRS Basis, with the reconciliation between the two, in order to report the relevant financial performance and position to stakeholders. | The Audit Committee reviewed the March 2025 Annual Report to ensure that, when taken as a whole, it presents a fair, balanced and understandable assessment of the Company's position and prospects.<br><br>The Audit Committee received a draft version of the March 2025 Annual Report for their review and comment, as well as a specific paper from the Investment Manager to aid their assessment of the March 2025 Annual Report being fair, balanced and understandable.<br><br>As such, the Audit Committee was able to provide positive confirmation to the Board, for it to fulfil its obligations under the AIC Code of Corporate Governance.<br><br>The key areas highlighted to the Audit Committee as part of the fair, balanced and understandable review are:<br><br>– Fair: A well established valuation process that is independently reviewed by a third-party valuation expert and where discount rates are benchmarked against competitors. In addition, disposal activity helps support the robustness of the NAV reported.<br>– Balanced: A solid underlying portfolio performance, with particular upside in specific assets such as the regulatory outcome on Affinity Water, offset by UK PPP asset-specific lifecycle risk adjustments, and any macroeconomic impact such as the increase in the weighted average discount rate. Also highlighted was the proactive and disciplined approach to capital management, through the repayment of the RCF and the launch of the buyback programme.<br>– Understandable: Clear statements around APMs, particularly the Investment Basis and Directors' Valuation, with reconciliation to IFRS where applicable, and consistency of language throughout the Annual Report such as when referring between HICL Infrastructure Plc as the Company, and the rest of the Group. |

## Accounting policies and practices

The Audit Committee reviewed the appropriateness of, and was satisfied with, the Company's accounting policies.

The Directors exercised judgement in determining whether the Company and the Corporate Subsidiaries meet the IFRS 10 definition of an investment entity. By virtue of the Company and Corporate Subsidiaries' status as investment entities, all investments (including the Corporate Subsidiaries) are accounted for at fair value through profit or loss. Further details are contained within Note 2 of the financial statements.

## Internal controls

The Audit Committee reviewed the Company's statement on internal controls in relation to accounting records, the valuation process and accounts preparation, prior to endorsement by the Board.

The Management Engagement Committee reviews the adequacy and effectiveness of the Investment Manager's internal controls as part of its annual review of the Investment Manager's performance. In addition, the Board reviews and debates a quarterly self-assessment internal control report prepared by the Investment Manager – see the Risk and Risk Management section of this report starting on page 49 for further details.

## Internal audit

In line with FRC guidance, the Audit Committee keeps under review the need for an internal audit function. The Audit Committee is satisfied that the systems of internal control of the Company, the Investment Manager and the Administrator are adequate to fulfil the Board's obligation in this regard and that currently an internal audit function is not necessary. Sun Life Financial Inc, as the parent of the Investment Manager, has an internal audit function which could be available to HICL if required. Additionally, HICL's Depositary provides cash flow monitoring, asset ownership verification and oversight services to the Company. The Committee considers the need for discrete internal audit engagements as appropriate.

## External Auditor

The Audit Committee notes the requirements of the UK Corporate Governance Code and in particular the requirement to put the external audit out to tender at least every ten years and to rotate auditors every twenty years. To manage the risk around the longevity of auditor engagement, and after a thorough tender process, Deloitte LLP was selected as the Company's new external Auditor, for the financial year starting 1 April 2025, subject to shareholder approval at the 2025 Annual General Meeting.

The Company is also in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external Auditor (put out to tender every ten years or communicate a tender plan if not done so for five years) and the setting of a policy on the provision of non-audit services.

## Auditor independence

The Audit Committee is responsible for reviewing KPMG's independence and performance. It establishes policies for the provision of non-audit services by the external Auditor and reviews the terms under which the external Auditor may be appointed to perform non-audit services, and the scope and results of the audit, including KPMG's effectiveness. To safeguard the independence and objectivity of the external Auditor, the Audit Committee ensures that any advisory and / or consulting services provided by the external Auditor do not conflict with their statutory audit responsibilities.

Permitted audit and audit-related services include the statutory audit of HICL and of its subsidiaries, the Company's Interim Review and other permitted audit related services. The Audit Committee has pre-approved these services up to £20,000, which are reported after the event to the Audit Committee. Non-audit services above this limit require prior approval from the Committee.

## Audit and non-audit fees

The Audit Committee reviews the scope and results of the audit, its effectiveness and the independence and objectivity of the external Auditor, with particular regard to the level of non-audit fees. Current year fees were:

| | **March 2025 £m** | March 2024 £m |
|---|---|---|
| **Audit services** | | |
| Audit of the Company and intermediate holding entities | **1.0** | 0.9 |
| Audit of HICL's project subsidiaries and other audit-related services | **–** | – |
| | **1.0** | 0.9 |
| **Non-audit services** | | |
| Interim review of the Company | **0.1** | 0.1 |
| Other non-audit services | – | – |
| | **0.1** | 0.1 |
| **Total** | **1.1** | 1.0 |

Non-audit services in the table above consisted of audit-related assurance services for the Company's Interim Report. In total, it represented 9% (2024: 10%) of total audit fees.

The Audit Committee considers KPMG to be independent of the Company and that the provision of permitted non-audit services in line with HICL's policy is not a threat to the objectivity and independence of the conduct of the audit. KPMG confirmed their compliance with their standard independence and objectivity procedures to the Audit Committee.

## Assessment of independence and effectiveness

To fulfil its responsibility regarding the independence of the external Auditor, the Audit Committee considered:

- changes in the audit partner and other audit personnel in the audit plan for the current year;
- a report from the external Auditor describing their arrangements to identify, report and manage any conflicts of interest;
- the extent of non-audit services provided by the external Auditor and its member network firms.

To assess the effectiveness of the external Auditor, the Audit Committee reviewed.

- the external Auditor's fulfilment of the agreed audit plan and variations from it;
- the external Auditor's use of valuation specialists to support the valuation audit of the portfolio;
- reports highlighting the major issues that arose during the course of the audit;
- feedback from the Investment Manager evaluating the performance of the external audit team, covering such areas as technical expertise, audit quality and quality of audit team; and
- the FRC's annual report on audit quality inspections.

The Audit Committee is satisfied with KPMG's effectiveness and independence as auditor, having considered the degree of diligence and professional scepticism demonstrated by them.

# Directors’ Remuneration Report

## The Remuneration Committee’s report includes the Directors’ Remuneration Policy, an explanation of the Committee’s structure and responsibilities, a report on its activities in the year ended 31 March 2025 and relevant required reporting on remuneration and shareholdings.

This report is prepared in accordance with the Listing Rules of the FCA, the relevant sections of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, (as amended by the Large and Medium-sized Companies and Groups (Accounts and Reports) Amendment Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018 and the Companies (Directors’ Remuneration Policy and Directors’ Remuneration Report) Regulations 2019). Those aspects of the report that are required to be audited are labelled as such.

The Committee met twice during the year. There have been no changes to the Directors’ Remuneration Policy or the Terms of Reference of the Remuneration Committee. After careful consideration, the Committee recommended to the Board that the Chair and Directors’ fees are increased based on a 2.6% inflationary uplift, in order to continue to attract and retain Directors with an appropriate skillset and experience for the Company.

This Directors’ Remuneration Report was adopted by the Board and signed on its behalf by:

**Frances Davies**
**Remuneration Committee Chair**
20 May 2025

## Directors’ Remuneration Policy

The Directors’ Remuneration Policy is determined by the Remuneration Committee. In accordance with the provisions of the AIC Code of Corporate Governance (the “AIC Code”), Directors’ remuneration is designed to reflect their duties and time commitments. Remuneration is set at a reasonable level to attract and retain Directors of the necessary quality and experience to execute effective governance and oversight of the Company, to support strategy and to promote long-term sustainable success. The specific additional responsibilities of the Chair, Senior Independent Director, and the Chairs of the various committees of the Board are taken into account. The policy aims to be fair and reasonable compared to equivalent investment trusts, investment companies and other similar-sized financial companies. The effects of inflation are also considered. Reasonable travel and associated expenses are reimbursed.

HICL’s Articles of Association limit the aggregate fees payable to the Board to a total of £700,000 p.a. (or such amount as HICL’s shareholders, in a general meeting, shall determine from time to time) excluding reimbursable expenses. Within that limit it is the responsibility of the Remuneration Committee, as a Committee of the Board, to determine Directors’ remuneration in conjunction with the Chair of the Board. The remuneration of the Chair of the Board is determined by the Remuneration Committee only. Relevant comparative information is considered in forming these recommendations and the views expressed by shareholders are taken into consideration. The Remuneration Committee seeks the views of an independent external remuneration consultant at least every three years to assist its review of remuneration. This was last carried out in the financial year ended 31 March 2024, with the next triennial review scheduled to be performed in the financial year ended 31 March 2027.

Directors’ fees are fixed and are payable in cash. As all Directors are non-executive, they are not eligible for share options, long-term incentive schemes or other benefits, performance-related or otherwise. Directors do not have service contracts and there is no provision for compensation for loss of office. Each new Director is provided with a letter of appointment. Additional fees are payable at the discretion of the Remuneration Committee where Directors are involved in duties beyond those normally expected, for example, in relation to the issue of a prospectus.

This policy and the level of Directors’ fees is reviewed annually by the Remuneration Committee and applies with effect from 1 April of each year, subject to shareholder approval at the AGM.

## Committee structure and responsibilities

The Remuneration Committee is composed of all the Directors including the Chair of the Company, as he was deemed to be independent at the time of his appointment. This membership is deemed appropriate on the basis that all Directors are independent and have the requisite experience and knowledge of the Company to appropriately determine remuneration. The membership of all seven Independent Directors ensures that no single Director has undue influence on the outcome of their own remuneration. The Committee operates in accordance with the Directors’ Remuneration Policy (as set out on page 88) and with Principles P, Q and R of the 2024 AIC Code.

## Relevant performance information

In setting the Directors' remuneration, consideration is given to the size, complexity and relative performance of the Company. The graph below highlights the comparative Total Shareholder Return (share price and dividends) ("TSR") for an investment in the Company[1] for the 19-year period from inception until 31 March 2025 compared with an investment in the FTSE All Share, FTSE 250 and the Morningstar Investment Trust Infrastructure indices over the same period. During that period the TSR was 5.8% p.a. compared with the FTSE All Share index return of 6.0% p.a., the FTSE 250 return of 6.6% p.a. and the S&P Global Infrastructure index which returned 6.6% p.a.

The table below is provided to enable shareholders to assess the relative importance of Directors' remuneration. It compares remuneration against dividends paid and share buybacks of the Company in the year ended 31 March 2025.

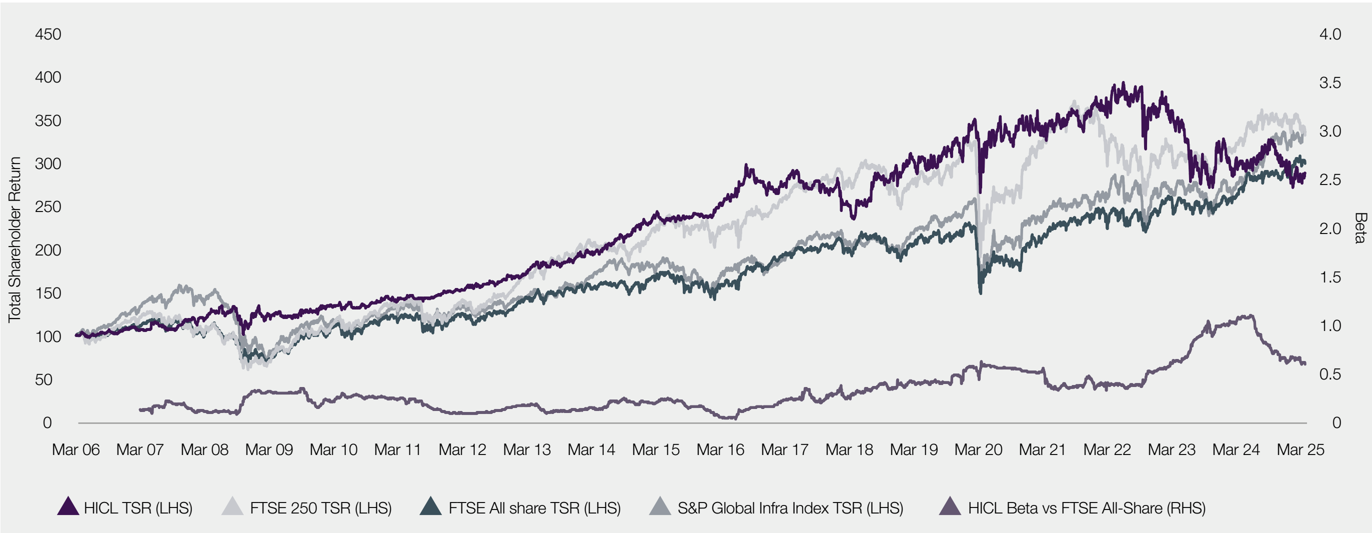
| Actual expenditure | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Aggregate Directors' remuneration | **£571,500**[2] | £520,645 |
| Aggregate dividends paid to shareholders | **£166,129,752** | £167,597,765 |
| Aggregate cost of Ordinary Shares repurchased | **£61,697,073** | £0 |

## Review of remuneration

The Remuneration Committee performed a review of Board remuneration in the year ended 31 March 2025. The review noted that CPI inflation in the year to 31 March 2025 was 2.6% and recommended an increase in fees for all Board roles of 2.6%. This inflationary increase was consistent with the recommendations of the last independent report by Trust Associates[3].

In proposing remuneration, consideration was given to inflation, fees paid to directors of comparable companies, and the need to sufficiently attract, retain and motivate Directors with sufficient experience and specialisms. The Committee also noted specific shareholder feedback following the 2024 AGM, as set out in more detail on page 91.

The proposed remuneration, analysed by role, for the year ending 31 March 2025 is set out in the following table, together with comparatives:




1 Including its predecessor, HICL Infrastructure Company Limited, from inception in March 2006 until March 2019
2 Rounded to the nearest £500
3 www.trustassociates.co.uk/2014/wp-content/uploads/2024/09/Investment-Company-NED-Fee-Survey-2024.pdf

| Role[1] | Total fees proposed (Year ended 31 March 2026) | Fees approved (Year ended 31 March 2025)[2] |
|---|---|---|
| Chair | **£122,000** | £119,000 |
| Senior Independent Director | **£86,000** | £84,000 |
| Audit Committee Chair | **£86,000** | £84,000 |
| Risk Committee Chair | **£84,000** | £82,000 |
| Director | **£69,500** | £67,500 |
| Luxembourg representative | **£9,000** | £9,000 |
| **Total[3]** | **£526,000** | **£580,500** |

1 The fees approved/proposed relate to the roles performed and not to individuals per se
2 Approved at the AGM on 17 July 2024
3 The total proposed fee presented is based on the full year remuneration for six Directors (2024: seven Directors) and does not include pro rata allocations, which have not yet been confirmed

## Statement of implementation of Remuneration Policy in the current financial year

The Board has adopted the proposals for Directors' remuneration as recommended by the Remuneration Committee and will seek shareholder approval for the Directors' Remuneration Policy and this report including the proposed remuneration at the AGM on 23 July 2025.

The total fees paid to Directors in the year were within the annual fee cap of £700,000, contained in the Remuneration Policy approved by shareholders at the AGM on 17 July 2024.

## Directors' remuneration – audited

| Total remuneration paid/due in year | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| M Bane* | **£128,000** | £118,000 |
| F Nelson^ | **–** | £22,320 |
| K Reid | **£84,000** | £69,325 |
| R Akushie | **£84,000** | £73,000 |
| L Barber | **£68,910** | £58,500 |
| F Davies | **£67,500** | £58,500 |
| S Holden | **£80,590** | £70,500 |
| M Pugh | **£67,500** | £58,500 |
| **Total** | **£580,500** | **£528,645** |

Figures rounded to nearest £
*The Chair was the highest paid Director, includes £9,000 in respect of Luxembourg subsidiary
^ Remuneration pro-rated for the year

## Statement of Directors' shareholdings – audited

The Directors of the Company on 31 March 2025, and their interests in the shares of the Company, are shown in the table below:

| Number of Ordinary Shares | 31 March 2025 | 31 March 2024 |
|---|---|---|
| M Bane | **160,102** | 94,602 |
| K Reid | **30,917** | 29,011 |
| R Akushie | **34,518** | 16,500 |
| L Barber | **29,662** | 29,662 |
| F Davies | **25,000** | 25,000 |
| S Holden | **57,694** | 27,694 |
| M Pugh | **22,000** | 22,000 |
| **Total** | **359,893** | **244,469** |

All of the holdings of the Directors and their families are beneficial. No changes to these holdings had been notified up to the date of this report.

## Statement of shareholder voting

At the last AGM held on 17 July 2024, the resolutions relating to the Directors' Remuneration Report for the year ended 31 March 2024 and the Director's Remuneration were approved.

The percentage of votes cast was 62%. The results of the votes on resolutions relating to remuneration are summarised in the table below:

| | In Favour | | Discretion | | Against | | Withheld | |
|---|---|---|---|---|---|---|---|---|
| Resolution | Votes | % | Votes | % | Votes | % | Votes | % |
| 9 Remuneration Report | 1,126,529,269 | 89.96 | 107,298 | 0.01 | 125,584,893 | 10.03 | 289,028 | 0.02 |
| 10 Remuneration Policy | 1,241,896,180 | 99.18 | 107,298 | 0.01 | 10,195,768 | 0.81 | 311,242 | 0.02 |

Following the AGM, the Board committed to consult with those shareholders who voted against the Directors' Remuneration Report. The Chair of the Board and the Chair of the Remuneration Committee engaged with relevant shareholders in order to provide greater background on the approved increases, as well as to invite further discussion to better understand their views. To the extent that further feedback was provided, it was considered by the Remuneration Committee when proposing fees in the current financial year.

# Report of the Directors

## The Directors present their Annual Report on the affairs of HICL, together with the financial statements and auditor's report, for the year to 31 March 2025. The Corporate Governance Statement forms part of this report.

Details of significant events since the balance sheet date are contained in Note 20 to the financial statements.

An indication of likely future developments in the business of HICL and details of research and development activities are included in the Strategic Report.

Information about the use of financial instruments by HICL and its subsidiaries is given in Note 14 to the financial statements.

## Principal activity

HICL is a registered investment company under Section 833 of the Companies Act 2006, incorporated in the UK. Its shares have a premium listing on the Official List of the UK Listing Authority and trade on the main market of the London Stock Exchange.

## Investment Trust status

The Company has been approved as an Investment Trust Company ("ITC") under Sections 1158 and 1159 of the Corporation Taxes Act 2010. The Company had to meet relevant eligibility conditions to obtain approval as an ITC, and must adhere to ongoing requirements to maintain its ITC status including, but not limited to, retaining no more than 15% of its annual income. The Company has conducted its affairs to ensure it complies with these requirements.

## Results

HICL's results for the year are summarised in the Financial Review on page 36 and are set out in detail in the financial statements.

## Distributions and share capital

HICL declared four quarterly interim distributions, totalling 8.25p per share, for the year ended 31 March 2025 as follows:

| Amount | Declared | Record date | Paid/to be paid |
|---|---|---|---|
| 2.06p | 17/07/2024 | 26/07/2024 | 30/09/2023 |
| 2.06p | 13/11/2024 | 22/11/2024 | 31/12/2024 |
| 2.06p | 27/02/2025 | 07/03/2025 | 31/03/2025 |

The fourth quarterly interim distribution, of 2.07p per share, for the year ended 31 March 2025 was declared by HICL on 14 May 2025, and is due to be paid on 30 June 2025.

HICL has one class of share capital, Ordinary Shares, of which there were 1,979,671,246 in issue as at 1 April 2025. This number reduced from prior year due to the Company buying back shares under its buyback programme. Strategy Shareholders may reinvest their dividends via a Dividend Reinvestment Plan ("DRIP"), the details of which can be obtained by emailing shareholderenquiries@cm.mpms.mufg.com.

## Dividend history

| Interim dividend | **Year ended 31 March 2025** | **Year ended 31 March 2024** | **Year ended 31 March 2023** | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|---|---|---|
| 3-month period ending 30 June | **2.06** | 2.06 | 2.06 | 2.06 | 2.06 | 2.06 |
| 3-month period ending 30 September | **2.06** | 2.06 | 2.06 | 2.06 | 2.06 | 2.06 |
| 3-month period ending 31 December | **2.06** | 2.06 | 2.06 | 2.06 | 2.06 | 2.06 |
| 3-month period ending 31 March | **2.07** | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 |
| **Paid/declared** | **8.25p** | **8.25p** | **8.25p** | **8.25p** | **8.25p** | **8.25p** |

## Directors

The Directors who held office during the year to 31 March 2025 were:

| Director | Role(s) | Years of service* |
|---|---|---|
| Mr M Bane* | Chair of the Board, Nomination and Market Disclosure Committees | 6 years 9 months |
| Ms R Akushie | Chair of the Audit Committee | 5 years 3 months |
| Mr S Holden* | Chair of the Risk Committee** | 8 years 9 months |
| Ms F Davies | Chair of the Remuneration Committee | 6 years 0 months |
| Mr K Reid* | Senior Independent Director | 8 years 7 months |
| Ms E Barber | Chair of the Risk Committee*** | 2 years 7 months |
| Mr M Pugh | | 2 years 7 months |

* Assuming a continuation of the years of service as a Director of HICL Infrastructure Company Limited
** Until 25 February 2025
*** From 25 February 2025

## Corporate governance

The Corporate Governance Statement on page 72 outlines the code of corporate governance against which HICL reports and its compliance, or otherwise, with the individual principles. It includes detail on the various Committees of the Board, their composition and their terms of reference.

## Annual General Meeting ("AGM")

HICL's AGM is held in July each year. The forthcoming meeting is scheduled for 23 July 2025.

## Investment Manager and Operator

InfraRed Capital Partners Limited (the "Investment Manager" or "InfraRed") acts as Investment Manager to HICL and acts as Operator of the limited partnership which holds and manages HICL's investments. A summary of the contract between HICL, its subsidiaries and InfraRed in respect of services provided is set out in Note 18 to the financial statements.

Further information on the Investment Manager, including fee arrangements with HICL can be found in The Investment Manager section on page 71.

The Investment Management Agreement was entered into in March 2019 and was reviewed and approved by the Board in connection with the change in domicile of HICL from Guernsey to the United Kingdom and shareholders had an opportunity to vote on the Investment Management Agreement as part of those proposals.

The Board assesses InfraRed's performance as Investment Manager annually through the Management Engagement Committee. For more information, see the Corporate Governance Statement on page 77.

The Directors are of the opinion that the continued appointment of InfraRed as HICL's Investment Manager is in the best interests of the shareholders of HICL.

## AIFMD disclosures

In accordance with the Alternative Investment Fund Managers Directive:

- information in relation to HICL's leverage can be found in the Strategic Report;
- remuneration of InfraRed as HICL's AIFM can be found below in AIFM Remuneration;
- a summary of the activities of HICL can be found in the Investment Manager's Report starting on page 16;
- a full list of the risks facing HICL can be found in HICL's March 2019 Prospectus, available from the Company's website (see also the Risk Committee Report on page 80); and
- none of HICL's assets are subject to special arrangements arising from their illiquid nature.

## AIFM remuneration

The AIFMD Remuneration Code requires InfraRed in its capacity as AIFM of HICL, to make relevant remuneration disclosures available to investors.

InfraRed assesses its list of AIFMD Code Staff. AIFMD Code Staff are notified of their status and the associated implications.

InfraRed has established a remuneration policy. A summary of InfraRed's remuneration policy is contained in the Annual Report and Accounts of InfraRed Partners LLP, which are available from Companies House.

The aggregate total remuneration paid by the InfraRed Group for the year ended 31 March 2025 was £39,709,251.

This was divided into fixed remuneration of £20,963,359 attributable to 160 beneficiaries and variable remuneration of £18,745,892 attributable to 153 beneficiaries. The aggregate total remuneration paid by the Group which contains InfraRed to AIFMD Code Staff in the year was £11,809,503 and the number of senior management and risk takers was 21.

The Investment Manager fees charged to the Company were £0.1m (disclosed as Investment Manager fees in Note 18, of which the full balance remained payable at 31 March 2025. InfraRed is also the Operator of IILP, the Corporate Subsidiary through which HICL holds its investments. The total Operator fees were £30.6m, of which £7.5m remained payable at 31 March 2025.

## Brokers, Administrator and Company Secretary

HICL's joint corporate brokers at 31 March 2025 are Investec Bank plc and RBC Capital Markets.

The Administrator and Company Secretary is Aztec Financial Services (UK) Limited.

## Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which HICL's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make him or herself aware of any relevant audit information and to establish that HICL's auditor is aware of that information.

## Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

The Strategic Report includes information required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2008.

## Auditor

The auditor for this financial report was KPMG LLP. To ensure auditor rotation obligations are met and in accordance with Section 489 of the Companies Act 2006, the Board intends to appoint Deloitte as HICL's auditor for the financial year starting 1 April 2025, subject to shareholder approval at the 2025 Annual General Meeting.

## Substantial interests in share capital

As at 31 March 2025, HICL is aware of or has received notification in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 5 of the following interests in 3% or more of HICL's shares to which voting rights are attached (at the date of notification):

| | Number of shares held | Percentage held |
|---|---|---|
| Brewin Dolphin Limited | 160,751,373 | 8.11% |
| Rathbones Investment Management | 146,869,684 | 7.41% |
| Investec Wealth & Investment Limited | 111,202,901 | 5.61% |
| Cazenove Capital Management | 71,937,943 | 3.63% |
| Hargreaves Lansdown | 69,338,746 | 3.50% |
| BlackRock | 67,610,026 | 3.41% |
| M&G Investments | 65,225,467 | 3.29% |

## Payment of suppliers

It is the policy of HICL to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. HICL continues to meet the criteria to qualify for Payment Practice Reporting. This requires HICL Infrastructure PLC to report on its payment policies and specific data on payments and suppliers that demonstrate achieved performance every six months. For the purpose of this reporting HICL Infrastructure PLC is required to state a standard payment term. As HICL Infrastructure PLC does not have standard payment terms defined, the standard payment period in line with government guidance is the contractual payment period most commonly used in the period; this has been deemed to be 30 days.

## Greenhouse gas emissions (GHG) reporting

See page 65 – Metrics and targets.

## Political contributions

HICL made no political donations during the year (2024: none).

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in HICL's Business Model on page 14. The financial position of the Group, its cash flow and liquidity position are described in the Investment Manager's Report on page 20 and the Financial Review on page 40. In addition, the Notes of the financial statements include: the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors have assessed going concern by considering areas of financial risk, the Group's access to credit facilities and by reviewing cash flow forecasts with a number of stress scenarios. They also considered the Group's considerable financial resources, including investments in a significant number of project assets and access to credit facilities (details of which are set out in the Financial Review from page 36 and Note 15 to the financial statements).

The majority of these project assets operate long-term contracts with various public sector customers and suppliers across a range of infrastructure projects. The financing for these projects is non-recourse to the Company.

Based on this analysis, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approving these financial statements. Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

## Share repurchases

During the year there was a sustained and material disconnect between public market valuations and private market transactions for inflation-correlated core infrastructure. The Board therefore allocated £50m of the disposal proceeds received from the sale of Northwest Parkway towards a share buyback programme which was expanded by a further £100m during the year.

The Company bought back 51,816,815 shares over the year under its buyback programme, 2.6% of the total outstanding at 31 March 2024. The number of shares outstanding at 31 March 2025 is 1,979,671,246. The latest authority to purchase shares for cancellation was granted to the Directors on 17 July 2024.

## Sustainability

The Board is committed to sustainability leadership in the sector. To minimise the environmental impact of HICL's corporate affairs, all reporting to the Board and its various Committees is paperless.

## Treasury shares

Section 724 of the UK 2006 Companies Act allows companies to hold shares acquired by market purchase as treasury shares, rather than having to cancel them. Issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market. This gives HICL the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing HICL with additional flexibility in the management of its capital base.

There are currently 51,816,815 shares held in treasury, as a result of the Company's share buyback programme. The Board would only authorise the resale of such shares from treasury at prices at or above the prevailing Net Asset Value per share (plus costs of the relevant sale). In the interests of all shareholders the Board will keep the matter of treasury shares under review.

# Statement of Directors' Responsibilities

**in respect of the Annual Report and the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

## Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report/Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R around electronic tagging of Annual Reports, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

We consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board authorised signatory:
Aztec Financial Services (UK) Limited
Company Secretary
20 May 2025

Registered Office:

**Aztec Financial Services (UK) Limited:**
Forum 4, Solent Business Park, Parkway South,
Whiteley, Fareham PO15 7AD

# Financials

WHAT'S IN THIS SECTION



# KPMG LLP's Independent Auditor's Report

**To the members of HICL Infrastructure plc**

## 1. Our opinion is unmodified

In our opinion the financial statements of HICL Infrastructure Plc ("the Company"):

– give a true and fair view of the state of the Company's affairs as at 31 March 2025, and of its profit for the year then ended;

– have been properly prepared in accordance with UK-adopted international accounting standards; and

– have been prepared in accordance with the requirements of the Companies Act 2006..

### What our opinion covers

We have audited the financial statements of HICL Infrastructure Plc ("the Company") for the year ended 31 March 2025 included in the Annual Report, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Shareholders' Equity, Cash Flow Statement and the related Notes, including the accounting policies in Note 2.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

## 2. Overview of our audit

**Factors driving our view of risks**

We considered the developments affecting the Company since the last audit for the year ended 31 March 2024 and have updated our risk assessment. The risk over the Valuation of Investments in Investment Entity subsidiary remains broadly the same this year given the continued macroeconomic volatility.

The inherent complexity and subjectivity required, means that the valuation of Investments in Investment Entity subsidiary, which is primarily driven by the valuation of the underlying infrastructure, PFI and PPP projects, continued to be a focus area.

As part of our risk assessment, we have maintained our focus on the valuation of the Investments in Investment Entity subsidiary. This has included specific focus on discount rates, macroeconomic assumptions (such as inflation, GDP growth and interest rates), project specific cash flow forecasts and overlay adjustments made by the Company to the underlying models.

| Key Audit Matter | Vs FY24 | Item |
|---|---|---|
| Valuation of Investments in Investment Entity subsidiary | ⇔ | 4.1 |

**Audit committee interaction**

During the year, the AC met 8 times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions. For the Key Audit Matter, we have set out communications with the AC in section 6, including matters that required particular judgement.

The matters included in the Audit Committee Chair's report on page 82 are materially consistent with our observations of those meetings.

### Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the Directors for the year ended 31 March 2019. The period of uninterrupted engagement is for the seven financial years ended 31 March 2025, and for the nineteen financial years ended 31 March 2025 when also including HICL Infrastructure Company Limited (the previous Guernsey listed entity). These are the first set of the Company's financial statements signed by Jonathan Martin. This is also the last financial period to be audited by KPMG.

| | |
|---|---|
| **Total audit fee** | £1.0m |
| **Audit related fees (including interim review)** | £0.1m |
| **Other services** | £0.1m |
| **Non-audit fee as a % of total audit and audit related fee %** | 8.5% |
| **Date first appointed** | 26 February 2019 |
| **Uninterrupted audit tenure** | 7 years |
| **Next financial period which requires a tender** | 2026 |
| **Tenure of engagement partner** | 1 years |

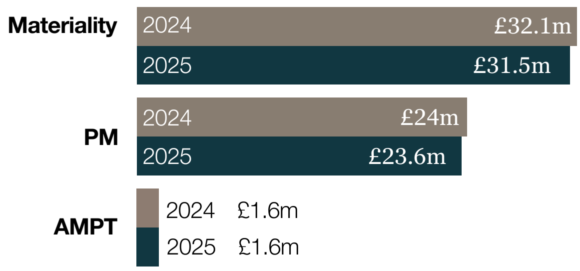
### Materiality (item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the financial statements as a whole at £31.5m (FY24: £32.1m).

Consistent with FY24, we determined that total assets remains the benchmark for the Company as this is directly driven by the valuation of Investments in Investment Entity subsidiary which ultimately is most influential to the users of the financial statements. As such, we based our materiality on total assets, of which it represents 1% (FY24: 1%).

**Materiality levels used in our audit**




**Materiality:** Company Materiality

**PM:** Performance Materiality

**AMPT:** Audit Misstatement Posting Threshold

### The impact of climate change on our audit

Climate change is an area of increased focus for investors and stakeholders. HICL Infrastructure Plc, as an Investment Trust is impacted by climate change to the extent that shareholders are interested in how climate change and associated risks affect investment decisions and investment valuations.

We have considered the potential impact of climate change on the financial statements as part of planning our audit. This included the impacts on the infrastructure, PPP and PFI projects held indirectly by the Company through its investment entity subsidiary.

As a part of our audit, we have made enquiries of management to understand the extent of the potential impact of climate change risk on the Company's financial statements. We also performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of Investments in Investment Entity subsidiary. We considered the impact of climate change on the performance of investee companies with particular focus on the reasonableness of the free cash flow forecast. Taking into account the nature of the Company's underlying investments in infrastructure, PPP and PFI projects, our assessment is that the climate related risks to the Company's business strategy and financial planning did not have a significant impact on our audit, including our key audit matter.

We have also read the disclosure of climate related information in the front half of the annual report as set out on pages 61-66 and considered consistency with the financial statements and our audit knowledge.

## 3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

## Going concern

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the available financial resources over this period are:

- Operational or performance issues within the portfolio which increases the number of infrastructure, PPP and PFI investments not distributing and the impact of this on the Company's distribution income and cash flows; and
- Continued geopolitical tension and low investor confidence environment leading to a need to provide further liquidity support to underlying infrastructure, PPP and PFI investments

We considered whether these risks could plausibly affect the liquidity of the Company in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources included in the Company's financial forecasts.

Our procedures also included an assessment of whether the going concern disclosure in Note 2 of the financial statements gives a complete and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in Note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 2 to be acceptable; and
- The related statement under the UK Listing Rules set out on page 94 is materially consistent with the financial statements and our audit knowledge.

## Disclosures of emerging and principal risks and longer-term viability

### Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 50 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement set out on page 58 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

### Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

## 4. Key audit matter

### What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matter (unchanged from FY24) together with our key audit procedures to address this matter and our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on this matter.

## 4.1 Valuation of investments in investment entity subsidiary

### Financial Statement Elements

| | FY25 | FY24 | Our assessment of risk vs FY23 | Our results |
|---|---|---|---|---|
| Investments in Investment Entity subsidiary | **£3,031.5m** | £3,212.5m | Our assessment is the risk is similar to FY24 | FY25: Acceptable<br>FY24: Acceptable |

### Description of the Key Audit Matter

**Subjective valuation**

The Company's Investments in Investment Entity subsidiary are measured at fair value and represent a significant proportion of the Company's net assets. The fair value of the investment entity subsidiary is determined primarily based on the valuation of the underlying infrastructure, PPP and PFI projects.

The fair value of the unquoted investments is determined using the income approach whereby the long term forecasted cash flows of individual assets are discounted, with their cash flows and / or discount rate adjusted to reflect the risk profile associated with these investments. In addition, inherent to these long term forecasted cash flows are macro-economic assumptions such as inflation, foreign exchange rates, tax rates, deposit rates and for certain demand-based investments, Gross Domestic Product (GDP).

For the purposes of our audit, we have assessed the risk of misstatement of the valuation related to these assumptions and data points.

**Discount rate**

The discount rate assumption is the element over which there is the highest degree of subjectivity, because of the ongoing global macroeconomic uncertainty.

**Other assumptions and data points**

We considered that there is a lower level of audit risk associated with other assumptions and data points as these are less judgemental and, in some cases, are more readily evidenced to third party data sources. However, due to the relevance of these assumptions to the overall valuation, we nonetheless consider these areas to also have had the greatest effect on the overall audit strategy and planning of the audit. Those assumptions and data points are:

- Inflation
- GDP growth rates
- Deposit rates
- Tax rates
- Project revenue and expenses
- Management overlay adjustments to cash flows

The effect of these matters is that, as part of our risk assessment, we determined that the valuation of Investments in Investment Entity subsidiary has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (Note 14) disclose the sensitivity estimated by the Company.

### Our response to the risk

**Control design**

We performed the procedures below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:

**Our valuations expertise**

We challenged the Company on the assumptions inherent in the valuation of infrastructure, PPP and PFI projects by using our own valuations specialists to assess whether assumptions such as discount rates, inflation, GDP growth, deposit and tax rates are within a reasonable range independently developed by them based on market data.

**Assessing valuer's credentials**

We considered the methodology applied by the third party valuer engaged by the Investment Manager to challenge the reasonableness of the Company's investment valuations. We obtained and assessed the third party valuer's findings, held discussions with them and considered the impact, if any, on our audit work.

**Assessing transparency**

We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of Investments in Investment Entity subsidiary and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

**Risk assessment**

The Company's Investments in Investment Entity subsidiary is determined primarily based on the valuation of the underlying infrastructure, PPP and PFI projects. We considered various factors in assessing which unquoted investments were subject to heightened risk. These included those investments which are individually material in value, material demand and regulated investments, those with negative operational or financial developments and those with higher lifecycle risk. Moreover, we also selected investments on a haphazard basis to validate our risk assessment.

**Test of detail**

For a selection of underlying investments which we had concluded were subject to heightened risk, we performed a range of additional procedures. Examples of these test of details included:

We reperformed the discounted cash flow calculation using the Company's inputs and assumptions. We constructed our own discounted cash flow models for each underlying asset, tested and compared the results with the Company's valuation.

In instances, where there has been a transaction during the year or post year end, we compared the Company's valuation to the initial transaction price and associated financial offers.

We conducted inquiries with some of the asset managers to assess the current performance and the expectation of future performance and identify any operational issues of the asset's future performance.

## 4.1 Valuation of investments in investment entity subsidiary continued

We agreed key revenue inputs to the forecasted cash flows to external sources, such as third party contracts and invoices. Material expenses were agreed to the supplier invoices received and where possible to underlying agreements for leases and asset maintenance contracts. We assessed the nature of the overlay adjustments and challenged the Investment Manager on these based on qualitative factors such as certainty of revenue sources or operational concerns.

Each underlying projects is held by a separate intermediate holding company, so we obtained the latest audited financial statements (where available) of these holding companies. We compared historic cash flow projections to the audited financial information in order to evaluate the accuracy of forecasts. Additionally, we used this information to assess the reasonableness of the cash flow projection for the next financial period. We inspected the financial statements for any material uncertainty on going concern for the portfolio companies. Where identified, we held discussions with management to understand the circumstances and assess any impact on the valuation.

**Communications with HICL Infrastructure plc's Audit Committee**
Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the fair value of the Investments in Investment Entity subsidiary including details of our planned substantive procedures relevant to the key audit matter.
- Our conclusions on the appropriateness of the Company's fair value methodology.
- Our conclusions on the appropriateness of the valuation of the Investments in Investment Entity subsidiary and, for underlying investments subject to valuation specialists review, an indication of where the Company's valuation point lay within our reasonable range.
- The adequacy of the disclosures, particularly as it relates to the sensitivity of the valuation inputs.

**Areas of particular auditor judgement**
We identified the following as the areas of particular auditor judgement:

The identification of the discount rate assumption as being the element over which there is the highest degree of subjectivity, and our assessment of the reasonableness of the discount rates used by the Directors in the valuation.

**Our results**
Based on the risk identified and our procedures performed, we consider the valuation of the Investments in Investment Entity subsidiary to be acceptable (FY24: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 84 for details on how the Audit Committee considered the valuation of the Investments in Investment Entity subsidiary as an area of significant attention, pages 113-114 for the accounting policy on the valuation of the Investments in Investment Entity subsidiary, and Pages 122-125/Note 12 & 14 for the financial disclosures.

## 5. Our ability to detect irregularities, and our response

## Fraud – identifying and responding to risks of material misstatement due to fraud

| | |
|---|---|
| **Fraud risk assessment** | To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:<br>– enquiring of the Investment Manager, the Directors and the Audit Committee, as to the Company's high-level policies and procedures to prevent and detect fraud, including the Investment Manager's policy and channel for whistleblowing as well as whether they have knowledge of any actual, suspected or alleged fraud.<br>– reading Board and Audit Committee minutes.<br>– considering the Investment Manager's fee arrangement and how closely it is linked to the valuation of the Company's Investments in Investment Entity subsidiary.<br>– discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the audit partner and staff who have extensive experience of working with companies in the same sectors as the Company operates, and this experience was relevant to the discussion about where fraud risks may arise. |
| **Risk communications** | We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. |
| **Fraud risks** | As required by auditing standards, and taking into account possible pressures to meet performance targets, we perform procedures to address the risk of management override of controls, in particular the risk that the Company may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements.<br><br>On this audit we do not believe there is a fraud risk related to revenue recognition because of the simplistic nature of the investment income. The simple nature and low volume of individual revenue transactions means there is a remote risk of material misstatement from fraudulent manipulation; and opportunities for a material misstatement due to fraudulent revenue recognition are limited due to the nature of the investment income.<br><br>We did not identify any additional fraud risks. |
| **Procedures to address fraud risks** | Our audit procedures included evaluating the design and implementation of controls over journal entries and other adjustments and inquiring of the Investment Manager about any inappropriate or unusual activity relating to the processing of journal entries and other adjustments.<br><br>We substantively tested all material post-closing journal entries by comparing the identified journal entries to supporting documentation. Based on the results of our risk assessment procedures and understanding of the process, no further high-risk journal entries or other adjustments were identified.<br><br>We also assessed the accounting estimate related to the valuation of Investments in Investment Entity subsidiary for any indicator of management bias. |

## Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

| | |
|---|---|
| **Laws and regulations risk assessment** | We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and Investment Manager (as required by auditing standards), and discussed with the Directors and Investment Manager the policies and procedures regarding compliance with laws and regulations.<br><br>As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. |
| **Risk communications** | We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. |
| **Direct laws context and link to audit** | The potential effect of these laws and regulations on the financial statements varies considerably.<br>The Company is subject to laws and regulations that directly affect the financial statements including:<br>– financial reporting legislation (including related companies' legislation),<br>– distributable profits legislation,<br>– taxation legislation including the Company's status as an Investment Trust Company.<br><br>We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. |
| **Most significant indirect law/ regulation areas** | The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.<br>We identified the following areas as those most likely to have such an effect:<br>– Anti-bribery and corruption;<br>– Data protection;<br>– Anti-money laundering;<br>– Competition legislation;<br>– Market abuse regulations; and<br>– Certain aspects of Company legislation recognizing the financial and regulated nature of the Company's activities and its legal form<br><br>Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. |

## Context

| | |
|---|---|
| **Context of the ability of the audit to detect fraud or breaches of law or regulation** | Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations. |

## 6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

**£31.5M**
**(FY24: £32.1M)**
**Materiality for the financial statements as a whole**

### What we mean

A quantitative reference for the purpose of planning and performing our audit.

### Basis for determining materiality and judgements applied

Materiality for the Company financial statements as a whole was set at £31.5m (FY24: £32.1m). This was determined with reference to a benchmark of total assets.

Consistent with FY24, we determined that total assets remains the main benchmark for the Company as shareholders consider the valuation of the investment portfolio which is indirectly held by the Investment Entity subsidiary as the primary financial indicator to understand the Company's performance.

Our materiality of £31.5m was determined by applying a percentage to the total assets. When using a benchmark of total assets to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 0.5% - 1% of the measure. In setting overall materiality, we applied a percentage of 1% (FY24: 1%) to the benchmark.

**£23.6M**
**(FY24: £24M)**
**Performance materiality**

### What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

### Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for HICL Infrastructure Plc financial statements as a whole to be appropriate.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

**£1.6M**
**(FY24: £1.6M)**
**Audit misstatement posting threshold**

### What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to HICL Infrastructure Plc's Audit Committee.

### Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the financial statements of £32.1m compares as follows to the main financial statement caption amounts:

| | Total income | | Profit before tax | | Net assets | |
|---|---|---|---|---|---|---|
| | FY25 | FY24 | FY25 | FY24 | FY25 | FY24 |
| Financial statement caption | **£50.0m** | £35.2m | **£45.9m** | £30.5m | **£3,030.7m** | £3,213m |
| Materiality as % of caption | **63%** | 91% | **68.6%** | 105% | **1.04%** | 1% |

## 7. The scope of our audit

**Scope**

**What we mean**

How the auditor determined the procedures to be performed across the Company.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

As disclosed within the Risk Committee Report on page X, administrative and secretarial operations of the Company are provided by Aztec Financial Services (UK) Limited (the 'Administrator and Company Secretary'). We therefore identified the financial reporting system operated by the Company's Administrator and Company Secretary to be the main IT system relevant to our audit. We obtained and read the Administrator and Company Secretary's type 2 service organisation controls report to assist us in evaluating the design of the general IT controls of the main finance system.

Consistent with our approach noted within the key audit matter on pages X and Y, we did not plan to rely on any of the Company's controls in relation to any areas of our audit. This is because the nature of the majority of the Company's balances (including Cash and cash equivalents and Investment Income) is such that we would expect to obtain audit evidence primarily from external confirmations (for Cash and cash equivalents) and tracing receipts to bank statements based on the dividend declarations (for Investment Income). This is considered more efficient and therefore the scope of the audit work performed was fully substantive in all aspects of the audit for the year ending 31 March 2025.

## 8. Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

### All other information

**Our responsibility**

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

**Our reporting**

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

### Strategic report and directors' report

**Our responsibility and reporting**

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### Directors' remuneration report

**Our responsibility**

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

**Our reporting**

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Corporate governance disclosures

| Our responsibility | Our reporting |
| --- | --- |
| We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:<br>– the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;<br>– the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and<br>– the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems. | Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge. |
| We are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. | We have nothing to report in this respect. |

## Other matters on which we are required to report by exception

| Our responsibility | Our reporting |
| --- | --- |
| Under the Companies Act 2006, we are required to report to you if, in our opinion:<br>– adequate accounting records have not been kept by the Company, or<br>– the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or<br>– certain disclosures of Directors' remuneration specified by law are not made; or<br>– we have not received all the information and explanations we require for our audit. | We have nothing to report in these respects. |

## 9. Respective responsibilities

### Directors' responsibilities

As explained more fully in their statement set out on page 95, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is including these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## 10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Jonathan Martin (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
20 May 2025

# Income statement

## For the year ended 31 March 2025

| | Note | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|---|
| Investment income | | **131.0** | 198.0 |
| Net loss on revaluation of investment in Investment Entity Subsidiary | | **(81.0)** | (162.8) |
| **Total investment income** | 5 | **50.0** | **35.2** |
| Company expenses | 6 | **(4.1)** | (4.7) |
| **Profit before tax** | | **45.9** | **30.5** |
| Tax | 8 | **–** | – |
| **Profit for the year** | 9 | **45.9** | **30.5** |
| **Earnings per share – basic and diluted (pence)** | 9 | **2.3** | **1.5** |

All results are derived from continuing operations. There is no other comprehensive income or expense and consequently a statement of other comprehensive income has not been prepared.

The accompanying Notes are an integral part of these financial statements.

# Statement of financial position

## As at 31 March 2025

| | Note | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment in Investment Entity Subsidiary | 2,14 | **3,031.5** | **3,212.5** |
| **Total non-current assets** | | **3,031.5** | **3,212.5** |
| **Current assets** | | | |
| Trade and other receivables | | **0.3** | 0.3 |
| Cash and cash equivalents | | **0.7** | 1.1 |
| **Total current assets** | | **1.0** | **1.4** |
| **Total assets** | | **3,032.5** | **3,213.9** |
| **Current liabilities** | | | |
| Trade and other payables | | **(1.8)** | (0.9) |
| **Total current liabilities** | | **(1.8)** | **(0.9)** |
| **Total liabilities** | | **(1.8)** | **(0.9)** |
| **Net assets** | | **3,030.7** | **3,213.0** |
| | | | |
| **Equity** | | | |
| Share capital | 16 | **0.2** | 0.2 |
| Share premium | 16 | **1,213.3** | 1,213.3 |
| Revenue reserve | | **1,810.3** | 1,902.8 |
| Capital reserve | | **69.0** | 96.7 |
| Treasury shares reserve[1] | 16 | **(62.1)** | – |
| **Total equity** | 11 | **3,030.7** | **3,213.0** |
| **Net assets attributable to Ordinary Shares (pence)** | 11 | **153.1** | **158.2** |

1 Prior year comparatives have been re-presented to separate Treasury Shares from Capital reserves. The negative Treasury shares reserve balance results in an increase in Capital reserves. There is no impact on Net Assets

The accompanying Notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 20 May 2025, and signed on its behalf by:

**M Bane**
**Director**

**R Akushie**
**Director**

Company registered number: 11738373

# Statement of changes in shareholders' equity

## For the year ended 31 March 2025

| | Note | Share capital £m | Share premium £m | Revenue reserve[2] £m | Capital reserve[2] £m | Treasury shares reserve[1,2] £m | Total shareholders' equity £m |
|---|---|---|---|---|---|---|---|
| Shareholders' equity as at 31 March 2024 | | 0.2 | 1,213.3 | 1,902.8 | 96.7 | – | 3,213.0 |
| **Profit/(loss) for the year** | | – | – | 73.6 | (27.7) | – | 45.9 |
| Shares repurchased | | – | – | – | – | (62.1) | (62.1) |
| Distributions paid to shareholders | 10 | – | – | (166.1) | – | – | (166.1) |
| **Shareholders' equity at 31 March 2025** | | 0.2 | 1,213.3 | 1,810.3 | 69.0 | (62.1) | 3,030.7 |

## For the year ended 31 March 2024

| | Note | Share capital £m | Share premium £m | Revenue reserve[2] £m | Capital reserve[2] £m | Treasury shares reserve[1,2] £m | Total shareholders' equity £m |
|---|---|---|---|---|---|---|---|
| Shareholders' equity at 31 March 2023 | | 0.2 | 1,213.3 | 1,992.9 | 143.6 | – | 3,350.0 |
| **Profit/(loss) for the year** | | – | – | 77.4 | (46.9) | – | 30.5 |
| Shares repurchased | | – | – | | – | – | – |
| Distributions paid to shareholders | 10 | – | – | (167.6) | – | – | (167.6) |
| **Shareholders' equity at 31 March 2024** | | 0.2 | 1,213.3 | 1,902.8 | 96.7 | – | 3,213.0 |

1 Prior year comparatives have been re-presented to separate Treasury Shares from Capital reserves. The negative Treasury shares reserve balance results in an increase in Capital reserves. There is no impact on Net Assets
2 Revenue, Capital and Treasury shares reverses are described in accounting policies Note 2 Equity and reserves

The accompanying Notes are an integral part of these financial statements.

# Cash flow statement

## For the year ended 31 March 2025

| | Note | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | 9 | **45.9** | 30.5 |
| Adjustments for: | | | |
| Total investment income | 5 | **(50.0)** | (35.2) |
| Operating cash flows before movements in working capital | | **(4.1)** | (4.7) |
| Changes in working capital: | | | |
| Decrease in receivables | | **–** | 0.1 |
| Increase/(Decrease) in payables | | **–** | (0.1) |
| **Cash flow from operations** | | **(4.1)** | (4.7) |
| Investment income received | | **131.0** | 172.4 |
| **Net cash flow from operating activities** | | **126.9** | 167.7 |
| **Cash flow from investing activities** | | | |
| Investment repayment | 12 | **100.0** | – |
| **Net cash flow from investing activities** | | **100.0** | – |
| **Cash flows from financing activities** | | | |
| Shares repurchased | 16 | **(61.2)** | – |
| Distributions paid to shareholders | 10 | **(166.1)** | (167.6) |
| **Net cash used in financing activities** | | **(227.3)** | (167.6) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(0.4)** | 0.1 |
| Cash and cash equivalents at beginning of period | | **1.1** | 1.0 |
| **Cash and cash equivalents at end of period** | | **0.7** | 1.1 |

The accompanying Notes are an integral part of these financial statements.

# Notes to the financial statements

**For the year ended 31 March 2025**

## 1. Reporting entity

HICL Infrastructure PLC (the "Company" or "HICL") is a public limited company incorporated, domiciled and registered in England, in the United Kingdom. The financial statements as at and for the year ended 31 March 2025 comprise the financial statements for the Company only as explained in Note 2.

The Company has one direct corporate subsidiary, being HICL Infrastructure 2 S.à.r.l ("Luxco"). Luxco is the limited partner in Infrastructure Investments Limited Partnership ("IILP") (both are a "Corporate Subsidiary" and together the "Corporate Subsidiaries").

The Company and its Corporate Subsidiaries (together the "Corporate Group") invest in infrastructure projects in the United Kingdom, the Eurozone, North America and New Zealand. The Corporate Group and all subsidiaries in the group portfolio are the "HICL Group".

## 2. Key accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS").

The financial statements are presented in pounds sterling, which is the Company's functional currency. The principal accounting policies applied in the preparation of the Company's financial statements are shown below. These policies have been consistently applied.

### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in HICL's Business Model section of the Strategic Report starting on page 10. In addition, Notes 14 to 17 of the financial statements include: the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company, and its ability to continue as a going concern, is reliant on investment income and investment repayment from Luxco in order to meet its liabilities, both contractual and expected, for a period of at least 12 months from the date of approving the financial statements ("the going concern period"). Luxco is in turn reliant on IILP for this funding. The Directors have assessed the going concern of the Company by considering areas of financial risk that could impact funding to the Company, the Corporate Group's, via IILP, access to the RCF, which in May 2025 was extended by one year to June 2027, and LCF, and liquidity considerations on the £150m private placement debt (details of which are set out in the Financial Review starting on page 36) and by reviewing cash flow forecasts both at the Company level and at the Corporate Group level. The Directors also performed stress testing under severe but plausible scenarios including a 20% reduction in distributions from projects (above projects currently in lock-up), and a 33% increase in lifecycle risk costs, for a period of 12 months. Judgement is applied in determining when the cash flow from underlying assets is assumed to be received when determining the cash flow forecast, based on the contractual nature or demand assumptions of each asset.

The Directors also considered the Company's considerable financial resources, being the Company's indirect investments in a significant number of project assets, via its Corporate Group, and whose distributions, alongside the Company's indirect access to funding facilities via IILP, support the liquidity of the Company. The going concern analysis included an assessment, at the Corporate Group level, which in turn supports the Company, of the potential variability in returns and cash flows from project companies. The Directors also noted that the financing for project companies is non-recourse to the Company.

Based on this analysis, the Directors have concluded that the Company has adequate resources to meet its liabilities as they fall due for the going concern period. Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

### New and revised standards

There are no new or amended accounting standards or interpretations adopted during the year that have a material impact on the financial statements. The Company notes the following new standards and interpretations which were in issue and effective at the date of these financial statements.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for accounting periods beginning on or after 1 January 2024)
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective for accounting periods beginning on or after 1 January 2024)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective for accounting periods beginning on or after 1 January 2024)
- Amendments to IAS1: Non-current Liabilities with Covenants (effective for accounting periods beginning on or after 1 January 2024)

The Company also notes the following standards and interpretations which were in issue but not effective at the date of these financial statements. They are not expected to have a material impact on the Company's financial statements.

- Amendments to IAS 21: Lack of Exchangeability (effective for accounting periods beginning on or after 1 January 2025)
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 January 2026)
- IFRS 18: Presentation and Disclosure in Financial Statements (effective for accounting periods beginning on or after 1 January 2027)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (effective for accounting periods beginning on or after 1 January 2027)

## Financial instruments

Financial assets and liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the instrument expire or the asset or liability is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 'Financial Instruments: Recognition and measurement'.

## 2. Key accounting policies continued

### Non-derivative financial instruments

Non-derivative financial instruments comprise the Company's investment in the equity and debt of its direct Corporate Subsidiary, Luxco, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value including directly attributable transaction costs, except for financial instruments measured at fair value through profit or loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

### Investments in equity and debt securities

Investments in the equity and loan stock of entities engaged in infrastructure activities, which are not classified as indirect subsidiaries of the Company or which are indirect subsidiaries not consolidated in the Company's results, are designated at fair value through profit or loss since the Company manages these investments and makes purchase and sale decisions based on their fair value. The Company has one direct subsidiary, Luxco, which is also an investment entity.

### Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses for financial assets. Interest income or expenses, foreign exchange gains and losses and impairment are recognised in the Income Statement. Any gain or loss on derecognition is recognised in the Income Statement.

### Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access to at that date.

The fair value of the Company's investment in Luxco is based on the Net Asset Value of IILP and the sundry assets and liabilities of Luxco, which are measured at fair value. IILP's Net Asset Value is based on the fair value of the underlying investments in its portfolio of infrastructure assets, since IILP manages these investments and makes purchase and sale decisions based on their fair value.

The fair value of IILP's underlying investments is determined using the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at its fair value. In determining the appropriate discount rate, regard is given to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions. Further detail on the methods and assumptions used in estimating the fair values of the financial instruments is included in Note 14. IILP has issued £150m of private placement notes. These notes are held at amortised cost.

### Investment income

Investment income comprises dividend income and gains/(losses) on the debt and equity investments, which comprises the change in fair value of the Company's investment in Luxco. Dividend income is recognised when the Company's right to receive payment is established.

### Share capital and share premium

Ordinary Shares are classified as equity. Costs directly attributable to the issue of new shares are recognised as a deduction from the share premium account.

### Equity and reserves

The Company is a UK approved Investment Trust Company. Financial statements prepared under IFRS are not required to apply the provisions of the Statements of Recommended Practice issued by the UK Association of Investment Companies for the financial statements of Investment Trust Companies (the "SORP"). However, where relevant and appropriate, the Directors have looked to follow the recommendations of the SORP. The Directors have chosen to rename distributable and other reserves into a Revenue reserve, Capital reserve and Treasury shares reserve respectively. The Directors have exercised their judgement in applying the SORP and a summary of these judgements are as follows:

- Net gains / losses on investments are applied wholly to the Capital reserve as they relate to the revaluation or disposal of investments;
- Dividends are applied to the Revenue reserve except under specific circumstances where a dividend arises from a return of capital or proceeds from a refinancing, when they are applied to the Capital reserve;
- Fees payable are applied to the Capital reserve where the service provided is, in substance, an intrinsic part of an intention to acquire or dispose of an investment;
- Operating costs are applied wholly to the Revenue reserve as there is no clear connection between the operating expenses of the Company and the purchase and sale of an investment;
- Foreign exchange movements are applied to the Revenue reserve where they relate to movements on non-portfolio assets; and
- Shares repurchased, including any direct costs, are applied to the Treasury shares reserve.

### Cash and cash equivalents

Cash and cash equivalents held by the Company comprise cash balances, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Cash equivalents, including demand deposits, are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### Income tax

Income tax represents the sum of the tax currently payable and deferred tax. Current tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

### Foreign exchange gains and losses

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the re-translation of unsettled monetary assets and liabilities are recognised immediately in the Income Statement.

### Expenses

All expenses are accounted for on an accruals basis. The Company's investment management fee, administration fees and all other expenses are charged through the Income Statement.

### Dividends payable

Dividends payable to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders at the Annual General Meeting.

### Segmental reporting

The Chief Operating Decision Maker (the "CODM") has been determined to be the Board, who are of the opinion that the Company is engaged in a single segment of business, being the investment in infrastructure. The Company has no single major customer.

The internal financial information used by the CODM on a quarterly basis to allocate resources, assess performance and manage the Company presents the business as a single segment comprising the portfolio of investments in infrastructure assets.

## 3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with UK adopted international accounting standards requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the disclosure or to the carrying amounts of assets and liabilities are outlined below.

### Key judgements

#### Investment Entities

The Company has applied IFRS 10 'Consolidated Financial Statements', International accounting standards 11 'Joint Arrangements' and IFRS 12 'Disclosure of Interests in Other Entities' in these financial statements, which require investment entities to measure certain subsidiaries, including those that are themselves investment entities, at fair value through the Income Statement, rather than consolidating their results.

To determine that the Company continues to meet the definition of an investment entity the Company is required to satisfy the following three criteria:

– It obtains funds from one or more investors for the purpose of providing these investors with professional investment management services;
– It commits to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
– It measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Corporate Subsidiaries carry out investment activities and incur overheads and borrowings on behalf of the Company. They are considered investment entities themselves and are therefore measured at fair value in these financial statements.

Consistent with previous years, the Company meets the criteria due to the following reasons:

– It delivers stable returns to shareholders through a mix of income yield and capital appreciation;
– It provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually; and
– It has elected to measure and evaluate the performance of all its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion is reassessed on an annual basis.

### Key estimation uncertainties

The key area where estimates are significant to the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is the valuation of the Company's Investment Entity Subsidiary, Luxco. Luxco holds the investment in IILP, which in turn indirectly holds investments in infrastructure assets which are held at fair value.

The portfolio is well-diversified by sector, geography and underlying risk exposures. The principal risks to the operational performance, and therefore the underlying cash flows of the investments are i) adjustments to contracted or regulated revenues, ii) revenue variability, iii) construction defects, iv) construction, operations and maintenance counterparties, and v) operational costs.

The underlying investments are generally not based on observable market data and are instead valued using a discounted cash flow analysis of forecast investment cash flows. The exception to this is the listed senior debt in the A13 Road project, which is valued using the quoted market price of the bonds. There is a secondary market for infrastructure investments and, where appropriate and publicly available, external data points are considered. The key external (macroeconomic and fiscal) factors affecting the forecast of each portfolio company's cash flows in local currency are inflation rates, interest rates, GDP growth rates and applicable tax rates. Management exercise judgement in determining the appropriate assumptions that underpin these valuations, but which are supported by an independent review by a third-party valuation expert.

The portfolio valuation is sensitive to key macroeconomic assumptions. Note 14 sets out the sensitivity of these key assumptions to reasonably possible changes.

Forecast assumptions for each of these external metrics are made using market data and economic forecasts. Management exercise judgement to assess the expected future cash flows from each investment based on the detailed financial models produced by each portfolio company. The data in these models is adjusted to reflect specific operating assumptions and to replace metrics used by portfolio companies with those used by the HICL Group where they are different. The fair value for each investment is then derived from the application of an appropriate market discount rate and year-end currency exchange rate. The discount rate takes into account risks associated with the financing of the investment (e.g. liquidity, currency risks, market appetite) and its earnings quality (e.g. predictability and covenant of the revenues and service delivery challenges). When setting the discount rate, Management place significant emphasis on the equity risk premium implied by current government bond yields. This approach helps determine where premiums settle as risk-free rates change. However, Management also evaluates the discount rates to ensure premiums remain appropriate. These are generally differentiated by the phase of the investment's life (e.g. in construction or in operation).

## 4. Geographical analysis

The tables below provide an analysis based on the geographical location of the Company's underlying indirect investments[1].

| Investment income | UK | Eurozone | Rest of the World | Total |
|---|---|---|---|---|
| **31 March 2025** | **£58.2m** | **£4.2m** | **£(12.4)m** | **£50.0m** |
| 31 March 2024 | £24.0m | £8.8m | £2.4m | £35.2m |

| Investment in investment entity subsidiaries | UK | Eurozone | Rest of the World | Total |
|---|---|---|---|---|
| **31 March 2025** | **£2,041.7m** | **£588.7m** | **£401.1m** | **£3,031.5m** |
| 31 March 2024 | £2,124.3m | £645.0m | £443.2m | £3,212.5m |

1 The Company has one direct investment, Luxco

## 5. Total investment income

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| Investment income received | **131.0** | 198.0 |
| Net loss on revaluation of investment in Investment Entity Subsidiary | **(81.0)** | (162.8) |
| **Total** | **50.0** | **35.2** |

## 6. Company expenses

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| Fees to auditor | **0.6** | 0.5 |
| Investment Manager fees (Note 18) | **0.1** | 0.1 |
| Directors' fees (Note 18) | **0.6** | 0.5 |
| Professional fees | **2.8** | 3.6 |
| **Total** | **4.1** | **4.7** |

Fees to auditor comprise the Company's £0.5m audit fees as well as £0.1m fees to KPMG LLP in respect of their interim review of the Company's accounts (2024: £0.4m audit fees and £0.1m interim review fees). Additional fees to KPMG LLP relating to the audit of the Company's subsidiaries were £0.5m (2024: £0.5m). The non-audit services for the Company, its subsidiaries and affiliates were £0.1m (2024: £0.3m).

## Information regarding the Group's Auditor

During the year, the Group received the following services from its external Auditor, KPMG LLP. The table below is prepared in accordance with Companies Act requirements, which is consistent with IFRS.

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| **Audit Services** | | |
| Statutory audit | | |
| Company | **0.5** | 0.4 |
| UK Subsidiaries | **0.5** | 0.5 |
| **Total audit services** | **1.0** | 0.9 |
| **Non-audit services** | | |
| Other assurance services | **0.2** | 0.4 |
| **Total audit and non-audit services** | **1.2** | 1.3 |

## 7. Employees

The Company had no employees during the year (31 March 2024: Nil).

## 8. Income tax

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| **Current taxes** | | |
| Current year | **–** | – |
| | **–** | – |

The effective rate of corporation tax in the UK for a large company is 25% (2024: 25%). The tax charge in the year was lower than the standard and effective tax rate due to differences explained below:

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| **Profit before tax** | | |
| Profit before tax multiplied by the UK corporation tax rate of 25% (2024: 25%) | **11.5** | 7.6 |
| Effect of: | | |
| Non-deductible net loss on revaluation of investment in Investment Entity Subsidiary | **20.2** | 40.7 |
| Non-taxable investment income received | **(32.8)** | (49.5) |
| Other | **1.1** | 1.2 |
| **Total** | **–** | **–** |

The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. This allows certain capital profits of the Company to be exempt from UK tax. Additionally, the Company may designate dividends wholly or partly as interest distributions for UK tax purposes. Interest distributions are treated as tax deductions against taxable income of the Company so that investors do not suffer double taxation on their returns.

The Company is not expected to generate taxable profits not covered by the Investment Trust exemption in the foreseeable future. Therefore no deferred tax asset has been recognised in respect of these losses.

### Tax payable by investments

The financial statements do not directly include the tax charges for any of the Company's intermediate holding companies or investments as these are held at fair value. All of these investments and intermediate holding companies are subject to taxes in the countries in which they operate.

## 9. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period.

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Profit attributable to equity holders of the Company | **£45.9m** | £30.5m |
| Weighted average number of Ordinary Shares in issue, excluding treasury shares[1] | **2,014.2m** | 2,031.5m |
| **Total basic and diluted earnings per Ordinary Share** | **2.3 pence** | **1.5 pence** |

1 No new shares were issued in the year (31 March 2024: no new shares issued). In the year, the Company bought back 51,816,815 shares, held as treasury shares, for £62.1m including all direct costs. At 31 March 2025, the Company had 2,031,488,061 shares in issue with par value 0.01p each, of which 51,816,815 were held as treasury shares (31 March 2024: 2,031,488,061)

## 10. Distributions to Company shareholders

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| Total distributions paid to Company shareholders in the period: | | |
| Quarterly dividend for 31 March 2024 of 2.07p (2024: 2.07p) per share | **42.1** | 42.2 |
| Quarterly dividend for 30 June 2024 of 2.06p (2024: 2.06p) per share | **41.7** | 41.8 |
| Quarterly dividend for 30 September 2024 of 2.06p (2024: 2.06p) per share | **41.4** | 41.8 |
| Quarterly dividend for 31 December 2024 of 2.06p (2024: 2.06p) per share | **40.9** | 41.8 |
| | **166.1** | **167.6** |
| **Amounts not recognised as distributions to equity holders during the year:** | | |
| Quarterly dividend proposed for 31 March 2025 of 2.07p per share | **40.9** | 42.2 |

The quarterly dividend is due to be paid by 30 June 2025.

The Company has elected to distribute a percentage of the dividends paid to shareholders as an interest distribution for tax purposes.

Quarterly interest streaming fluctuates due to several factors, including the forecast annual effective interest received from underlying projects (which moves with acquisitions and disposals) and FX hedging gains/losses.

## 11. Net assets per Ordinary Share

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Shareholders' equity as at 31 March | **£3,030.7m** | £3,213.0m |
| Less: fourth interim dividend | **£(40.9)m** | £(42.2)m |
| | **£2,989.8m** | £3,170.8m |
| Number of Ordinary Shares as at 31 March, excluding treasury shares | **1,979.7m** | 2,031.5m |
| Net assets per Ordinary Share after deducting fourth interim dividend | **151.0p** | 156.1p |
| Add fourth interim dividend | **2.07p** | 2.07p |
| **Net assets per Ordinary Share at 31 March** | **153.1p** | **158.2p** |

## 12. Investment in Investment Entity Subsidiary

| Total amount of the investment in Luxembourg Corporate Subsidiary | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| Opening balance | **3,212.5** | 3,349.7 |
| Loss on revaluation of investment (Note 5) | **(81.0)** | (162.8) |
| (Decrease)/Increase in investment[1] | **(100.0)** | 25.6 |
| **Total amount at year end** | **3,031.5** | 3,212.5 |

1 Decreases in investment for the year ended 31 March 2025 principally relates to a decrease in loan for the repurchase of shares

The Company records the fair value of its direct Corporate Subsidiary, Luxco, based on the Net Asset Value of IILP and the sundry assets and liabilities of Luxco. IILP's Net Asset Value is based on the aggregate fair value of each of its investments along with the working capital of its intermediate holding companies. The Company loan investment in Luxco is held at fair value, which is materially in line with the carrying value of the loan. The terms of the loan agreement between the Company and Luxco allow for Luxco to draw on demand up to the agreed limit, where the loan can be repaid partially or in full at any time without penalty, and where interest is based on specific terms per the loan agreement based on adjusted income received by IILP.

The fair values of the underlying investments are mainly valued using a discounted cash flow analysis of forecast investment cash flows and which are subject to key macroeconomic assumptions as detailed in Note 3 Critical accounting judgements, estimates and assumptions.

The Investment Manager has carried out fair market valuations of IILP's portfolio companies as at 31 March 2025. The Directors have satisfied themselves as to the methodology used, the discount rates applied, and the valuation. The Directors have also engaged an independent third party with experience in valuing these types of investments to assess and opine on the appropriateness of the assumptions and valuations determined by the Investment Manager. This work included using independent market information, reviewing a selection of underlying data and determining an appropriate range. Based on this, the Directors received an independent opinion supporting the reasonableness of the valuation. All investments are valued using a discounted cash flow methodology except for the A13 investment in listed senior bonds which is valued based on quoted market price at the balance sheet date. The valuation techniques and methodologies have been applied consistently with the prior year. Discount rates range from 7.0% to 9.8%[2] (weighted average of 8.4%) (31 March 2024: weighted average of 8.0%).

The fair values of the Corporate Group's financial assets and liabilities not held at fair value, which include the £150m private placement issued by IILP, are not materially different from their carrying values.

In general, the terms of senior funding arrangements may restrict the ability of portfolio companies to make distributions, which impact the fair value of the affected investments, and therefore impacts the fair value of Luxco.

Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the project company and have approved the annual budget for the company; and
- Portfolio company compliance with the terms of senior funding arrangements.

## 13. Acquisitions and Disposals, via the Corporate Subsidiaries

### Acquisitions

The Company, via the Corporate Subsidiary IILP, did not make any acquisitions during the year. However, the Company, via IILP, made a future commitment in Affinity Water for £49.9m during the year.

### Disposals

- The Company, via the Corporate Subsidiary IILP, disposed of its investment in Tameside Hospital for proceeds of £1.
- £244m of proceeds from the disposal of the final 23.3% stake in Northwest Parkway and 50% of the stake in Hornsea II OFTO, announced in the year ended 31 March 2024, were received by the Corporate Group in the year.

2 Excludes discount rate of A13 as listed bond

## 14. Financial instruments

### Fair value estimation

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

#### Financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

Where applicable, further information about the assumptions used in determining fair value is disclosed in the Notes specific to that asset or liability.

### Classification of financial instruments

| | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| **Financial assets** | | |
| Investment in Investment Entity Subsidiary | **3,031.5** | 3,212.5 |
| **Financial assets at fair value through profit or loss** | **3,031.5** | **3,212.5** |
| Trade and other receivables | **0.3** | 0.3 |
| Cash and cash equivalents | **0.7** | 1.1 |
| **Financial assets – amortised cost** | **1.0** | **1.4** |
| **Financial liabilities – other financial liabilities** | | |
| Trade and other payables | **(1.8)** | **(0.9)** |
| **Financial liabilities** | **(1.8)** | **(0.9)** |

The Directors are of the opinion that the carrying values of all financial instruments are approximately equal to their fair values.

### Fair value hierarchy

The fair value hierarchy is defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs, with the fair value of the investments valued using a discounted cash flow analysis of forecast investment cash flows, and which are subject to key macroeconomic assumptions as detailed in Note 3 Critical accounting judgements, estimates and assumptions).

| | | | | 31 March 2025 |
|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
| **Investment in Investment Entity Subsidiary (Note 12)** | **–** | **–** | **3,031.5** | **3,031.5** |

| | | | | 31 March 2024 |
|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
| **Investment in Investment Entity Subsidiary (Note 12)** | – | – | 3,212.5 | 3,212.5 |

There were no transfers between Level 1, 2 or 3 during the period. A reconciliation of the movement in Level 3 assets is disclosed in Note 12.

## Level 3 Valuation methodology

| Methodology | Description | Inputs | Fair value at 31 March (£m) | Sensitivity on key unobservable input | Fair value impact of sensitivities (£m) +5%/-5% |
|---|---|---|---|---|---|
| NAV | The fair value of the investment in the Company's Investment Entity Subsidiary, Luxco, which is equal to its carrying value | Inputs that are not based on observable market data. The fair value of the Company's investment in Luxco is based on Luxco's holding in IILP that is held at fair value | 3,031.5<br>(2024: 3,212.5) | A 5% sensitivity on closing NAV chosen due to historical volatility | 151.6<br>(2024: 160.6) |

The value of the Company's investment in its Investment Entity Subsidiary is sensitive to changes in the macroeconomic assumptions used as part of the portfolio valuation process. As part of its analysis, the Directors have considered the potential impact of a change in a number of the macroeconomic assumptions used in the valuation process. By considering these potential scenarios, the Directors are well positioned to assess how the Company is likely to perform if affected by variables and events that are inherently outside of the control of the Directors and the Investment Manager. The key macroeconomic assumptions that the portfolio valuation is sensitive to are:

### Discount rate sensitivity

While not a macroeconomic assumption, the discount rate that is applied to each portfolio company's forecast cash flows, for the purposes of valuing the portfolio, is the single most important judgement and variable.

### Inflation rate sensitivity

PPP projects in the portfolio have contractual income streams derived from public sector clients, which are rebased every year for inflation. For the demand-based assets, the concession agreement usually prescribes how user fees are set, which are generally reset annually for inflation. For Affinity Water, revenues are regulated by Ofwat in a five-yearly cycle with the pricing of water bills set with the aim of providing an agreed return for equity that is constant in real terms for the five-year period by reference to RPI currently and CPIH in the next regulatory period.

### Gross Domestic Product ("GDP") sensitivity

At 31 March 2025, the portfolio had four assets sensitive to GDP, namely the A63, LSPH, RMG Roads and M1-A1 Road. These assets are classified as GDP-sensitive because at times of higher economic activity there will be greater traffic volumes using them, generating increased revenues for the projects compared to periods of lower economic activity.

### Interest rate sensitivity

The majority of the HICL Group's portfolio companies' interest costs are at fixed rates, either through fixed-rate bonds, bank debt which is hedged with an interest rate swap or linked to inflation through index linked bonds. However, there are five investments (Affinity Water, Fortysouth, TNT, Altitude Infra, and XLT) which have refinancing requirements, exposing these investments to interest rate risk.

In the case of other investments, sensitivity to interest rates predominantly relates to the cash deposits which the portfolio company is required to maintain as part of its senior debt funding. For example, most PPP projects have a debt service reserve account in which six months of debt service payments are held.

### Lifecycle expenditure sensitivity

Lifecycle (also called asset renewal or major maintenance) expenditure concerns the replacement of material parts of the asset to maintain it over the concession life. It involves larger items that are not covered by routine maintenance and for a building will include items like the replacement of boilers, chillers, carpets and doors when they reach the end of their useful economic lives.

The lifecycle obligation, together with the budget and the risk, is either taken by the project company (and hence the investor) or is subcontracted to the FM contractor.

### Corporation tax rate sensitivity

The profits of each portfolio company are subject to corporation tax in the country where the project is located.

### Foreign exchange rate sensitivity

The portfolio has exposure to foreign exchange rates.

## 14. Financial instruments continued

### Sensitivities

The Directors have considered changes in macroeconomic assumptions in the underlying assets for the which Company holds an interest via its indirect Company Subsidiary IILP. The sensitivity has the same impact on both net assets and total investment income.

| Sensitivities | -0.5% p.a. change | Investment at fair value through profit or loss | +0.5% p.a. change |
|---|---|---|---|
| **Discount rates** | | | |
| **31 March 2025** | **£161.9m** | **£3,031.5m** | **£(147.8)m** |
| 31 March 2024 | £173.8m | £3,212.5m | (£158.2)m |
| **Inflation rates** | | | |
| **31 March 2025** | **£(132.4)m** | **£3,031.5m** | **£150.2m** |
| 31 March 2024 | £(141.3)m | £3,212.5m | £160.0m |
| **GDP** | | | |
| **31 March 2025** | **£(56.5)m** | **£3,031.5m** | **£41.8m** |
| 31 March 2024 | £(55.3)m | £3,212.5m | £38.4m |
| | **-1% p.a. change** | **Investment at fair value through profit or loss** | **+1 p.a. change** |
| **Cash deposit rates** | | | |
| **31 March 2025** | **£(43.1)m** | **£3,031.5m** | **£42.8m** |
| 31 March 2024 | £(46.9)m | £3,212.5m | £46.5m |
| **Debt interest rates** | | | |
| **31 March 2025** | **£12.7m** | **£3,031.5m** | **£(12.9)m** |
| 31 March 2024 | £25.5m | £3,212.5m | £(27.7)m |
| | **-5% p.a. change** | **Investment at fair value through profit or loss** | **+5% p.a. change** |
| **Tax** | | | |
| **31 March 2025** | **£105.6m** | **£3,031.5m** | **£(105.5)m** |
| 31 March 2024 | £107.1m | £3,212.5m | £(107.9)m |

The sensitivity assumes that the changes are for all future periods, and is consistent with that shown by the Company's listed infrastructure peers allowing for comparisons to be made. A higher sensitivity is not considered necessary as the mix of the portfolio means that the sensitivity is relatively linear and it is possible to estimate the impact if percentage changes are in multiples of this sensitivity.

The Directors recognise that any macroeconomic volatility can give rise to a greater possible range of values than has been reported in recent years.

## 15. Loans and borrowings

The Corporate Group's multi-currency £400m RCF, held via the Corporate Subsidiary IILP, was reduced from £650m in May 2024 at IILP's request. Post year-end, the three-year tenor RCF was extended by a year out to 30 June 2027. £10m was drawn on the RCF as at 31 March 2025.

IILP has issued £150m of private placement loan notes. The notes were issued in two tranches; £100m expiring in 2033 and £50m expiring in 2035. The weighted average interest rate is 5.80% (5.75% after hedging).

## 16. Share capital and reserves

| Ordinary Shares | 31 March 2025 m | 31 March 2024 m |
|---|---|---|
| **Authorised and issued at the beginning and the end of the year** | **2,031.5** | **2,031.5** |
| Shares repurchased and held as treasury shares | **(51.8)** | – |
| **Authorised and issued, excluding treasury shares, at end of year – fully paid** | **1,979.7** | **2,031.5** |

As at 31 March 2025, 51,816,815 shares, purchased for £62.1m including direct costs, were held as treasury shares following their repurchase. The share repurchase programme may be cancelled at any time. The holders of the 1,979,671,246 Ordinary Shares, excluding treasury shares, at 31 March 2025 (31 March 2024: 2,031,488,061) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Post year-end, a further 13,372,003 shares were repurchased, and held as treasury shares, up until the date of the approval of the financial statements, with 1,966,299,243 Ordinary Shares in issue, excluding treasury shares, as at 19 May 2025.

No new share issuances occurred during the year ended 31 March 2025 or the year end 31 March 2024.

| Share capital | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| Opening balance | **0.2** | 0.2 |
| **Balance at end of year** | **0.2** | **0.2** |

| Share premium | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| Opening balance | **1,213.3** | 1,213.3 |
| **Balance at end of year** | **1,213.3** | **1,213.3** |

### Revenue, Capital and Treasury shares reserves

Revenue, Capital and Treasury shares reserves are detailed in the Statement of Changes in Equity. The composition of the Capital, Revenue and Treasury shares reserves are detailed in Note 2: Equity and reserves.

## 17. Financial risk management

The Corporate Group is exposed to market risk (which includes currency risk, interest rate risk and inflation risk), credit risk and liquidity risk arising from the financial instruments held by the Corporate Subsidiary, IILP, and as are disclosed below. The Corporate Group, via IILP, owns a portfolio of investments predominantly in the subordinated loan stock and equity of project companies. These companies are structured at the outset to minimise financial risks where possible. Ongoing risk management occurs through the individual boards of the project companies and monitored through regular financial and operational performance reports.

### Market risk

Returns from HICL Group's investments are affected by market events giving rise to changes in the value of underlying portfolio assets. The value of these investments will be a function of the discounted value of their expected future cash flows and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

As at 31 March 2025, the proportion of the portfolio considered sensitive to GDP has reduced to 13% (14% at 31 March 2024). Four assets remain sensitive to GDP, namely, the A63, M1-A1 Road, RMG Roads and LSPH. At times of higher economic activity there will be greater traffic volumes using these roads and railways, generating increased revenues for the projects than compared to periods of lower economic activity and therefore these are assessed as GDP sensitive investments.

### Interest rate risk

The Corporate Group has indirect exposure to interest rates through changes to the financial performance and the valuation of portfolio companies caused by interest rate fluctuations in loans and borrowings at IILP. The Company itself does not have any borrowings but does have an interest-bearing loan with Luxco and therefore is exposed to interest rate risk. The sensitivity of the portfolio companies to interest rates is shown in Note 14.

### Inflation risk

The infrastructure project companies in which the Corporate Group, via IILP, invests are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation metrics where possible to minimise the risks of mismatch between income and costs due to movements in inflation. The Corporate Group's overall cash flows vary with inflation, although they are not fully correlated as not all flows are indexed. The effects of inflation changes do not always immediately flow through to the Corporate Group's cash flows, particularly where a project's loan stock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future periods. As RPI is to be aligned with CPIH from 2030, RPI-linked project companies have been aligned to CPIH from this date. The sensitivity of the Corporate Group to inflation is shown in the sensitivities table in Note 14.

## 17. Financial risk management continued

### Currency risk

The Corporate Group monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection against the effect of exchange rate fluctuations on the level of Sterling distributions that the Corporate Group expects to receive over the medium term, where considered appropriate. This may involve the use of forward exchange and other currency hedging contracts at IILP level, as well as the use of Euro, Canadian dollar, US dollar, NZ dollar and other currency denominated borrowings. At 31 March 2025, the Corporate Group, via IILP, hedged its currency exposure through Euro, Canadian dollar, NZ dollar and US dollar forward contracts. This has reduced the volatility in the NAV from foreign exchange movements.

The hedging policy is designed to provide confidence in the near-term yield and to limit NAV per share sensitivity to no more than 2% for a 10% foreign exchange movement. The sensitivity of the Corporate Group to currency risk is shown in the sensitivities table in Note 14. The proceeds from the Northwest Parkway disposal received during the year were fully hedged from the date the sale was signed in the prior year.

### Credit risk

Credit risk is the risk that a counterparty of the Corporate Group will be unable or unwilling to meet a commitment that it has entered into with the Corporate Group.

The Corporate Group is subject to credit risk on its loans, receivables, cash and deposits. The Corporate Group's cash and deposits are held with reputable banks. The credit quality of loans and receivables within the Investment Portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due, it is believed that the risk of default is small and capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the investment.

The Corporate Group's maximum exposure to credit risk over financial assets is the carrying value of those assets in the balance sheet. The Corporate Group does not hold any collateral as security.

### Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

| 31 March 2025 | Less than 1 year £m | Between 1 and 2 years £m | Between 2 and 5 years £m | More than 5 years £m |
|---|---|---|---|---|
| Trade and other payables | 1.8 | – | – | – |
| **Total** | **1.8** | – | – | – |

| 31 March 2024 | Less than 1 year £m | Between 1 and 2 years £m | Between 2 and 5 years £m | More than 5 years £m |
|---|---|---|---|---|
| Trade and other payables | 0.9 | – | – | – |
| **Total** | **0.9** | – | – | – |

## 18. Related party transactions and transactions with the Investment Manager

InfraRed was appointed under an Investment Management Agreement, dated 4 March 2019, as Investment Manager to, and the AIFM of, the Company. The Investment Management Agreement may be terminated by either party to the agreement, being the Company or InfraRed, giving three years' written notice to the other, or if InfraRed's appointment as Operator (see below) is terminated. Under the Investment Management Agreement, InfraRed is entitled to a fee of £0.1m per annum, payable half-yearly in arrears by the Company and which is subject to review, from time to time.

The Investment Manager fees charged to the Company were £0.1m (31 March 2024 £0.1m), (disclosed as Investment Manager fees in Note 6).

InfraRed is also the Operator of IILP, the Corporate Subsidiary through which the Company indirectly holds its investments. InfraRed has been appointed as the Operator by the General Partner of IILP, Infrastructure Investments General Partner Limited, a company within the same group as InfraRed. The Operator and the General Partner may each terminate the appointment of the Operator by either party giving three years' written notice. Either the Operator or the General Partner may terminate the appointment of the Operator by written notice if the Investment Management Agreement is terminated in accordance with its terms. The General Partner's appointment does not have a fixed term. However, if InfraRed ceases to be the Operator, the Company has the option to buy the entire share capital of the General Partner and the InfraRed Group has the option to sell the entire share capital of the General Partner to the Company, in both cases for nominal consideration. The Directors consider the value of the option to be insignificant.

In the year to 31 March 2025, in aggregate InfraRed and the General Partner were entitled to fees and / or profit share equal to: 1.1 per cent per annum of the adjusted gross asset value of all investments of HICL up to £750m, 1.0 per cent per annum for the incremental value in excess of £750m up to £1,500m, 0.9 per cent for the incremental value in excess of £1,500m, 0.8 per cent for the incremental value in excess of £2,250m and 0.65 per cent for the incremental value in excess of £3,000m.

The total Operator fees were £30.6m (2024: £33.8m), of which £7.5m remained payable at 31 March 2025 (2024: £8.1m).

As at 31 March 2025, InfraRed is 100% owned by Sun Life Financial Inc. (together with its subsidiaries and joint ventures,"Sun Life"), with InfraRed having exercised the right to sell the remaining 20% in July 2024. InfraRed is a distinct business under SLC Management, the alternatives asset manager of Sun Life.

Sun Life holds £50.0m of the private placement notes issued by IILP, on an arm's length basis. As at 31 March 2025, total interest paid to Sun Life in the year was £2.9m (2024: £1.5m) and £1.0m of interest had been accrued.

The Directors of the Company, who are considered to be key management personnel, received fees for their services. Their fees were £0.6m for the year ended 31 March 2025 (2024: £0.5m) (see Note 6). One Director also receives fees for serving as Director of Luxco, and whose annual fees are £9.0k (2024: £8.0k). (Further detail is included in the Directors' Remuneration Report starting on page 90).

## 19. Guarantees and other commitments

As at 31 March 2025, the Company, via its Corporate Subsidiary IILP had £112.9m of commitments for future project investments (31 March 2024: £64.5m), with the increase in the year due to the £49.9m commitment into Affinity Water.

The security trustee of the RCF within the Corporate Group, and on behalf of certain secured parties, has a first ranking charge over 100% of the share capital of HICL Infrastructure 2 S.à r.l as part of this RCF arrangement.

## 20. Events after balance sheet date

In May 2025, the £400m three-year tenor RCF, which is due to expire in June 2026, was extended by one year to 30 June 2027.

On 14 May 2025, the Company declared an interim dividend of 2.07 pence per share in respect of the final quarter of the year to 31 March 2025. The total dividend payable by 30 June 2025, is based on a record date of 23 May 2025 and the number of shares in issue, excluding treasury shares, at that time being 1,966,299,243, subject to any additional share buybacks up to this date.

13,372,003 shares were repurchased between the balance sheet date and 19 May 2025 as part of the share buyback programme, for the amount of £15.3m including all direct fees.

Subject to finalisation of contractual arrangements, and effective from 1 July 2025, the basis for the management fee charged by InfraRed is to be amended to 50% the average of the Company's most recently published NAV, and 50% the daily average closing market capitalisation of the Company (capped so the base fee payable will be no higher than under the existing GAV fee arrangement).

## 21. Related undertakings

Below is a list of the Company's subsidiaries and related undertakings – incorporated in the United Kingdom unless otherwise stated. Further, the following subsidiaries have not been consolidated in these financial statements, as a result of applying IFRS 10 and Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27).

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Academy Services (Norwich) Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Academy Services (Norwich) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Academy Services (Oldham) Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Academy Services (Oldham) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Academy Services (Sheffield) Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Academy Services (Sheffield) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Adagia B.V. | Strawinskylaan 1021, 1077 XX, Amsterdam, The Netherlands | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Addiewell Prison (Holdings) Ltd | C/o Sodexo Remote Sites Limited, 4Th Floor, The Exchange No. 62 Market Street, Aberdeen, Scotland AB11 5PJ | 67% | 67% | N/A[2] | N/A[2] | N/A[2] |
| Addiewell Prison Ltd | C/o Sodexo Remote Sites Limited, 4Th Floor, The Exchange No. 62 Market Street, Aberdeen, Scotland AB11 5PJ | 67% | 67% | N/A[2] | N/A[2] | N/A[2] |
| Affinity Water Capital Funds Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | 1.4 | 177.5 |
| Affinity Water East Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | 1.8 | 64.5 |
| Affinity Water Finance (2004) Plc | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | N/A[2] | N/A[2] | N/A[2] |
| Affinity Water Finance plc | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | N/A[2] | N/A[2] | N/A[2] |
| Affinity Water Holdco Finance Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | (0.8) | 282.6 |
| Affinity Water Holdings Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | - | 291.7 |
| Affinity Water Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | (37.3) | (155.6) |
| Affinity Water Pension Trustees Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | N/A[2] | N/A[2] | N/A[2] |
| Affinity Water Southeast Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | 1.7 | 66.1 |
| AGP (2) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| AGP Holdings (1) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Albion Healthcare (Doncaster) Holdings Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Albion Healthcare (Doncaster) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Albion Healthcare (Oxford) Holdings Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |
| Albion Healthcare (Oxford) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |
| Altitude Infra | 1 Terrasse Bellini 92919 Puteaux La Defense, France | 6% | 6% | 31-Dec-24 | (25.5) | 1,082.7 |
| Altitude Infrastructure Construction | 1 Terrasse Bellini 92919 Puteaux La Defense, France | 6% | 6% | 31-Dec-24 | 15.6 | (38.5) |
| Altitude Infrastructure Exploitation | 1bis Place de la Défense, 92400 Courbevoie, France | 6% | 6% | N/A[2] | N/A[2] | N/A[2] |
| Altitude Infrastructure THD | 1bis Place de la Défense, 92400 Courbevoie, France | 3% | 3% | 31-Dec-24 | (109.2) | (88.8) |
| Amalie Infrastructure Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Amalie PFI (UK) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 2.7 | 36.9 |
| Annes Gate Property Plc | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Ashburton Services (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Ashburton Services Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Aspire Defence Finance Plc | Aspire Business Centre, Ordnance Road, Tidworth, SP9 7QD | 12% | 12% | N/A[2] | N/A[2] | N/A[2] |
| Aspire Defence Holdings Limited | Aspire Business Centre, Ordnance Road, Tidworth, SP9 7QD | 12% | 12% | N/A[2] | N/A[2] | N/A[2] |
| Aspire Defence Limited | Aspire Business Centre, Ordnance Road, Tidworth, SP9 7QD | 12% | 12% | N/A[2] | N/A[2] | N/A[2] |
| Atlandes S.A. | 15 Avenue Leonard De Vinci, 33600 Pessac, France | 24% | 24% | 31-Dec-24 | 34.1 | 0.1 |
| Axiom Education (Edinburgh) Holdings Limited | Blake House 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Axiom Education (Edinburgh) Limited | Blake House 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Axiom Education (Perth & Kinross) Holdings Limited | Blake House 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Axiom Education (Perth & Kinross) Limited | Blake House 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD | 100% | 100% | 31-Dec-23 | 1.5 | (52.6) |
| BAAK Blankenburg-Verbinding B.V. | Ringwade 71, 3439 LM Nieuwegein, The Netherlands | 70% | 70% | 31-Dec-23 | 13.4 | 42.1 |
| Bangor And Nendrum Schools Services Holdings Limited | C/o Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW | 40% | 40% | N/A[2] | N/A[2] | N/A[2] |
| Bangor And Nendrum Schools Services Limited | C/o Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW | 40% | 40% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Bass LIFT Holdings Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 99% | 99% | N/A[2] | N/A[2] | N/A[2] |
| Bee Invest 1 | 91, rue du Faubourg Saint-Honoré, 75008 Paris, France | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Betjeman Holdings Jvco Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | 31-Mar-24 | - | 336.4 |
| Betjeman Holdings Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | 31-Mar-24 | (32.9) | 48.0 |
| Betjeman Holdings Midco Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | 31-Mar-24 | 13.8 | 334.7 |
| Birmingham And Solihull Lift (Fundco 1) Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Birmingham And Solihull Lift (Fundco 2) Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Birmingham And Solihull Lift (Fundco 3) Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Birmingham And Solihull Lift (Fundco 4) Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Birmingham and Solihull Local Improvement Finance Trust Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Blue Light Holdings Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Blue3 (Gloucestershire Fire) (Holdings) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Blue3 (Gloucestershire Fire) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| BNC IXAS SPC Holding B.V. | Herikerbergweg 292, 1101CT, The Netherlands | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |
| BNC Pi2 Holding B.V. | Europalaan 40, 3526 KS Utrecht, The Netherlands | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Boldon School (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Boldon School Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Brentwood Healthcare Partnership Holding Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Brentwood Healthcare Partnership Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| By Education (Barking) Holdings Limited | Quadrant House, 4 Thomas More Square, London, E1W 1YW | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| By Education (Barking) Limited | Quadrant House, 4 Thomas More Square, London, E1W 1YW | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| ByCentral Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| ByCentral Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| ByWest (Holdings) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| ByWest Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| CAE Aircrew Training Services Plc | MSHATF, Raf Benson, Wallingford, Oxfordshire, OX10 6AA | 22% | 22% | N/A[2] | N/A[2] | N/A[2] |
| Central Blackpool PCC Holding Company Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Central Blackpool PCC Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Children's Ark Partnerships Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Children's Ark Partnerships Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Claymore Roads (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Claymore Roads Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Connect M1-A1 Holdings Limited | Q14 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BU | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Connect M1-A1 Limited | Q14 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BU | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Birmingham) Funding Plc | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Birmingham) Holdings Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Birmingham) Intermediate Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Birmingham) Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Blackburn) Funding Plc | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Blackburn) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Blackburn) Intermediate Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Blackburn) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Mid Yorkshire) Funding Plc | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Mid Yorkshire) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Mid Yorkshire) Intermediate Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Consort Healthcare (Mid Yorkshire) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Salford) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Salford) Intermediate Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Consort Healthcare (Salford) PLC | 8 White Oak Square, London Road, Swanley, BR8 7AG | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Criterion Healthcare Holdings Limited | C/o Equitix Management Services Limited, 2nd Floor Toronto Square, Toronto Street, Leeds, West Yorkshire, LS1 2HJ | 36% | 36% | N/A[2] | N/A[2] | N/A[2] |
| Criterion Healthcare Plc | C/o Equitix Management Services Limited, 2nd Floor Toronto Square, Toronto Street, Leeds, West Yorkshire, LS1 2HJ | 36% | 36% | N/A[2] | N/A[2] | N/A[2] |
| Cross London Trains Finance Company Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 6% | 6% | N/A[2] | N/A[2] | N/A[2] |
| Cross London Trains HoldCo 2 Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 6% | 6% | N/A[2] | N/A[2] | N/A[2] |
| Cross London Trains HoldCo Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 6% | 6% | 30-Jun-24 | (75.5) | 377.2 |
| Cross London Trains Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 6% | 6% | 30-Jun-24 | 4.2 | (57.1) |
| Cross Texas Transmission, LLC | 251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA | 46% | 46% | 31-Dec-23 | 26.8 | 472.3 |
| CSES (Dorset) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| CSM PPP Services (Holdings) Limited | Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland | 76% | 76% | N/A[2] | N/A[2] | N/A[2] |
| CSM PPP Services Limited | Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland | 76% | 76% | N/A[2] | N/A[2] | N/A[2] |
| CTRL (UK) Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| CVS Leasing Limited | MSHATF, Raf Benson, Wallingford, Oxfordshire, OX10 6AA | 87% | 87% | N/A[2] | N/A[2] | N/A[2] |
| D3 - Societe de la deviation de Troissereux | 21 Rue Hippolyte Bayard, Pae Du Haut-Ville, 60000, Beauvais, France | 90% | 90% | N/A[2] | N/A[2] | N/A[2] |
| Daiwater Investment Limited | The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ | 33% | 33% | 31-Mar-24 | - | 757.2 |
| Derby School Solutions (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Derby School Solutions Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners BBE (Holdings) Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Diamond Transmission Partners BBE Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners Galloper (Holdings) Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 49% | 49% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners Galloper Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 49% | 49% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners Hornsea Two (Holdings) Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 38% | 75% | 31-Mar-24 | (2.5) | (45.0) |
| Diamond Transmission Partners Hornsea Two Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 38% | 75% | 31-Mar-24 | (2.5) | (45.0) |
| Diamond Transmission Partners RB (Holdings) Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 49% | 49% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners RB Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 49% | 49% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners Walney Extension (Holdings) Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 29% | 29% | N/A[2] | N/A[2] | N/A[2] |
| Diamond Transmission Partners Walney Extension Limited | Mid City Place, 71 High Holborn, London, WC1V 6BA | 29% | 29% | N/A[2] | N/A[2] | N/A[2] |
| Directroute (Tuam) Holdings Limited | M17/M18 Operations Centre, Furzy Park, Athenry, Co Galway, Ireland | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Directroute (Tuam) Limited | M17/M18 Operations Centre, Furzy Park, Athenry, Co Galway, Ireland | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Dorset Emergency Services PPP (Holdings) Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Ealing Care Alliance (Holdings) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Ealing Care Alliance Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Ealing Schools Partnerships Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Ealing Schools Partnerships Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Eastbury Park (Holdings) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 50% | 50% | 31-Dec-23 | - | 35.9 |
| Eastbury Park Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Emblem Schools (Holdings) Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Emblem Schools Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Enterprise Civic Buildings (Holdings) Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Enterprise Civic Buildings Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Enterprise Education Conwy Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 90% | 90% | N/A[2] | N/A[2] | N/A[2] |
| Enterprise Education Holdings Conwy Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 90% | 90% | N/A[2] | N/A[2] | N/A[2] |
| Enterprise Healthcare Holdings Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Enterprise Healthcare Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Falkirk Schools Gateway HC Limited | Exchange Tower, 19 Canning Street, Edinburgh, Scotland, EH3 8EH | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Falkirk Schools Gateway Limited | Exchange Tower, 19 Canning Street, Edinburgh, Scotland, EH3 8EH | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| FCC (East Ayrshire) Holdings Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 26% | 26% | N/A[2] | N/A[2] | N/A[2] |
| FCC (East Ayrshire) Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 26% | 26% | N/A[2] | N/A[2] | N/A[2] |
| Fibre Business Infrastructure 2 Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 2.8 | 35.3 |
| Fortysouth GP Limited | Level 1, 46 Sale Street, Aukland Central, Auckland | 40% | 40% | N/A[2] | N/A[2] | N/A[2] |
| Fortysouth Group LP | Level 1, 46 Sale Street, Aukland Central, Auckland | 40% | 40% | N/A[2] | N/A[2] | N/A[2] |
| Fortysouth Hold LP | Level 1, 46 Sale Street, Aukland Central, Auckland | 40% | 40% | 31-Mar-25 | (20.5) | (28.2) |
| Fortysouth Limited | Level 1, 46 Sale Street, Aukland Central, Auckland | 40% | 40% | 31-Mar-25 | (0.2) | 462.0 |
| Fortysouth Towers Limited | Level 1, 46 Sale Street, Aukland Central, Auckland | 40% | 40% | N/A[2] | N/A[2] | N/A[2] |
| Galvani BidCo Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 19% | 19% | 31-Dec-23 | (204.8) | 202.9 |
| Galvani JVCo Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 19% | 19% | N/A[2] | N/A[2] | N/A[2] |
| Galvani MidCo Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 19% | 19% | 31-Dec-23 | (183.8) | 202.8 |
| GGB inBalans BV | Location no. 000026016591, Strawinskylaan, Amsterdam, 10211077XX, The Netherlands | 85% | 85% | N/A[2] | N/A[2] | N/A[2] |
| GGB inBalans Investco B.V | Hagenweg 3 c, 4131 LX, Vianen, The Netherlands | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Glasgow Healthcare Facilities (Holdings) Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |
| Glasgow Healthcare Facilities Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Great Basin Investment, LLC | 251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA | 45% | 45% | N/A[2] | N/A[2] | N/A[2] |
| Great Basin Transmission Holdings, LLC | 251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA | 45% | 45% | N/A[2] | N/A[2] | N/A[2] |
| Great Basin Transmission South, LLC | 251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA | 45% | 45% | 31-Dec-23 | 8.8 | (56.7) |
| Green Timbers GP Limited | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Green Timbers Holdings Limited | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Green Timbers Limited Partnership | 301- 1321 Blanshard Street, Victoria, BC, V8R 1X1, Canada | 100% | 100% | 31-Mar-25 | 4.1 | 39.7 |
| H & D Support Services (Holdings) Limited | Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| H & D Support Services Limited | Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Hadfield Healthcare Partnerships Holding Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Hadfield Healthcare Partnerships Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| HDM Schools Solutions (Holdings) Limited | C/o DLA Piper Scotland LLP, FAO Simon Rae, Collins House, Rutland Square, Edinburgh, Scotland, EH1 2AA | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| HDM Schools Solutions Ltd. | C/o DLA Piper Scotland LLP, FAO Simon Rae, Collins House, Rutland Square, Edinburgh, Scotland, EH1 2AA | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Healthcare Centres PPP Holdings Ltd | Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Healthcare Centres PPP Ltd | Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Helix Acquisition Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| Helix Bufferco Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| Helix Holdings Limited | 13 Castle Street, St Helier, Jersey, JE2 3BT | 35% | 35% | 31-Mar-24 | (83.1) | (913.4) |
| Helix Midco Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| HICL Infrastructure (Canada) Inc. | 1133 Melville Street, Suite 3500, The Stack, Vancouver, BC, V6E 4E5, Canada | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| HICL Infrastructure 2 SARL[1] | 42 Rue de la Vallée 2661 Luxembourg | 100% | 100% | 31-Mar-25 | 166.7 | 1,267.4 |
| HICL Infrastructure 3 SARL | 42 Rue de la Vallée 2661 Luxembourg | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| HICL Infrastructure Green Timbers Inc. | 1133 Melville Street, Suite 3500, The Stack, Vancouver, BC, V6E 4E5, Canada | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| High Speed One (HS1) Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| High Speed Rail Finance (1) PLC | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| High Speed Rail Finance PLC | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | N/A[2] | N/A[2] | N/A[2] |
| Highway Management (Scotland) Holding Limited | Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Highway Management (Scotland) Limited | Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Highway Management M80 Investment Limited | Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Holdfast Training Services Limited | Building 29, HQ RSME Brompton Barracks, Chatham, Kent, ME4 4UG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| HS1 Limited | 5th Floor, Kings Place, 90 York Way, London, N1 9AG | 35% | 35% | 31-Mar-24 | 132.0 | 289.2 |
| Information Resources (Oldham) Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Information Resources (Oldham) Investment Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Information Resources (Oldham) Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Infrared Towers Investments Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 8.7 | 131.8 |
| Infraspeed (Holdings) BV | 2132 LS Hoofddorp, Taurusavenue 155, The Netherlands | 43% | 43% | 31-Dec-24 | 9.6 | 34.3 |
| Infraspeed BV | 2132 LS Hoofddorp, Taurusavenue 155, The Netherlands | 43% | 43% | 31-Dec-24 | 10.1 | 33.7 |
| Infrastructure Central Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (0.6) | 261.5 |
| Infrastructure Investments (A63) Holdings Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-24 | 14.0 | 208.1 |
| Infrastructure Investments (Affinity) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 0.8 | 303.1 |
| Infrastructure Investments (Australia) LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 0.0 | 127.5 |
| Infrastructure Investments (Bond) Holdings LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Bond) LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Colorado) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 25.0 | 212.3 |
| Infrastructure Investments (Defence) Holdings Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 0.5 | 58.7 |
| Infrastructure Investments (Defence) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (14.0) | 44.1 |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Infrastructure Investments (Germany) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Health) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Hsl Zuid) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 5.9 | 61.8 |
| Infrastructure Investments (No 7) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (No 8) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Portal) GP Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Portal) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (Portal) LP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (3.0) | 50.5 |
| Infrastructure Investments (Portsmouth) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (1.3) | 61.3 |
| Infrastructure Investments (Roads) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments (TNT) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (13.9) | 48.8 |
| Infrastructure Investments Aria Holdco Limited (Dissolved 24/09/2024) | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments Aria Topco Limited (Dissolved 10/09/2024) | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments Betjeman (Holdco) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments Betjeman Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments Galvani Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (10.4) | 43.7 |
| Infrastructure Investments Group Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 42.8 | 1,538.9 |
| Infrastructure Investments Holdings Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (28.6) | 274.7 |
| Infrastructure Investments LP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 34.2 | 3,212.2 |
| Infrastructure Investments OFTO 1 Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments OFTO 2 Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments PPP OFTO Holdings LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 6.2 | 118.0 |
| Infrastructure Investments PPP OFTO LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | (1.4) | 145.5 |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Infrastructure Investments PPP OFTO MidCo LLP | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 0.0 | 111.8 |
| Infrastructure Investments Roads Management Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Infrastructure Investments TNT (US) LLC | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | | (7.6) | 55.0 |
| Ivywood Colleges Holdings Limited | 7 Queens Road, Belfast, Northern Ireland, BT3 9DT | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Ivywood Colleges Limited | 7 Queens Road, Belfast, Northern Ireland, BT3 9DT | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Ivywood Colleges Parking Limited | 7 Queens Road, Belfast, Northern Ireland, BT3 9DT | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| IXAS Zuid Oost B.V | Langbroekdreef 18, 1108 EB, Amsterdam, The Netherlands | 25% | 25% | 31-Dec-24 | 2.0 | 56.2 |
| Kajima Darlington Schools Holding Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima Darlington Schools Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima Haverstock Holding Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima Haverstock Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima Newcastle Libraries Holding Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima Newcastle Libraries Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima North Tyneside Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kajima North Tyneside Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kent Education Partnership (Holdings) Limited | Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kent Education Partnership Limited | Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Kluster | 1 Avenue Eugène Freyssinet, 78280 Guyancourt, France | 85% | 85% | N/A[2] | N/A[2] | N/A[2] |
| Liaison Infrastructure Routière Investissement | 91, rue du Faubourg Saint-Honoré, 75008 Paris, France | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Mahi Tahi Towers Investments Pty Ltd | Level 4, Suite 4, 225 George Street, Sydney NSW, 2000, Australia | 100% | 100% | | (2.6) | 184.6 |
| Manchester Housing (MP Equity) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Manchester Housing (MP SubDebt) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Manchester Housing (MP TopCo) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Manchester School Services Holdings Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 76% | 76% | N/A[2] | N/A[2] | N/A[2] |
| Manchester School Services Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 76% | 76% | N/A[2] | N/A[2] | N/A[2] |
| Medway Community Estates Limited | 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Medway Fundco Limited | 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Medway Fundco Two Limited | 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Metier Healthcare Limited | 4 Estates Yard, Wellhouse Lane, Barnet, Hertfordshire, EN5 3DG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Metier Holdings Limited | 4 Estates Yard, Wellhouse Lane, Barnet, Hertfordshire, EN5 3DG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Minerva Education and Training (Holdings) Limited | C/o Albany Spc Services Limited 3rd Floor, 3-5 Charlotte Street, Manchester, M1 4HB | 45% | 45% | N/A[2] | N/A[2] | N/A[2] |
| Minerva Education and Training Limited | C/o Albany Spc Services Limited 3rd Floor, 3-5 Charlotte Street, Manchester, M1 4HB | 45% | 45% | N/A[2] | N/A[2] | N/A[2] |
| Motorway Infrastructure SAS | 92 avenue de Wagram, 75017 Paris, France | 10% | 10% | 31-Dec-24 | 34.1 | 0.1 |
| New Intermediate Care Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| New Schools Investment Company Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Newham Learning Partnership (Hold Co) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| Newham Learning Partnership (Project Co) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| Newham Learning Partnership (PSP) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Newham Transformation Partnership Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| Newport School Solutions (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Newport School Solutions Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Newton Abbot Health Holdings Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Newton Abbot Health Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Nordie 2 Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 30% | 30% | 31-Dec-24 | 29.0 | 168.2 |
| Nordie France SAS | 91, rue du Faubourg Saint-Honoré, 75008 Paris, France | 30% | 30% | 31-Dec-23 | (4.6) | 103.6 |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Nordie Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 8.3 | 116.5 |
| Northwest Connect General Partnership | 301- 1321 Blanshard Street, Victoria, BC, V8R 1X1, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Northwest Connect Holdings Inc. | 301- 1321 Blanshard Street, Victoria, BC, V8R 1X1, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Northwest Connect Inc. | 301- 1321 Blanshard Street, Victoria, BC, V8R 1X1, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Northwest Connect Investment Inc. | 301- 1321 Blanshard Street, Victoria, BC, V8R 1X1, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Ochre Solutions (Holdings) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 40% | 40% | 31-Dec-23 | (3.4) | (67.8) |
| Ochre Solutions Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 40% | 40% | 31-Dec-23 | (3.4) | (67.8) |
| Paradigm (Sheffield BSF) Holdings Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 54% | 54% | N/A[2] | N/A[2] | N/A[2] |
| Paradigm (Sheffield BSF) Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 54% | 54% | N/A[2] | N/A[2] | N/A[2] |
| PFF (Dorset) Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Pi2 B.V. | Europalaan 40, 3526 KS Utrecht, The Netherlands | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Pi2 Holding B.V. | Europalaan 40, 3526 KS Utrecht, The Netherlands | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| PIP Infrastructure Investments (Southmead) Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 25% | 25% | N/A[2] | N/A[2] | N/A[2] |
| Platon Saclay S.A.S | 1 Avenue Eugène Freyssinet, 78280 Guyancourt, France | 85% | 85% | N/A[2] | N/A[2] | N/A[2] |
| PPP Services (North Ayrshire) Holdings Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 26% | 26% | N/A[2] | N/A[2] | N/A[2] |
| PPP Services (North Ayrshire) Limited | 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN | 26% | 26% | N/A[2] | N/A[2] | N/A[2] |
| Prima 200 Fundco No 1 Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Prima 200 Fundco No 2 Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Prima 200 Fundco No 3 Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Prima 200 Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| Prime Infrastructure Investments Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Prime LIFT Investments Limited | 5 The Triangle, Wildwood Drive, Worcester, Worcestershire WR5 2QX | 99% | 99% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Prisma 21 S.A.S | 1 Avenue Eugène Freyssinet, 78280 Guyancourt, France | 85% | 85% | N/A[2] | N/A[2] | N/A[2] |
| Prospect Healthcare (Hinchingbrooke) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Prospect Healthcare (Hinchingbrooke) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| R B L H Medway Investmentn Company Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Ravensbourne Health Services (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Ravensbourne Health Services Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| RBLH Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| RBLH RWF Investment Company Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Redwood Partnership Ventures 2 Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Redwood Partnership Ventures 3 Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |
| Redwood Partnership Ventures Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Renaissance Miles Platting Holding Company Limited | 3rd Floor, Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Renaissance Miles Platting Limited | 3rd Floor, Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| RL Investment Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Road Infrastructure (Ireland) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | 31-Mar-25 | 4.9 | 75.1 |
| Road Management Consolidated plc | Cannon Place, Cannon Street, London, EC4N 6AF | 58% | 58% | N/A[2] | N/A[2] | N/A[2] |
| Road Management Group Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 58% | 58% | N/A[2] | N/A[2] | N/A[2] |
| Road Management Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 58% | 58% | N/A[2] | N/A[2] | N/A[2] |
| Road Management Services | 43 Orchard Place, London, England, E14 0JW | 42% | 42% | N/A[2] | N/A[2] | N/A[2] |
| Road Management Services (Gloucester) Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 58% | 58% | 31-Dec-24 | (7.0) | 31.9 |
| Road Management Services (Peterborough) Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 58% | 58% | 31-Dec-24 | (2.6) | 36.9 |
| RSP (Holdings) Limited | Precision House, McNeil Drive, Motherwell, Scotland, ML1 4UR | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| RWF Health And Community Developers (Tranche 1) Limited | 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| RWF Health And Community Developers Limited | 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL | 60% | 60% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (Hold Co One) Limited | Suite 6c, 3rd Floor Sevendale House, 5-7 Dale Street, Manchester, England, M1 1JB | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (Hold Co Two) Limited | Suite 6c, 3rd Floor Sevendale House, 5-7 Dale Street, Manchester, England, M1 1JB | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (Project Co One) Limited | Suite 6c, 3rd Floor Sevendale House, 5-7 Dale Street, Manchester, England, M1 1JB | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (Project Co Two) Limited | Suite 6c, 3rd Floor Sevendale House, 5-7 Dale Street, Manchester, England, M1 1JB | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (PSP One) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (PSP Three) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP (PSP Two) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| S&W TLP Education Partnership Limited | Suite 6c, 3rd Floor Sevendale House, 5-7 Dale Street, Manchester, England, M1 1JB | 80% | 80% | N/A[2] | N/A[2] | N/A[2] |
| Salford Schools Solutions Holdco Limited | 3rd Floor, Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Salford Schools Solutions Limited | 3rd Floor, Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Schools Capital Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 51% | 51% | N/A[2] | N/A[2] | N/A[2] |
| Schools Investment Company (IRL) Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Schools Public/Private P'ships (Ireland) Ltd | Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Cleveland) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Cleveland) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Gravesend) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 73% | 73% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Gravesend) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 73% | 73% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Manchester) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 73% | 73% | N/A[2] | N/A[2] | N/A[2] |
| Services Support (Manchester) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 73% | 73% | N/A[2] | N/A[2] | N/A[2] |
| Sheff Schools TopCo Limited | 10 St. Giles Square, London, WC2H 8AP | 75% | 75% | N/A[2] | N/A[2] | N/A[2] |

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Sheffield LEP Limited | Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ | 90% | 90% | N/A[2] | N/A[2] | N/A[2] |
| Sheppey Route (Holdings) Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Sheppey Route Limited | Cannon Place, Cannon Street, London, EC4N 6AF | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Sussex Custodial Services (Holdings) Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Sussex Custodial Services Limited | Unit 18, Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Texas Nevada Transmission, LLC | 251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA | 46% | 46% | 31-Dec-24 | 29.4 | 465.2 |
| The Hospital Company (Southmead) Holdings Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 63% | 63% | N/A[2] | N/A[2] | N/A[2] |
| The Hospital Company (Southmead) Limited | 8 White Oak Square, London Road, Swanley, BR8 7AG | 63% | 63% | 31-Dec-23 | 0.1 | (79.1) |
| The Renfrewshire Schools Partnership Limited | Precision House, McNeil Drive, Motherwell, Scotland, ML1 4UR | 30% | 30% | N/A[2] | N/A[2] | N/A[2] |
| Trans Park Highway Finance Inc | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Trans Park Highway General Partnership | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Trans Park Highway Holding Inc. | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Trans Park Highway Inc. | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Trans Park Highway Investment Inc. | 1321 Blanshard Street, Suite 301, Victoria, BC, V8W 0B6, Canada | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| TW Accommodation Services (Holdings) Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| TW Accommodation Services Limited | 8th Floor, 6 Kean Street, London, WC2B 4AS | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| UK GDN Investments HoldCo Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| UK GDN Investments Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| UK GDN Investments TopCo Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Via Erste Beteiligungsgesellschaft mbH | Franz-Ehrlich-Str. 5 12489, Berlin, Germany | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Via Mühlhausen GmbH & Co. KG | Vor dem Riedtor 7, 99998 Mühlhausen, Germany | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Willcare (MIM) Limited | 128 Buckingham Palace Road, London, SW1W 9SA | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Willcare Holdings Limited | 128 Buckingham Palace Road, London, SW1W 9SA | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

## 21. Related undertakings continued

| Entity | Registered address | Shareholding 31-Mar-25 | Shareholding 31-Mar-24 | Year end | Profit/ (Loss) £m | Aggregate Capital & Reserves £m |
|---|---|---|---|---|---|---|
| Wooldale Partnerships Holdings Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Wooldale Partnerships Limited | 10 St. Giles Square, London, WC2H 8AP | 50% | 50% | N/A[2] | N/A[2] | N/A[2] |
| Yorker Holdings PKR Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |
| Zealburg Holdings Limited | Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL | 100% | 100% | N/A[2] | N/A[2] | N/A[2] |

1 Denotes a direct shareholding
2 In line with the Companies Act requirements, no disclosure has been made where capital and reserves and profit or loss are not considered to be material

# Appendix 1: SFDR Disclosures (Unaudited)

**Product name:** HICL Infrastructure PLC
**Legal entity identifier:** 213800BVXR1E5L7PEV94

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and / or social characteristics

**Did this financial product have a sustainable investment objective?**

| ☐ **Yes** | ■ **No** |
|---|---|
| ☐ **It made sustainable investments with an environmental objective: ___%** | ■ **It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments** |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| ☐ **It made sustainable investments with a social objective: ___%** | ☐ with a social objective |
| | ■ **It promoted E/S characteristics, but did not make any sustainable investments** |

## To what extent were the environmental and / or social characteristics promoted by this financial product met?

HICL Infrastructure PLC's (the "Company" or "HICL") investment proposition is to deliver sustainable income and capital growth from a diversified portfolio of investments in core infrastructure. The Company offers investors stable, long-term returns from core infrastructure assets that are vital to communities. HICL's vision is to enrich lives through infrastructure and to attain the E/S Characteristics. The Company's E/S Characteristics were met by focusing on the following sustainability themes:

- Strong Social Foundation, through investments in health, education, law & order, and accommodation;
- Connecting Communities, through investments in rail and rolling stock, fibre networks and telecom towers; and
- Sustainable Modern Economies, through investments in assets that contributing to the energy transition to achieve net zero carbon emissions and deliver climate resilient infrastructure, including water, offshore electricity transmission, district energy and electricity distribution.

(together, the "E/S Characteristics").

HICL's Manager, InfraRed Capital Partners, ("The Investment Manager", "The Manager" or "InfraRed") ensured that, through the reporting period, HICL:

- invested in assets with a social purpose and proactively engaged with its stakeholders to improve sustainability outcomes across the portfolio;
- made a positive overall impact on the communities in which our assets are located; and
- through all of the above, aligned the interests of stakeholder groups of HICL's investments which typically have long asset lives.

In addition, The Manager takes an active approach to long-term sustainability which is based on a foundation of robust sustainbaility principles. During the reportin period, the Investment Manager used environmental criteria to assess how effectively portfolio companies steward the natural environment, assist with the transition to a low carbon economy and comply with relevant laws and regulations. Through a social set of standards, the Investment Manager evaluated the asset-specific approach to health & safety, labour standards and working conditions as well as the relationships held with stakeholders and surrounding communities.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

### How did the sustainability indicators perform?

InfraRed has used the following sustainability indicators to measure the attainment of the E/S characteristics:

- Environmental: Energy, water and waste management, consideration of climate risks and Scope 1, 2, 3 emissions; and
- Social: Community contributions to environmental or social initiatives, and health & safety polices and performance, assessment of human rights and diversity and inclusion policies.

(together, the "Sustainability Indicators").

Information regarding the performance of HICL's investments against all sustainability indicators besides Scope 1, 2 and 3 Emissions is provided in the table on page 65 of this Annual Report. Information regarding the Company's investments' performance against Scope 1, 2 and 3 Emissions is provided in the table on page 65 of this Annual Report.

### …and compared to previous periods?

A comparison to the previous period's results can be found in the table contained in page 65.

### What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

### How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

### How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

### Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives, and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## How did this financial product consider principal adverse impacts on sustainability factors?

Prior to acquisition of an investment, the Investment Manager considers performance against the mandatory principal adverse impact indicators in Table 1 Annex 1 of the SFDR RTS,  to the extent that relevant data is available from each potential investee company. Post-acquisition, the Manager ensured assessment of the mandatory principal adverse impacts on an ongoing basis through an annual sustainability survey which portfolio companies are asked to complete, the results of which are published in HICL's Sustainability Report each year. Information regarding InfraRed's consideration of the principal adverse impacts in respect of HICL's investments is provided in HICL's Sustainability Report.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: the 12-month period to 31 March 2025.

### What were the top investments of this financial product?

The information shown in the table below has also been provided on pages 6 and 7 of this Annual Report.

| Asset | Location | Sector | 31 March 2025 |
|---|---|---|---|
| Affinity Water | UK | Electricity & Water | 10.8% |
| A63 Motorway | France | Transport | 7.6% |
| Fortysouth | New Zealand | Communications | 6.3% |
| Texas Nevada Transmission | USA | Electricity & Water | 5.1% |
| London St. Pancras High Speed | UK | Transport | 4.9% |
| Southmead Hospital | UK | Health | 3.9% |
| Pinderfields & Pontefract Hospitals | UK | Health | 3.4% |
| Royal School of Military Engineering | UK | Accommodation | 3.3% |
| Home Office | UK | Accommodation | 2.9% |
| Altitude Infra | France | Communications | 2.9% |
| **31 March 2025 largest ten investments** | | | 51.1% |

### What was the proportion of sustainability-related investments?

N/A

Asset allocation describes the share of investments in specific assets.

### What was the asset allocation?

99.3% of HICL's investments were made to attain the E/S characteristics in the reporting period.

To confirm, the Company's asset allocation has been calculated based on market values in respect of "#1 Aligned with E/S characteristics" investments and mark-to-market value in respect of the "#2 Other" assets (as detailed further below).


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

### In which economic sectors were the investments made?

The Company's investments were in core infrastructure assets, in the following sectors: Accommodation, Communications, Education, Electricity & Water, Healthcare, Fire, Law & Order and Transport.

Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflects the 'greenness' of investee companies today.
- **Capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

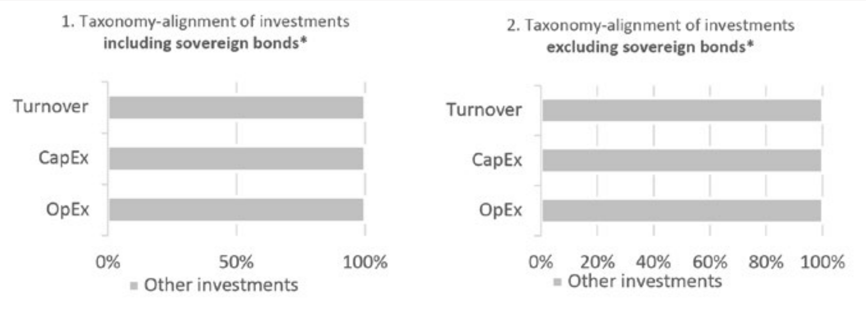
## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

InfraRed is not currently in a position to disclose how and to what extent the investments underlying the Company are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the EU Taxonomy). This is because HICL's investments are in social infrastructure, which cannot at present be assessed against the EU Taxonomy. In accordance with the European Commission's Decision Notice of 13 May 2022 (C(2022) 3051), InfraRed confirms that the Company's investments are 0% EU Taxonomy-aligned.

### Did the financial product invest in fossil gas and / or nuclear energy related activities complying with the EU Taxonomy?[2]

| | |
|---|---|
| ☐ **Yes** (specify below, and details in the graphs of the box) | ☒ **No** |
| ☐ In fossil gas<br>☐ In nuclear energy | |

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds,* the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.




* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
† Given the nature of the Company, degree of alignment for CapEx was not assessed.

1 As provided in Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021
2 Fossil gas and / or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economy activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and, among others, have greenhouse gas emission levels corresponding to the best performance.

Sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

### What was the share of investments made in transitional and enabling activities?

As noted above, the Company is not currently in a position to disclose how and to what extent the investments underlying the Company align with the EU Taxonomy. Therefore, the Company is not in a position to disclose the minimum share of investments in transitional and enabling activities.

### How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A

### What was the share of socially sustainable investments?

N/A

### What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

In relation to "other" investments, currency, interest rate and power price hedging carried out seek to provide protection against foreign exchange risk and increasing costs of servicing Group Debt (as defined in the Prospectus) drawn down to finance investments. However, currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes. In respective of this reporting period specifically, the value of investments in "other" was 0.7%.

## What actions have been taken to meet the environmental and / or social characteristics during the reference period?

HICL took several actions during the period to meet its E/S Characteristics. An outline and a few examples are provided below. For more detailed information please refer to HICL's 2025 Sustainability Report.

### Social outcomes

As a trusted steward of essential infrastructure assets, HICL sits at the heart of communities and plays a key role in modern society. An example of one of HICL's social initiatives over the past year is an initiative that has been scaled across a number of its healthcare assets, the purple book initiative. The Purple Book is an electronic guide to facilities management and patient services that assists the Trust's staff with understanding the on-site support services that are available to both them and their patients. The book aims to encourage collaborative relationships between clinical and facilities management staff to promptly respond to patient needs. The initiative was identified at InfraRed's Creating Better Futures awards and efforts have since been made to replicate it at other assets. In 2024, Birmingham Hospital developed a guide for Trust staff to publicise the services offered by the hospital's various facilities management providers.

The Purple Book allows ward staff to provide the public and patients with concise information regarding the services offered by the facilities management team. In turn, these services become more accessible, resulting in more efficient hospital operations and better end-user experiences.

### Environmental initiatives

During the period, HICL and the Manager continued to focus their engagement with portfolio companies on building climate resilience, managing impacts on biodiversity and improving resource efficiency.

In one example implemented in 2024, the Metropolitan Police Specialist Training Centre, launched an initiative to address resource consumption on site. For context, the Metropolitan Police Specialist Training Centre project is a 27-year concession to finance, remodel / refurbish, operate, and maintain an existing training facility for the Mayor's Office for Policing and Crime. The brief required remodelling the existing site into two separate disciplines: public order training and specialist firearms training. During 2024, the project successfully delivered an initiative in collaboration with other stakeholders to design and fund a solution to reduce food waste on site. The solution was delivered in the form of the 'Rocket Composter' – a compost machine capable of transforming food waste generated into nutrient-rich compost.

The implementation of the rocket composter results in the recycling of 100% food waste on site, significantly reducing the overall cost associated with refuse disposal. The process produces on site compost, which is then used to enrich a local herb and vegetable garden developed through volunteering efforts which are supplied back to the local kitchen. This not only reduces waste but also provides a financial benefit to the project by lowering costs associated with purchasing ingredients for catering services and handling of food waste.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## How did this financial product perform compared to the reference benchmark?

N/A

### How does the reference benchmark differ from a broad market index?

N/A

### How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

### How did this financial product perform compared with the reference benchmark?

N/A

### How did this financial product perform compared with the broad market index?

N/A

# Appendix 2

## Valuation Policy

As described in the Valuation of the Portfolio section on page 46, the Group's investments are predominantly valued using a discounted cash flow ("DCF") analysis of the forecast investment cash flows from each portfolio company.

The following is an overview of the key assumptions and principles applied in the valuation and forecasting of future cash flows:

- Discount rates and other key valuation assumptions (as outlined above) continue to be applicable
- Contracts for PPP projects and demand-based assets are not terminated before their contractual expiry date
- A reasonable assessment is made of operational performance, including in relation to PPP projects, payment deductions and the ability to pass these down to subcontractors
- Distributions from each portfolio company reflect reasonable expectations, including consideration of financial covenant restrictions from senior lenders
- Lifecycle and capital maintenance risks are either not borne by the portfolio company because they are passed down to a subcontractor or, where borne by the portfolio company, are incurred per current forecasts
- For demand-based assets, a reasonable assessment is made of future revenue growth, typically supported by forecasts made by an independent third party
- Where assets are in construction, a reasonable assessment is made as to the timing of completion and the ability to pass down any costs of delay to subcontractors
- Where a portfolio company expects to receive residual value from an asset, that the projected amount for this value is realised
- Non-UK investments are valued in local currency and converted to sterling at the period end exchange rates
- A reasonable assessment is made of regulatory changes in the future which may impact cash flow forecasts
- Perpetual investments are assumed to have a finite life (e.g. Affinity Water is valued using a terminal value assumption)
- In forming the above assessments, the Investment Manager works with portfolio companies' management teams, as well as engaging with suitably qualified third parties such as technical advisers, traffic consultants, legal advisers and regulatory experts

## Regulated assets – Affinity Water

The valuation drivers and metrics for certain regulated assets are different in certain aspects from the Company's other market segments – in particular, it is necessary to forecast future regulatory outcomes as well as operational performance against targets and allowances agreed with the regulator.

The Regulated Capital Value ("RCV") multiple, which measures a company's enterprise value as a multiple of RCV, is the most widely used valuation metric for UK regulated assets and forms a useful cross-check to the DCF-derived valuation. An RCV multiple will vary depending on a company's risk profile and operational performance, influenced by factors such as whether the business is listed, its level of gearing, whether it is responsible for funding a pension deficit, and its business scope and complexity.

# Appendix 3

## The Infrastructure Market – Sources

### Page 8

- Chancellor sets out strategic priorities for National Wealth Fund, National Wealth Fund (2025)
- Lessons learned: private finance for infrastructure, National Audit Office (2025)
- NHS leaders explore private finance for crumbling estate, Financial Times (2025)
- NHS leaders call for use of private finance to build hospitals, Financial Times (2025)
- Does the UK Autumn Budget 2024 deliver on climate?, IIGCC (2024)
- Prime Minister sets out blueprint to turbocharge AI, GOV.UK (2025)
- EQT says Europe becoming 'more attractive' for infrastructure investments, Financial Times (2025)
- Germany's parliament approves Friedrich Merz's €1tn spending plan, Financial Times (2025)
- EU invests record €7 billion in sustainable, safe and smart transport infrastructure, European Commission (2025)
- France unveils €109 billion AI investment plan, Euractiv.com (2025)
- Core infrastructure deals source: Combination of Infralogic and InfraRed internally reviewed deal universe
- More and more district heating networks in Europe are switching from combustion to large heat pumps, fern.org (2025)

### Page 9

- Trump announces private-sector $500 billion investment in AI infrastructure, Reuters (2025)
- How data centers and the energy sector can sate AI's hunger for power, McKinsey & Company (2025)
- Investing in Canada Plan – Building a Better Canada, Government of Canada (2025)
- New Zealand pitches itself as 'safe harbour' for foreign investments, Financial Times (2025)
- Government urges Future Fund to invest in Australian infra, ET, Infrastructure Investor (2024)
- New public-private partnerships framework has Labour's backing, RNZ (2024)
- Energy sector unites for Energy Transition Framework, Powerco (2025)
- Recommended Cash Offer, BBGI (2025)
- AEP to sell stake in transmission companies to KKR-PSP consortium for $2.8B, Utility Dive (2025)
- Ohio and I&M Transcos Minority Interest Acquisition, American Electric Power (2025)
- Spark announces sale of remaining shares in Connexa, Spark (2024)
- Core infrastructure deals source: Combination of Infralogic and InfraRed internally reviewed deal universe

# Glossary

| Item | Definition |
|---|---|
| **Acquisition Strategy** | This identifies the scope for current acquisitions; further details can be found in HICL's Business Model section of this report |
| **AIPs** | Approved Investment Parameters |
| **AIF** | Alternative Investment Fund |
| **AIFM** | Alternative Investment Fund Manager |
| **AIFMD** | The Alternative Investment Fund Managers Directive seeks to regulate alternative investment fund managers ("AIFM") and imposes obligations on managers who manage alternative investment funds ("AIF") in the EU or who market shares in such funds to EU investors |
| **AIC** | The Association of Investment Companies is a UK trade association for the closed-ended investment company industry |
| **AIC Code** | The 2019 AIC Code of Corporate Governance |
| **AMP8** | The UK water industry regulatory period from 2025 to 2030 |
| **Corporate assets** | These are assets that provide services or access to essential assets for corporate counterparties. The relationship between the infrastructure asset owner and the corporate counterparty is usually contractual, with prices set through a commercial negotiation or a market-clearing price |
| **Corporate Group** | Refers to HICL and its Corporate Subsidiaries |
| **Corporate Subsidiaries** | HICL Infrastructure 2 S.à.r.l. and Infrastructure Investments Limited Partnership |
| **Demand-based assets** | Infrastructure assets with revenues linked to the usage of the underlying assets |
| **Directors' Valuation** | Fair market valuation of HICL's investments and commitments at the balance sheet date. Further details can be found in the Valuation of the Portfolio section of the report |
| **ESG** | Environmental, Social and Governance |
| **EPS** | Earnings per share |
| **FATCA** | The Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act |
| **FCA** | UK Financial Conduct Authority |
| **FM** | Facilities Management |
| **Growth Assets** | The assets in HICL's portfolio which are expected to generate increasing earnings over time as they invest in their capital bases |
| **HICL** | HICL Infrastructure Company Limited prior to 31 March 2019 and HICL Infrastructure PLC from 1 April 2019 |
| **IFRS Basis** | Basis on which HICL prepares its IFRS financial statements. HICL applies IFRS 10 and Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) and therefore does not consolidate any of its subsidiaries, including those that are themselves investment entities |
| **InfraRed** | InfraRed Capital Partners and its Group, more details of which can be found at www.ircp.com |
| **Investment Manager** | InfraRed Capital Partners Limited acting in its capacity as Investment Manager to HICL pursuant to the Investment Advisory Agreement |
| **Investment Basis** | Pro forma financial information on the basis that HICL consolidates the results of the Corporate Subsidiaries |
| **Investment Policy** | HICL's Investment Policy has not materially changed since IPO and can be found on the website at /www.hicl.com/about-us/strategy-investment-policy/ |

## Glossary continued

| Item | Definition |
|---|---|
| **IPO** | Initial Public Offering, the act of offering the stock of a company on a public stock exchange for the first time. HICL completed its IPO in March 2006 |
| **Lifecycle** | Concerns the replacement of material parts of an asset to maintain it over its concession life |
| **Market capitalisation** | A measure of the size of a company calculated by multiplying the number of shares in issue by the price of the shares |
| **NAV** | Net Asset Value, the value of the investment company's assets, less any liabilities it has. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price is known as the discount or premium |
| **Net zero** | A portfolio coverage target, defined by the Net Zero Investment Framework for Infrastructure, is the percentage of assets under management that will be net zero, aligned or aligning by a given year. To be considered aligning, an asset must have short- and medium-term targets that are underpinned by science-based pathways for its sector; it must disclose all material scope emissions (including Scope 3) and evidence the governance of net zero plans. The requirements of aligned status have a greater focus on implementation. The asset must have forecast emissions performance against targets set as well as a decarbonisation strategy to support the reduction projection. To be considered net zero, actual emissions must match or outperform the science-based decarbonisation pathway |
| **Ofwat** | The UK Water Services Regulation Authority |
| **Ongoing charges** | A measure of the regular, recurring costs of running an investment company, expressed as a percentage of NAV |
| **Operating company** | A company that owns and operates infrastructure assets |
| **Partnership** | Infrastructure Investments Limited Partnership |
| **Portfolio company** | Companies that own or operate infrastructure assets, in which HICL has an investment |
| **PPP project** | Public–Private Partnership projects involving long-term contracts between a public sector client and a private company for the delivery of a service or facility for the use by the general public, public bodies, authorities or agencies, usually in return for an availability payment |
| **PR19** | Ofwat's final methodology for the 2019 Price Review, covering the regulatory period from 2020 to 2025 ("AMP7") |
| **PR24** | Ofwat's proposed methodology for the 2024 Price Review, covering the regulatory period from 2025 to 2030 ("AMP8") |
| **PRI** | Principles for Responsible Investment |
| **Project company** | An infrastructure project or concession with a defined expiry date, including a special purpose company (or other entity) formed with the specific purpose of undertaking an infrastructure project |
| **Regulated assets** | Infrastructure assets with monopolistic characteristics and which are subject to regulatory oversight |
| **Revolving Credit Facility** | An acquisition facility provided by lenders, held via a Corporate Subsidiary and expiring in June 2026. See the Financial Review section of the report |
| **RIDDOR** | Reporting of Injuries, Diseases and Dangerous Occurrences Regulations |
| **Total Shareholder Return** | Return based on interim dividends paid plus movement in the period, divided by opening NAV per share |
| **UN SDGs** | United Nations Sustainable Development Goals |

# Directors and Advisers

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## Company
HICL Infrastructure PLC is incorporated in England and Wales under the Companies Act 2006 with registered no. 11738373 and registered as an investment company under Section 833 of the Companies Act 2006.

## Investment Manager and Operator
InfraRed Capital Partners Limited is an English limited company registered in England & Wales under number 03364976 and authorised and regulated by the Financial Conduct Authority (authorisation number 195766). InfraRed is a part of SLC Management which is the institutional alternatives and traditional asset management business of Sun Life.

## Shareholders' funds
£3.0bn as at 31 March 2025

## Market capitalisation
£2.2bn as at 31 March 2025

## Investment Manager and Operator fees
1.1% per annum of the average of the Company's most recently published NAV and its daily average closing market capitalisation up to £750m, 1.0% from £750m up to £1.5bn, 0.9% from £1.5bn up to £2.25bn, 0.8% from £2.25bn to £3.0bn, 0.65% above £3.0bn plus £0.1m per annum investment management fee[1]

No fee on new acquisitions

No performance fee

Fees relating to shareholder matters from underlying project companies are paid to the Group (and not to the Investment Manager).

## ISA, NISA, PEP and SIPP status
The shares are eligible for inclusion in NISAs, ISAs and PEPs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs.

## NMPI status
HICL conducts its affairs as an investment trust. On this basis, the Ordinary Shares should qualify as an 'excluded security' and therefore be excluded from the FCA's restrictions in COBS 4.12 of the FCA Handbook that apply to non-mainstream pooled investment products.

## AIFMD status
HICL is a UK domiciled and tax-resident public limited company, which will operate its affairs as a UK Investment Trust Company, and an Alternative Investment Fund under the AIFM Directive.

HICL has appointed InfraRed Capital Partners Limited as its Investment Manager and AIFM under the Investment Management Agreement.

## FATCA
HICL has registered for FATCA and has GIIN number E6TB47.99999. SL.826

## Investment Policy
HICL's Investment Policy can be found in full on the website at www.hicl.com

## ISIN and SEDOL
ISIN: GB00BJLP1Y77 SEDOL: BJLP1Y7

## Website
www.hicl.com

1 The base fee payable under the new arrangements will be capped such that the base fee payable will be no higher than under the existing GAV-based arrangements

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