



# Enriching lives through infrastructure

Annual Report 2026



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# 2026 Highlights

A strong total return for the year, driven by accretive disposals, operational outperformance and disciplined capital allocation, underpinned by InfraRed's active management.

▶ **160.2p**

NAV<sup>2</sup> per share  
2025: 153.1p

▶ **£536m**

Disposals completed in the year  
2025: £244m

▶ **8.65p**

New dividend guidance<sup>3</sup>  
for 2028

▶ **10.3%**

Total NAV<sup>4</sup>  
Return in the year  
2025: 2.0%

▶ **0.8x**

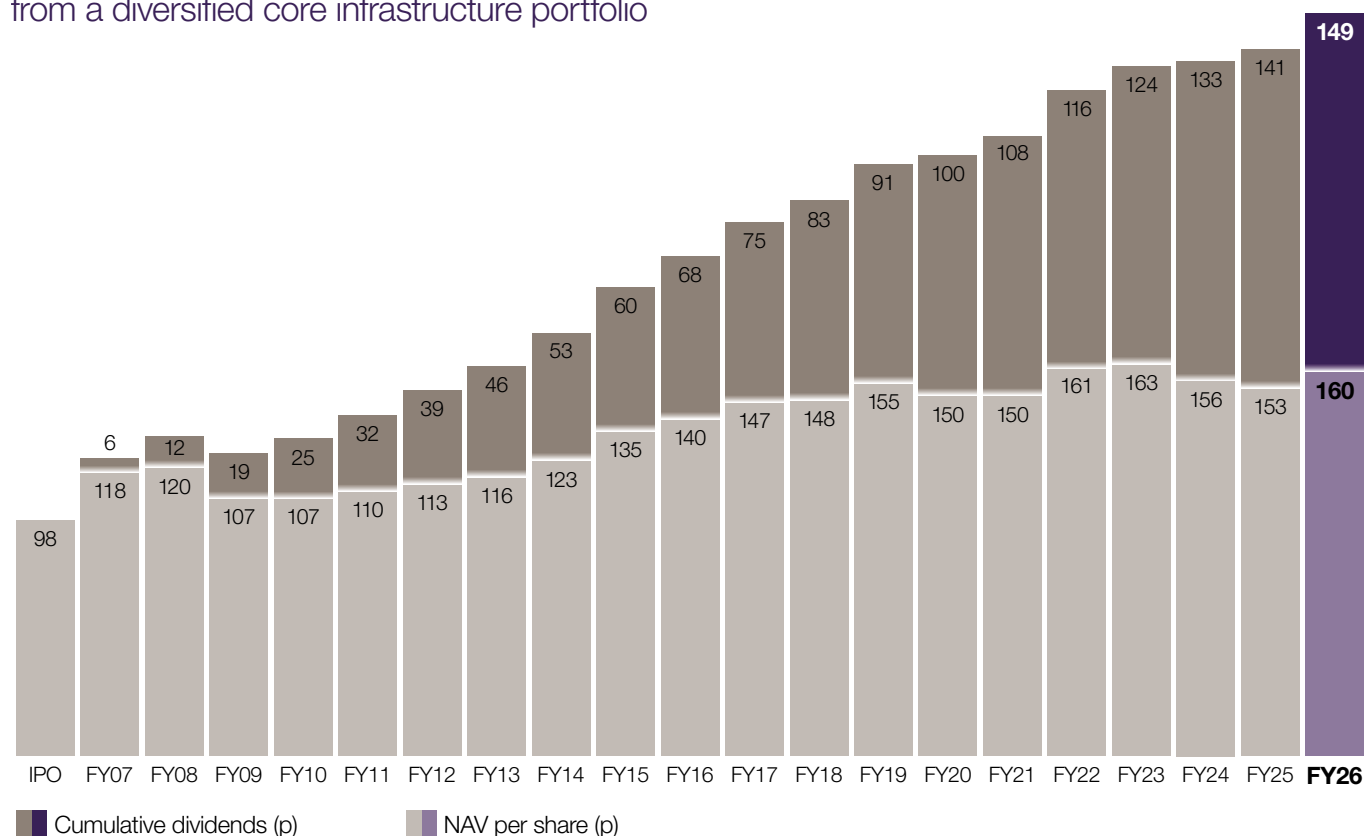
Inflation correlation<sup>5</sup>  
2025: 0.7x

▶ **2.38x / 1.10x**

Dividend cash cover including  
/ excluding profits on disposal<sup>6</sup>  
2025: 1.56x / 1.07x

## Total NAV return of 8.5% p.a. since IPO

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



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 41

1 The Investment Manager of HICL Infrastructure Plc, InfraRed Capital Partners Limited ("InfraRed")

2 NAV, including the dividend of 2.09p declared on 20 May 2026

3 Expressed in pence per Ordinary Share for the financial year ending 31 March 2028. This is a target only and not a profit forecast. There can be no assurance that this target will be met

4 Based on interim dividends paid plus change in NAV per share in the year

5 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 0.8%

6 Stated on an Investment Basis, including profits on disposal versus original acquisition cost of £206.9m (2025: £82.7m). Excluding this, dividend cash cover is 1.10x (2025: 1.07x)

# Chair's statement

I am pleased to report a strong financial result for HICL<sup>1</sup>, with a total NAV return for the year of 10.3% underpinned by accretive portfolio rotation, operational outperformance and disciplined capital allocation. The Company has continued to realise assets at very attractive valuations, demonstrating the quality and value of our portfolio. We have deployed proceeds into both accretive buybacks and selective investments using a disciplined capital framework, underlining the robustness of HICL's strategy against an uncertain macroeconomic backdrop.

It is disappointing that the Company's encouraging NAV performance and the fundamental strengths of the portfolio are not, as yet, fully reflected in the Company's share price. The cogency of HICL's standalone strategy and its long-term investment proposition are recognised and highly valued by investors, a message that we have heard repeatedly from the shareholder engagement work undertaken by the Board since the proposed combination with TRIG last year. The Board and Investment Manager recognise that the most effective way to drive the share price forward is through a continuation of the Company's disciplined approach to capital allocation, the delivery of compelling capital growth and income and the execution of a compelling forward looking strategy.

The Board's Senior Independent Director and I have engaged extensively with shareholders this year. This engagement has informed the Board's approach to the Company's strategic evolution and to further enhancing its corporate governance arrangements. These improvements are reflected throughout this Annual Report, including in this statement, the Investment Manager's Report and the Governance section.

More broadly, this year marks HICL's twentieth year as a listed company, a milestone that underscores the durability of the Company's long-term strategy and investment proposition. Since IPO, HICL has delivered an average annual NAV total return of 8.5%, distributed cumulative dividends of 149.0p per share, generated capital growth of 60.2p per share and completed over £1.5bn of divestments, demonstrating a disciplined and proactive history of capital rotation. As the Company looks ahead, HICL is in a strong position to build on this successful track record, supported by a high-quality, inflation-linked portfolio, significant capital flexibility and favourable long-term fundamentals as global infrastructure investment enters a period of sustained expansion.

“  
Since IPO, HICL has delivered an average annual NAV total return of 8.5%, distributed cumulative dividends of 149.0 pence per share, generated capital growth of 60.2p per share and completed over £1.5 billion of divestments, demonstrating a disciplined and proactive history of capital rotation.”

**Mike Bane**  
Chair



<sup>1</sup> HICL Infrastructure PLC standalone company is defined as the "Company" or "HICL" throughout the report. The Company has a direct subsidiary, HICL Infrastructure 2 S.à.r.l. ("Luxco"). Luxco in turn has a direct subsidiary, Infrastructure Investments LP ("IILP"). HICL and these subsidiaries are defined as the "Corporate Group". Including the portfolio companies, this is referred to as the "HICL Group" or "Group"

## Proactive capital allocation

Proactive capital allocation remained a key priority for the Board throughout the year. The ability to rotate assets effectively is the cornerstone of the Board's capital allocation framework. InfraRed, the Company's Investment Manager, has a long track record of making selective disposals on behalf of HICL, having sold 34 assets since 2012. Notwithstanding more subdued transaction activity in the wider market in recent years, InfraRed has continued to deliver accretive disposals proving the inherent quality of the portfolio. Disposals during the year amounted to over £500m comprising the £225m sale of seven UK PPP assets, followed by the £311m disposal of the A63 Motorway, significantly ahead of the £200m target for the year set for InfraRed by the Board.

Over the past three years, more than £1bn of asset realisations have been achieved at a weighted average premium to NAV of 11%. This enables the Company to refine portfolio construction and to realise value at opportune times. These sales also demonstrate InfraRed's ability to crystallise value through disciplined, repeatable capital rotation across market cycles. Further details on these transactions are set out in the Investment Manager's Report on page 18.

Proceeds from asset sales were applied to repay the Revolving Credit Facility ("RCF"), held by ILLP, in full and to fund future investment commitments of £117.4m. They also supported an increased rate of the Company's share buybacks, with £103m repurchased during the financial year, increasing NAV per share by 1.6p.

Up to the date of publication, the Company has repurchased 158.2m shares for a total consideration of £188.8m, representing 8% of the Company's market capitalisation. The Board will continue to undertake buybacks where they represent an attractive allocation of capital compared with alternative uses, in the context of the return available and the ability to enhance portfolio construction. This disciplined approach to capital allocation reflects the Board's conviction that sustained long-term NAV growth, rather than the pace of share buybacks alone, will be the principal driver of a durable re-rating of the Company's shares and long-term shareholder value.

A good illustration of this assessment is the Company's recent incremental investment in Cross London Trains, which was signed in March 2026 and completed shortly after the period end. The acquisition of a further 6.65% stake was secured at an attractive valuation, exceeding the return available from share buybacks, while enhancing HICL's governance position in a high-quality, operational asset. This demonstrates the selective and dynamic approach the Board applies when redeploying capital.

Our capital allocation strategy and flexibility is underpinned by strong operational performance within the portfolio, with distributable cash flow meeting the Company's target and covering the Company's dividend 1.10x or 2.38x including profits on disposal,

(31 March 2025: 1.07x or 1.56x including profits on disposal). HICL benefits from highly visible, inflation-correlated cash flows and a portfolio designed to provide long-term earnings growth; fundamentals that support the Board's decision to reiterate dividend guidance of 8.50p per share for the year to 31 March 2027 and to provide a new dividend target of 8.65p for the year to 31 March 2028.

With this capital flexibility, the Board is encouraged by the depth and quality of the investment pipeline curated for the Company by the Investment Manager across its international platform. This pipeline reflects a disciplined focus on assets that are aligned with HICL's strategy and return requirements. The Board remains confident in the Investment Manager's ability to deploy capital selectively at attractive returns as opportunities arise, supporting the execution of the Company's strategy.

## Financial performance

The Company delivered strong financial performance during the year. Total Shareholder Return with dividends re-invested was 13.1%.<sup>1</sup> NAV per share increased to 160.2p from 153.1p at 31 March 2025 resulting in Total NAV Return of 10.3% (31 March 2025: 2.0%), and earnings per share of 13.8p (31 March 2025: 2.3p).

Gross return for the year at the portfolio level was 12.2% (31 March 2025: 7.7%) and 10.5% (31 March 2025: 7.7%) excluding the impact of disposals. This was comfortably ahead of the expected performance of 8.4% (the weighted average discount rate at 31 March 2025), underpinning sustained NAV growth into the future as earnings growth exceeds income distributions, supported by the reinvestment of surplus cash flows.

The portfolio's growth assets delivered expected EBITDA expansion during the year, including Affinity Water, which resumed distributions in line with guidance. PPP assets provided stable cash generation through predictable, contracted and inflation-linked revenues. Overall cash generation remained in line with expectations, demonstrating the resilient nature of HICL's diversified core infrastructure holdings. Detailed information on operational performance is included in the Investment Manager's Report on pages 18 to 23.

Macroeconomic assumptions are unchanged, except for a modest increase of 0.50% in near-term UK inflation assumptions. The weighted average discount rate applied to the portfolio has increased to 8.5% from 8.4%, as a result of the sale of the A63 and the increase in the valuation of HICL's growth assets. Movements in long-term government bond yields observed at the end of the financial year were balanced by strong transaction evidence, including HICL's disposals achieved in excess of valuations. Accordingly, discount rates were left unchanged. Further detail on the portfolio's valuation and the discount rate can be found in the Valuation of the portfolio section, starting on page 45.

<sup>1</sup> Total Shareholder Return measures the overall return for shareholders over the reporting period, aggregating share price performance and dividends received, divided by the period's opening share price

## Chair's statement continued

**Governance**

The Board remains committed to maintaining high standards of governance, including regular interaction with the Company's shareholders. Over recent months, the Board has undertaken an extensive shareholder consultation, meeting with holders that represent over 50% of the Company's shares in issue. Discussions were wide-ranging and constructive, spanning risk appetite, capital allocation and corporate governance. Feedback has directly informed our strategic priorities.

It is evident from these discussions that investors are supportive of, and encouraged by, HICL's continued progression on growth and delivering strong total returns, on a risk-adjusted basis. The Board and its advisors continue to observe those companies investing in real assets that emphasise total returns are trading on the narrowest discounts to NAV, and we are encouraged by the extent of investor support for HICL's continued evolution in this direction.

In line with the Board's well-developed succession plan, the process to identify my successor as Chair has begun. Search consultants were appointed in April and the process is being led by our Senior Independent Director, Frances Davies. I will remain in post until a smooth and orderly succession has been completed as further described in the report of the Nomination Committee.

Strong corporate governance includes testing management structures, contractual arrangements and value for money. Over the last six months these have been subject to a comprehensive review by the Board. The review included bottom-up financial and risk analysis by an independent third-party adviser of the existing management model and alternative delivery models such as internalisation and partial internalisation. This exercise has confirmed the value and strength of the externally managed model for HICL's strategy.

The Board also continues to ensure that its management arrangements remain highly competitive and aligned with shareholders. At the start of the financial year the Board agreed with the Investment Manager to change the management fee basis to an equal blend of NAV and market capitalisation, which materially reduced fees at the prevailing share price. Following further discussions with the Investment Manager, we are now pleased to announce that with effect from 1 July 2026, the management fee will move to a 100% market capitalisation-based structure. In addition, the notice period under the Investment Management Agreement will reduce from three years to two years, effective from 1 July 2027. If the new fee basis had applied over the year to 31 March, it would have translated into an 11% reduction in the management fee versus the current arrangements and a 24% reduction versus the GAV-based fee. The revised fee will continue to be subject to a cap at the level that would have been payable under the historic GAV-based approach.

These changes further enhance management alignment with shareholders. They provide the Company with substantial and immediate cost savings, as well as greater flexibility, while maintaining continuity and stability of management within the most appropriate model for the Company's strategy. The Board recognises the value in retaining the benefit of the Investment Manager's services, having regard for the team's successful track record and the strongly supportive shareholder feedback. Importantly the arrangements will still allow InfraRed to continue to invest in its platform and capabilities in support of the Company's long-term strategy.

Finally, notwithstanding that recent shareholder consultation has confirmed widespread shareholder support for the Company and its strategy, in line with evolving corporate governance standards the Board believes it appropriate to introduce a biennial continuation vote at its AGMs, any such vote being conditional upon the Company's shares having traded at an average discount to NAV per share in excess of 10% over the financial year ending immediately prior to the relevant AGM. A resolution will therefore be included at the forthcoming AGM to amend the Company's Articles of Association accordingly. If that resolution is passed, a continuation vote will be proposed as an ordinary resolution at the Company's 2028 AGM, and every two years thereafter, in the event that the discount test is triggered. Further details on the resolution will be included in the Company's Notice of AGM and the supporting notes.

**Outlook**

The Company enters the 2027 financial year in a position of financial strength. Cash and earnings generation have strong inflation linkage, the balance sheet is robust, and portfolio companies continue to perform well. These factors provide a stable and flexible foundation from which the Board can continue to take disciplined capital allocation decisions and progress the strategy. The share price continues to be at an unacceptable discount to NAV, though it has been encouraging to see it increase by 8% since 31 March 2025 to 127.8p at the date of publication, reducing the discount to 20%.

The broader environment for core infrastructure continues to strengthen. The acceleration of structural megatrends such as the energy transition, energy security, demographic shifts and the surging demand for data are driving growth in existing assets, and creating attractive investment opportunities. At the same time, governments across our core markets are signalling renewed commitment to infrastructure investment. Together, these conditions favour patient, well-capitalised owners with scale, such as HICL. This is set against a backdrop of continued macroeconomic uncertainty, driven in part by geopolitical tensions, which are expected to contribute to ongoing market volatility over the coming year.

Our Investment Manager has a strong track record of realising value through accretive disposals and effective reinvestment, and the Board is encouraged by the range of opportunities emerging from InfraRed's active origination efforts across its international platform. These strengths, coupled with the Board's disciplined capital allocation framework and supportive sector tailwinds, underpin the Board's confidence in delivering sustainable NAV progression, attractive risk adjusted returns and a progressive dividend.

To support this strategic direction, the Company intends to host a Capital Markets Seminar in the summer, at which the Board and the Investment Manager will set out clearly how HICL is positioning its strategy to harness these long-term opportunities to drive sustained value creation for shareholders, through NAV growth, dividend progression and closing of the discount.

**Mike Bane**  
Chair

26 May 2026

# HICL at a glance

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

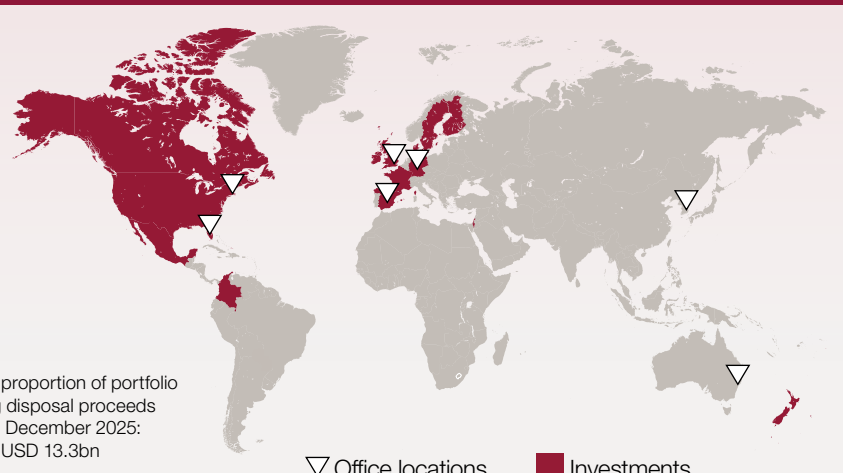
## Our vision is to enrich lives through infrastructure

<p><b>Strong social foundations</b></p> <p>▶ <b>41%</b> of portfolio<sup>1</sup></p> <p>Assets that underpin essential public services and social infrastructure, including healthcare, education, accommodation, and emergency services.</p>	<p><b>Connecting communities</b></p> <p>▶ <b>34%</b> of portfolio</p> <p>Assets that enable people, goods and data to move efficiently, supporting economic and social connectivity through transport and communications infrastructure.</p>	<p><b>Sustainable modern economies</b></p> <p>▶ <b>25%</b> of portfolio</p> <p>Assets supporting the energy transition and essential utilities, including renewable power, water infrastructure and electricity transmission.</p>
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## Why invest in HICL

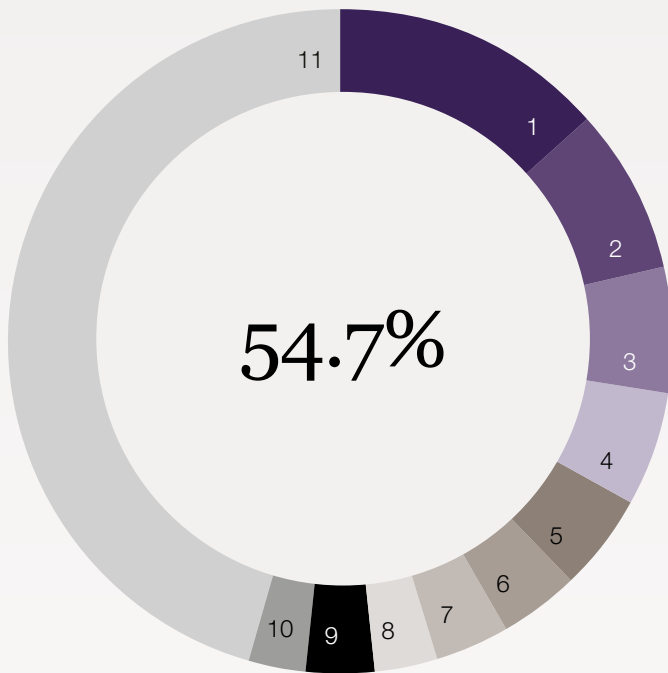
Core positioning	Active management	Established pedigree
<p>Essential infrastructure providing predictable, inflation-linked cash flows</p> <p>▶ <b>0.8x</b> inflation correlation</p> <p>▶ <b>13.6%</b> largest single asset concentration</p> <p>▶ <b>34yr</b> weighted average asset life</p>	<p>Active approach to delivering outperformance and disciplined asset rotation</p> <p>▶ <b>&gt;£1bn</b> asset realisations delivered over the last three years</p> <p>▶ <b>12.0p</b> NAV outperformance from disposals since IPO</p> <p>▶ <b>30+</b> asset disposals completed</p>	<p>A strong track record as a specialist infrastructure investor</p> <p>▶ <b>20yr</b> track record</p> <p>▶ <b>8.5%</b> total NAV Return since IPO</p> <p>▶ <b>60%</b> capital growth delivered since IPO</p>

## Expertly managed by InfraRed Capital Partners

<p><b>InfraRed</b> Capital Partners</p> <p>▶ <b>\$13bn</b> equity under management<sup>2</sup></p>	<p>▶ <b>25+</b> years investing in infrastructure<sup>3</sup></p> <p>▶ <b>350+</b> infrastructure investments<sup>3</sup></p>	 <p>▽ Office locations    ■ Investments</p>
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1 Unless otherwise stated, for metrics that are calculated as a proportion of portfolio value, the portfolio value is the Directors' Valuation excluding disposal proceeds  
 2 Uses a five-year average FX between currency pairs as at 31 December 2025: USD per GBP – 1.2900; USD per EUR – 1.1125; and EUM of USD 13.3bn  
 3 As at 31 December 2025

### Top 10 assets

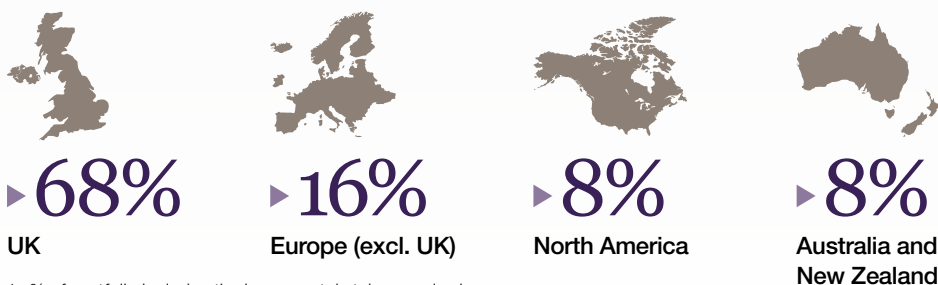


- 1 Affinity Water
- 2 Fortysouth
- 3 Texas Nevada Transmission
- 4 London St. Pancras Highspeed
- 5 Cross London Trains
- 6 Altitude Infra
- 7 Royal School of Military Engineering
- 8 Blankenburg Tunnel
- 9 Home Office
- 10 Birmingham Hospitals
- 11 Remaining investments

### Sector

	Electricity and water	▶ 25%
	Transport	▶ 22%
	Health	▶ 17%
	Communications	▶ 12%
	Education	▶ 10%
	Accommodation	▶ 9%
	Fire, law and order	▶ 5%

### Geography



<sup>1</sup> % of portfolio includes the incremental stake acquired. The HICL holding does not as the transaction had not completed at year end



**1**  
**Affinity Water**  
Sector: Electricity and water  
Location: UK  
% of portfolio: 13.6%  
HICL holding: 33.2%



**5**  
**Cross London Trains**  
Sector: Transport  
Location: UK  
% of portfolio: 4.8%<sup>1</sup>  
HICL holding: 6.5%



**8**  
**Blankenburg Tunnel**  
Sector: Transport  
Location: Netherlands  
% of portfolio: 3.3%  
HICL holding: 70.0%



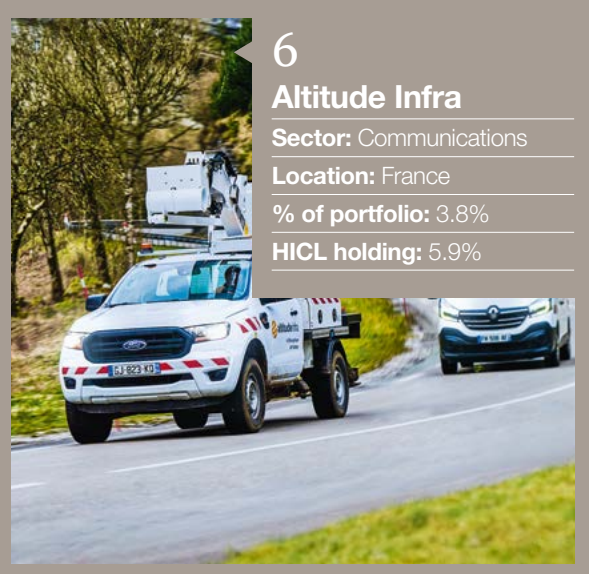
**3**  
**Texas Nevada Transmission**  
 Sector: Electricity and water  
 Location: USA  
 % of portfolio: 6.1%  
 HICL holding: 45.8%



**2**  
**Fortysouth**  
 Sector: Communications  
 Location: New Zealand  
 % of portfolio: 8.0%  
 HICL holding: 40.0%



**4**  
**London St. Pancras Highspeed**  
 Sector: Transport  
 Location: UK  
 % of portfolio: 5.5%  
 HICL holding: 21.8%



**6**  
**Altitude Infra**  
 Sector: Communications  
 Location: France  
 % of portfolio: 3.8%  
 HICL holding: 5.9%



**7**  
**Royal School of Military Engineering**  
 Sector: Accommodation  
 Location: UK  
 % of portfolio: 3.5%  
 HICL holding: 100.0%



**9**  
**Home Office**  
 Sector: Accommodation  
 Location: UK  
 % of portfolio: 3.1%  
 HICL holding: 100.0%



**10**  
**Birmingham Hospitals**  
 Sector: Health  
 Location: UK  
 % of portfolio: 3.0%  
 HICL holding: 80.0%

# 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 12). Core infrastructure comprises critical assets that underpin the functioning of economies and societies and so, represents a continuing and pressing area of investment need. Across the OECD, these needs span established core sectors including transport, healthcare, electricity grid infrastructure and digital connectivity. While the essential nature of these assets is unchanged, the environment in which infrastructure assets operate, and the demands placed upon them, is evolving.

## An evolving context for infrastructure

Infrastructure remains a fundamental enabler of economic growth and essential public services across developed markets. Analysis from global policy institutions, international infrastructure bodies and private-sector research firms consistently highlights sustained infrastructure investment needs extending over multiple decades, reflecting structural requirements beyond cyclical economic conditions.

While the scale of this need is well understood, its character has evolved. Investment is increasingly directed toward assets that require more intensive operation and higher levels of capital, reflecting the greater demands now placed on infrastructure systems as utilisation rises and performance standards increase. In line with this evolution, HICL observes that the infrastructure market is broadening in scope, while maintaining the essential-service characteristics and long asset-life profiles that have traditionally underpinned its investment appeal.

Independent research reinforces both the magnitude of the opportunity and the evolving nature of infrastructure investment. McKinsey estimates cumulative global infrastructure investment of around \$106trn will be required by 2040 spanning established sectors alongside newer enabling infrastructure. Research published in 2026 by infrastructure investors and industry analysts similarly emphasises that meeting this requirement will depend on mobilising capital and executing sustained investment programmes at a scale beyond the capacity of governments alone.

In this environment, constrained public funding capacity has reinforced the role of private investment in supporting essential infrastructure across developed markets, particularly where assets exhibit enduring demand and underpin critical service provision. These characteristics have historically supported stable investment outcomes through economic cycles, helping to explain the continued attractiveness of the asset class, alongside the megatrends explored on the following pages, which are shaping asset demand, capital requirements and investor economics.

## Key market indicators



▶ **\$106tn**

global infrastructure investment required by 2040



▶ **\$224bn**

record global closed-end infrastructure fundraising in 2025



▶ **126%**

y-o-y increase in global closed-end infrastructure fundraising in 2025



▶ **56%**

2025 global closed-end infrastructure fundraising directed to core / core+



## Megatrends reshaping demand and asset behaviour

A number of structural trends are reshaping how infrastructure assets are used and how they perform over time. Set against the funding and operating conditions outlined on the previous page, these trends reinforce the importance of reliability as assets respond to changing patterns of demand, with three of the most relevant structural trends explored in more detail below.

### Demographic change – Key HICL sector(s): Healthcare, Education, Fire, law and order, and Accommodation

Demographic change, including continued urbanisation and an ageing population, is placing additional pressure on social infrastructure as demand for healthcare, education and civic services increases. At the same time, much of the public-sector estate is ageing, with asset decay shifting the focus towards refurbishment investment to sustain service quality

▶ **\$16trn**  
projected social infrastructure investment through to 2040



#### Observed policy and demand indicators:

- ▶ The UK Government reintroduced a private funding model for social infrastructure, with a new model being piloted for primary and community healthcare centres
- ▶ Across the EU, PPPs form part of the policy framework for addressing the estimated €750–800bn annual infrastructure investment gap, particularly in sectors such as healthcare and education
- ▶ The UK is actively refurbishing approximately 500 schools due to structural issues

### Digitalisation – Key HICL sector(s): Communications

Digitalisation is reshaping infrastructure assets linked to connectivity and data transmission. Growth in data consumption and AI-driven computing is increasing demand for fibre networks, telecoms towers and data centres, with asset performance shaped by operational reliability and the ability to support ongoing capacity growth

▶ **\$19trn**  
projected digital infrastructure investment through to 2040



#### Observed policy and demand indicators:

- ▶ Global data centre demand is projected to more than triple by 2030
- ▶ The UK's Wireless Infrastructure Strategy and the EU's Gigabit Infrastructure Act aim to deliver gigabit connectivity and 5G coverage by 2030
- ▶ Canada and the US are funding broadband and AI-ready data centres through federal infrastructure programmes

### Energy transition and security – Key HICL sector(s): Electricity and water, and Transport

The energy transition is driving investment across transport and utilities, as electrification and changing usage patterns increase reliance on existing rail and electricity networks. Maintaining system resilience and security of supply requires further targeted expenditure to strengthen, expand and adapt established infrastructure

▶ **\$65trn**  
projected utilities and transport infrastructure investment through to 2040



#### Observed policy and demand indicators:

- ▶ Annual global electricity demand growth over the next five years is set to be 50% higher on average than the previous decade average
- ▶ The EU has committed €2.8bn to 94 transport projects, with 77% allocated to rail
- ▶ The USA is investing in EV charging corridors, port electrification, and autonomous freight pilots under the Infrastructure Investment and Jobs Act ("IIJA")

## The infrastructure market continued

### Infrastructure return drivers

The trends set out on the previous page influence how value is generated within individual infrastructure assets, broadening the potential range of return drivers through an asset's lifecycle. Furthermore, evolution across the sector creates new sources of growth and value creation. These factors are becoming more apparent as performance is driven less by broad valuation tailwinds and more by asset-specific demand, cost structures and capital requirements, shaped by the megatrends outlined on the previous page. This is highlighted by the breadth of infrastructure strategies attracting capital, including those investing across the asset life cycle.

Historically, returns from many core infrastructure assets, particularly availability-based PPPs, have been driven primarily by predictable income streams, with a high degree of return visibility established at financial close. While income remains a defining characteristic of this segment of the asset class, investment returns are increasingly shaped by how assets respond to structural change over their operating lives.

To reflect this evolution, infrastructure returns can be divided into several of distinct drivers, as set out in the framework below. The relevance and combination of these drivers depend on asset-specific characteristics, including asset type, revenue type, stage of maturity and the broader economic context. Their relative importance may also change over time as assets evolve through their operating lives.

#### Steady-state yield

Cash yield remains the foundation of core infrastructure returns. Long-dated, inflation-linked contractual or regulated revenues provide income visibility, resilience through economic cycles and protection against demand volatility.

#### Baseline growth

Baseline growth reflects underlying macroeconomic and demographic drivers, including population expansion, GDP trends and indexation mechanisms embedded within contractual and regulatory frameworks. This form of growth is typically modest and predictable, reinforcing the stability and longevity of cash flows associated with essential services.

#### Structural growth

Structural growth arises where demand or utilisation increases in excess of baseline economic growth, driven by structural shifts such as electrification, modal change, digital adoption, market consolidation or funded capital investment programmes. In many cases, this growth is supported by explicit regulatory or contractual frameworks that enable assets to expand capacity or intensity of use over time.

#### Value enhancement

Value enhancement involves the improvement of asset performance and returns through active management. This includes implementing targeted initiatives alongside with portfolio company management teams, executing incremental construction activities, investments or disposals and active repositioning to adapt assets and extend their scope of operations.

This range of return drivers helps to explain why traditional core infrastructure strategies are increasingly characterised by a broader mix of return sources. As megatrends and wider market conditions influence how assets are funded and operated, the balance of returns from income and capital growth has become more varied. The following page shows how HICL's deliberate portfolio construction positions the Company to capture value across these different sources.

## Positioning infrastructure portfolios to best capture return drivers

In a higher-rate environment, investors demand commensurate returns and therefore require portfolios which are positioned to capture the full range of return drivers. These drivers are expressed differently across asset types and stages of maturity, and with

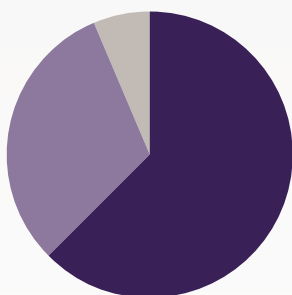
varying levels of relevance to individual assets. The schematic below, therefore, shows how deliberate portfolio construction can help ensure portfolios are positioned to best benefit from a wide range of return drivers, while selectively capturing appropriate contributions from each in line with return and risk profile objectives.

### Return drivers across HICL's portfolio



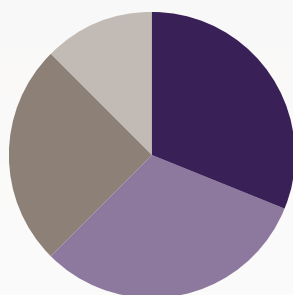
#### Operational PPPs and OFTOs

▶ **62%**  
of portfolio



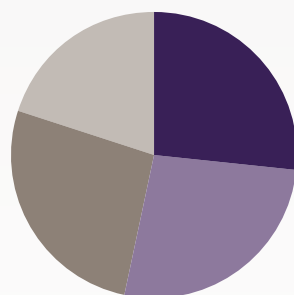
#### Regulated utilities

▶ **20%**  
of portfolio



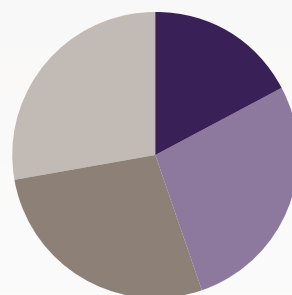
#### Demand-based transport concessions

▶ **6%**  
of portfolio



#### Communications

▶ **12%**  
of portfolio



Cash yield
  Baseline growth
  Structural growth
  Value enhancement


The illustrative schematic above shows how the performance of different infrastructure assets reflects exposure to the four return drivers in varying combinations, depending on asset structure, revenue model, development pathway and operating context. In HICL's case, this is consistent with the Company's long-standing approach to portfolio construction, which has progressively incorporated longer-duration assets with capital growth potential alongside the core base of contracted PPP income within familiar infrastructure sectors.

These market conditions provide opportunity to, over time and where appropriate, integrate higher-returning investments that draw on the same underlying return drivers, albeit in different combinations. This supports further diversification of return sources, while allowing the portfolio to respond to structural changes in market conditions, in line with InfraRed's established investment and asset-management capabilities and without departing from core infrastructure investment discipline.

# HICL's business model

## 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


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### 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.


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### 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 Operating Expenses Ratio.

### 3. through our sustainable approach to value creation...

There are three pillars to HICL's business model:

### 4. for the benefit of our key stakeholders.

InfraRed pursues opportunities to deliver outperformance through a systematic, strategic programme to increase the portfolio value. This value enhancement is often shared among key asset stakeholders.



HICL has a clearly defined Investment Policy, which sets the framework to construct a resilient core infrastructure portfolio – one that is consistent with HICL's overall risk appetite and delivers shareholder value.

InfraRed works in partnership with HICL's portfolio companies' management to deliver HICL's Investment Proposition. The objective is to ensure delivery of contractual and regulatory requirements and deliver the base-case investment return.

**Our communities and the end users of our assets**



**Our clients**



**Our people**



**Our delivery and other partners**



**Our shareholders**



► [Read more on page 15.](#)

# The three pillars of our business model

<p><b>1</b></p> <p><b>Accretive investment</b></p>	<p><b>Key activities</b></p> <ul style="list-style-type: none"> <li>▶ HICL applies a structured asset quality framework focusing on cash flow resilience, market positioning and criticality to align investments with its Investment Proposition</li> <li>▶ Portfolio construction is managed to limit concentration risk, balancing exposure across asset types, sectors and return drivers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Through a disciplined and selective approach to transaction activity, InfraRed sources and executes opportunities expected to be accretive to key portfolio metrics</li> <li>▶ Sustainability considerations embedded within investment decisions support resilience, protect long-term value and position the portfolio to benefit from structural tailwinds</li> </ul>
<p><b>2</b></p> <p><b>Value enhancement</b></p>	<p><b>Key activities</b></p> <ul style="list-style-type: none"> <li>▶ Implementing targeted initiatives to improve asset performance and optimise capital structures, including refinancings, supporting long-term value creation</li> <li>▶ Leveraging portfolio scale to drive development and procurement efficiencies, improving cost control and consistent service standards across HICL's asset base</li> </ul>	<ul style="list-style-type: none"> <li>▶ Partnering with public sector stakeholders to execute contractual variations that expand asset scope and secure incremental revenues</li> <li>▶ Executing selective disposals to improve the portfolio risk profile, strengthening credit metrics, lowering funding costs and optimising broader financial management</li> </ul>
<p><b>3</b></p> <p><b>Value preservation</b></p>	<p><b>Key activities</b></p> <ul style="list-style-type: none"> <li>▶ Ensuring effective governance and stakeholder engagement to maintain regulatory compliance, licence to operate and continued delivery against contractual obligations</li> <li>▶ Actively identifying and resolving operational issues, disputes and critical incidents to protect asset operations, availability and underlying cash flows stability</li> </ul>	<ul style="list-style-type: none"> <li>▶ Maintaining robust financial oversight through disciplined cash flow management and portfolio controls to protect base case investment returns</li> <li>▶ Embedding sustainability practices across portfolio companies to promote responsible operations, reinforce stakeholder confidence and support resilient, continuous service delivery</li> </ul>

## HICL's business model in action

**Asset:** A63 Motorway (divested in the period)



HICL's ownership of the A63 Motorway illustrates how the three pillars of the Company's business model combine in practice to create value across the investment lifecycle.

InfraRed was involved in the development of the A63 Motorway prior to HICL's investment, managing the asset through construction and into its early years of operation. This role established detailed insight into the road's operational and commercial characteristics, which underpinned HICL's initial investment in 2017. At that point, the A63 was a mature toll road generating inflation-linked revenues with a well-understood risk profile. Building on this position, HICL subsequently increased its shareholding through incremental acquisitions, including the additional 3.1% interest acquired in December 2023, with each of these acquisitions assessed against alternative uses of capital and executed on accretive terms consistent with HICL's capital allocation framework.

During HICL's nine-year ownership period, revenue grew by 41%, underpinned by the road's strategic positioning and continued focus on performance optimisation. InfraRed's specialist asset managers worked closely with the company's management team throughout, ensuring service continuity and preserving value during instances of operational disruption including the Covid-19



pandemic. In recent years, InfraRed also oversaw a full review of major maintenance, which improved long-term cost efficiency and asset condition, and supported several value enhancement initiatives such as the rollout of Liber-t electronic toll tags, which improved traffic flow, reduced congestion at toll plazas and generated incremental revenues with minimal new investment.

This hands-on approach to ownership positioned the A63 for a strongly accretive realisation. In 2026, HICL exited the investment at a 21% premium to carrying value, crystallising a c.14% holding period IRR, highlighting the strength of HICL's business model in action.

# 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.

Stakeholders	Expectations	Our approach and touchpoints
<b>Our communities and the end users of our assets</b> 		
<p>We invest in infrastructure that delivers essential services to local communities, either directly or through public sector clients.</p> <p>► <b>100+</b> portfolio companies across social, transport, digital, electricity and water infrastructure</p>	<p>Communities expect seamless access to essential services like water, transport, and energy.</p>	<ul style="list-style-type: none"> <li>► Active asset management to support high-quality public services for end users</li> <li>► At the portfolio level, we facilitate the sharing of best practice to improve infrastructure delivery over time</li> <li>► We support portfolio company-level initiatives to address specific community needs</li> </ul>
<b>Our clients</b> 		
<p>We work with corporate partners and public sector clients, including the UK's NHS, local councils and government departments.</p> <p>► <b>18</b> NHS Trusts in the portfolio</p>	<p>Infrastructure assets are built and maintained in line with contractual requirements, so that clients can offer critical services to their communities.</p>	<ul style="list-style-type: none"> <li>► Direct, proactive engagement with clients at portfolio company level</li> <li>► We engage in public-private sector working groups to identify solutions to industry challenges such as net zero and handback requirements</li> </ul>
<b>Our people</b> 		
<p>HICL's portfolio companies support employment across its assets and their supply chains. InfraRed has a diverse global team of over 160 people.</p> <p>► <b>c.107k</b> jobs supported by portfolio companies</p>	<p>Make a positive impact on the environment and society, while growing personally and professionally.</p>	<ul style="list-style-type: none"> <li>► Through our governance rights, we seek to ensure portfolio companies, which employ staff directly, have appropriate employee-related policies in place, including those related to modern slavery</li> <li>► At the Investment Manager level, InfraRed promotes a diverse and inclusive culture focused on attracting, developing and retaining talent to support effective decision-making</li> </ul>
<b>Our delivery and other partners</b> 		
<p>We partner with specialist organisations to deliver high-quality infrastructure.</p> <p>► <b>30+</b> operations and maintenance contractors supporting portfolio companies</p>	<p>Collaborate with each company to fulfil their own business objectives, while enabling the sustainable delivery of high-quality services to infrastructure assets.</p>	<ul style="list-style-type: none"> <li>► Targeted engagement with business partners to maintain relationships and identify opportunities to enhance performance</li> <li>► Regular monitoring of business partner performance to enable early identification of potential challenges</li> <li>► Manager-led annual sustainability summits for portfolio companies</li> </ul>
<b>Our shareholders</b> 		
<p>We invest in infrastructure assets using capital provided by a broad range of investors, from individuals to substantial international institutions.</p> <p>► <b>160.2p</b> NAV per share</p>	<p>Maximise long-term sustainable financial returns for a given level of risk. Accessible and transparent reporting on the Company and portfolio.</p>	<ul style="list-style-type: none"> <li>► Investor presentations targeted at both institutional and retail investors</li> <li>► Responding to investor information requests</li> <li>► Transparent sustainability reporting</li> </ul>

## AGM

2pm, 22 July 2026

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 2026 are set out below.

## Key performance indicators

**Dividends**

▶ **8.35p**

2025: 8.25p

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**Measure**  
Aggregate interim dividends declared per share for the year.

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

---

**Performance**

2026	8.35p
2025	8.25p
2024	8.25p

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**Link to strategy** 

**Positive inflation correlation**

▶ **0.8x**

2025: 0.7x

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

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

---

**Performance**

2026	0.8x
2025	0.7x
2024	0.7x

---

**Link to strategy** 

**Total NAV Return p.a since IPO<sup>1</sup>**

▶ **8.5% p.a.**

2025: 8.4% p.a.

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**Measure**  
NAV growth and dividends paid per share since IPO.

---


**Objective**  
A long-term IRR target of 7–8% as set out at IPO.<sup>2</sup>

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**Performance**

2026	8.5%
2025	8.4%
2024	8.7%

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**Link to strategy** 

**Competitive cost proposition<sup>3</sup>**

▶ **1.03%**

2025: 1.10%

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**Measure**  
Annualised operating expenses / average undiluted NAV.<sup>5</sup>

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**Objective**  
Efficient gross portfolio-level to net investor-level returns, with the intention to reduce operating expenses where possible. Maintain within the range for FTSE 250 listed infrastructure peers.

---

**Performance**

2026	1.03%
2025	1.10%
2024	1.14%

---

**Link to strategy** 

**Dividend cash cover<sup>3</sup>**

▶ **2.38x / 1.10x<sup>4</sup>**

Including / excluding profits on disposal  
2025: 1.56x / 1.07x<sup>4</sup>

---

**Measure**  
Operational cash flow / dividends paid to shareholders.

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

---

**Performance**

2026	2.38x
2025	1.56x
2024	1.37x

---

**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 these APMs are provided in the Financial Review on page 41 Competitive cost proposition is the operating expense ratio APM  
4 Including profits on disposals versus original acquisition cost of £206.9m (31 March 2025: £82.7m). Excluding this, dividend cash cover would have been 1.10x (31 March 2025: 1.07x)  
5 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**

▶ **54.7%<sup>1</sup>, 13.6%<sup>2</sup>**

2025: 51.1%, 10.8%

**Measure**

Percentage of portfolio value represented by the ten largest investments.<sup>3</sup>

Percentage of portfolio value represented by the single largest investment.<sup>3</sup>

**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**

<b>2026</b>	<b>54.7%</b>
2025	51.1%
2024	49.5%

**Link to strategy**



**Risk / reward characteristics**

▶ **6.2%**

2025: 14.0%

**Measure**

Percentage of portfolio value represented by the aggregate value of projects with construction and / or demand-based risk.<sup>4</sup>

**Objective**

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

**Performance**

<b>2026</b>	<b>6.2%</b>
2025	14.0%
2024	17.1%

**Link to strategy**



**Weighted average asset life**

▶ **34.2 years**

2025: 30.4 years

**Measure**

Portfolio's weighted average unexpired concession length.<sup>5</sup>

**Objective**

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

**Performance**

<b>2026</b>	<b>34.2 years</b>
2025	30.4 years
2024	29.4 years

**Link to strategy**



**Refinancing risk**

▶ **0.6%<sup>6</sup>**

2025: 2.4%

**Measure**

Portfolio debt with refinancing risk within 24 months as a percentage of total portfolio debt.<sup>7</sup>

**Objective**

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

**Performance**

<b>2026</b>	<b>0.6%</b>
2025	2.4%
2024	2.5%

**Link to strategy**



**Sustainability stewardship**

▶ **74%**

2025: 95%

**Measure**

Percentage of the portfolio achieving a robust overall sustainability rating.<sup>8</sup>

**Objective**

75% of the portfolio achieving a robust overall sustainability rating

**Performance**

<b>2026</b>	<b>74%</b>
2025	95%
2024	98%

**Link to strategy**



1 54.7% is the sum of the Top 10 assets in HICL's portfolio by value  
 2 13.6% 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 within 24 months on Texas Nevada Transmission, Fortysouth and 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 (excluding disposal proceeds).  
 8 Based on InfraRed's proprietary maturity assessment framework. 'Robust' comprises the two highest levels (2026: 'Advanced' and 'Leading'; 2025/2024: 4 and 5 stars) and is based on information provided by portfolio companies. Methodology was substantially revised in 2026 and is not directly comparable with prior periods

# Investment Manager's Report



▶ **11.1%**

average premium to carrying value on £536m divestments completed in FY26

▶ **12.2%**

annualised FY26 portfolio return

▶ **9%**

increase in growth asset EBITDA vs FY25

▶ **2.38x**

dividend cash cover including profits on disposals at 31 March 2026

**Right:** Edward Hunt, Head of Core Infrastructure, 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

InfraRed's active management is fundamental to HICL's investment proposition, underpinning the successful delivery of capital and income growth to shareholders over the 20 years since IPO. The disciplined execution of asset-level business plans and accretive portfolio rotation undertaken during the year has increased cash cover, driven NAV growth and improved overall portfolio construction. In this way, InfraRed has better positioned the Company to capitalise on future growth opportunities and further enhance long-term value for shareholders.

## 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, execution and divestment across the full asset lifecycle
- ▶ Capital raising, investor relations and preparation of key external communications

## Operational highlights

HICL's portfolio delivered a strong return of 12.2% for the year ended 31 March 2026 (31 March 2025: 7.7%), driven primarily by the c.£311m disposal of the A63 Motorway at a 21% premium to carrying value. Excluding the impact of accretive disposal activity, the portfolio's return was 10.5%, in excess of the weighted average discount rate of 8.4% at 31 March 2025. This predominantly reflected continued outperformance from the Group's growth assets, most notably Affinity Water and Fortysouth (HICL's two largest holdings by value), as detailed below.

Further information can be found in the 'Valuation of the portfolio' section of this report starting on page 45.

## Operational performance overview

Operational performance of the portfolio exceeded the Investment Manager's expectations for the year, reflecting the strong and sustained underlying performance of the Group's largest assets.

### Growth assets

At Affinity Water ("Affinity"), EBITDA grew significantly, in line with the Company's expectations. Alongside this, the most significant development during the year was the resumption of shareholder distributions, modestly exceeding budget. This is expected to mark the beginning of a consistent programme of distributions across the current regulatory period (which runs to 31 March 2030), in line with the stable, inflation-linked cash flow characteristics that underpinned HICL's original investment case. The resumption of distributions supported an uplift to HICL's valuation, with the explicit uncertainty premium embedded in the asset's discount rate partially reduced to reflect improved cash flow visibility. In addition, this year saw the publication of the Cunliffe Review and the subsequent UK Government white paper on water sector reform, both of which set out proposals to streamline the regulatory framework. These developments are expected to be supportive for strong performers in the sector such as Affinity Water.

Fortysouth saw EBITDA growth ahead of HICL's valuation assumptions, driven primarily by continued progress on new tower deployments and upgrades. This strong operational performance was further supported by the high degree of inflation correlation embedded within the business's revenues, coupled with inflation being above forecast in New Zealand over the period. Building on this momentum, Fortysouth reached a new agreement with a major mobile network operator customer on a structured 75-site co-location programme to be rolled out over the next five years, which is expected to increase revenues and improve cash flow quality.

London St. Pancras Highspeed ("LSPH", formerly known as High Speed 1) saw EBITDA rise in line with expectations, supported by growing revenues from international train paths. During the year, further progress was made towards the introduction of a second international operator on the route, with Virgin Trains announcing its intentions for cross-Channel services and rolling stock procurement, following the award of depot capacity by the UK rail regulator. While the launch of new services remains subject to further regulatory approvals and delivery milestones, substantive advances have been made over the period towards reducing barriers to more international train services over time.

Texas Nevada Transmission and Altitude Infra continue to be well-positioned for the structural expansion of their respective markets, supporting increasing power demand, the energy transition and data demand growth. During the year, both assets performed well against their key operational priorities, with Texas Nevada Transmission maintaining 100% asset availability, while Altitude Infra continued to improve customer uptake following the near-completion of its network rollout, albeit with volumes in the higher-value business services sector still building towards planned levels. In the case of both assets, debt refinancings completed during the period enhanced balance sheet resilience and were accompanied by continued investment to optimise scale, while also supporting long-term earnings potential as these assets mature.

Overall, HICL's growth assets are expected to deploy over £550m of capital expenditure over the next five years, materially increasing the asset base from which additional revenues can be generated.

### Yield assets

HICL's PPP assets, which represent 57.3% of the Directors' Valuation excluding disposal proceeds, benefit from availability-based contracted revenues and fixed-rate debt, providing high levels of cash flow visibility. Accordingly, cash generation from this portfolio segment generally remained consistent with expectations, supporting dividend cover in line with market guidance. Day-to-day service delivery was strong throughout the year, as reflected in asset availability of over 99% across the portfolio during FY26. Asset-specific valuation adjustments were made where appropriate, including a targeted increase in the discount rate at Lewisham Hospital (0.6% of the Directors' Valuation excluding disposal proceeds), alongside a related cash flow provision. This reflected an elevated risk of performance deductions arising from an ongoing contractual dispute with the Trust, with the Investment Manager actively pursuing mitigation actions. Taken together, these actions reflect prudent portfolio management, with the PPP assets continuing to deliver resilient operational performance and dependable long-term income.

## HICL's business model delivering value

InfraRed's proactive management of portfolio composition is integral to HICL's business model and has remained a central focus during the year. With the benefit of carefully considered portfolio evolution over recent years, HICL is now well positioned to deliver long-term organic earnings progression, supported by enhanced capital growth potential and stronger dividend cash cover, which in turn increases capacity for ongoing reinvestment.

HICL's selective approach to portfolio construction, combined with the Investment Manager's transaction capabilities across markets, has enabled the Company to use accretive portfolio rotation activity to accelerate this organic value creation. This approach allows the Company to continue to grow sustainably even in a macroeconomic environment where access to capital markets remained constrained.

### Transaction activity and portfolio construction

At the start of the year, the Board set a target to achieve at least £200m of disposals over the 12-month period. Against this target, InfraRed delivered disposals in excess of £500m, at a premium to NAV, materially exceeding expectations and demonstrating its ability to execute consistently across a range of sectors, geographies and market conditions.

## Investment Manager's Report continued

In August 2025, the Company announced the sale of a portfolio of seven UK PPP assets to APG for c.£225m, comprising half of the Group's interests in Southmead Hospital and Pinderfields and Pontefract Hospitals, together with its full interests in four UK LIFT projects and Edinburgh Schools. The transaction was achieved in line with HICL's 31 March 2025 valuation and was accretive to several key portfolio metrics, including expected return, yield, inflation correlation and weighted average asset life, while also materially reducing exposure to UK healthcare assets and lifecycle risk.

Subsequently, HICL completed the disposal of its 24.0% stake in the A63 Motorway in France for gross proceeds of £311m, representing a 21% premium to the valuation as at 30 September 2025. The disposal crystallised an annualised holding period return of 14% and NAV accretion of 2.2p per share. The transaction was also a positive contributor to HICL's key portfolio metrics, including return, yield, inflation correlation and asset life, and reduced the Group's exposure to ongoing political uncertainty in France. InfraRed developed the asset from its greenfield stage through construction, ramp-up and steady-state operations, demonstrating its ability to originate, de-risk and selectively realise investments across the full asset lifecycle.

The £536m of disposals completed during the year, which have contributed to the overall disposal proceeds figure of more than £1bn over the past three years, reflect InfraRed's long-standing and disciplined approach to asset recycling and strategic portfolio construction. Disposal candidates are identified through regular screening of the portfolio, with assets assessed on their contribution to key portfolio metrics before consideration of the resulting impact on portfolio diversification and risk concentration. InfraRed will also consider more opportunistic disposals where the economic rationale is compelling and outsized value can be realised, as illustrated by the A63 transaction.

Capital generated through these disposals has begun to be recycled into attractive opportunities. Shortly before the period end, HICL agreed to acquire an additional 6.65% equity interest in Cross London Trains ("XLT") for c.£52m, increasing the Company's total interest to 13.13%. The acquisition was completed at a valuation that is expected to offer a more attractive long-term return than alternative uses of capital, including share buybacks, reflecting the minority nature of the stake being divested and HICL's existing shareholder rights. HICL's increased ownership interest will also result in increased board representation and governance oversight. Since the Company's initial investment in 2022, XLT has established a strong operational track record, performing in line with the Company's assumptions consistently.

Looking ahead, InfraRed's specialist, multi-disciplinary and geographically diverse investment team will continue to actively explore selective disposal opportunities, while building a pipeline of potential new investments across its core markets. Opportunities will be assessed within the context of the HICL Board's broader capital allocation framework, ensuring that decisions on asset recycling and reinvestment remain focused on enhancing portfolio construction, managing risk and delivering an attractive return proposition for shareholders.

### Specialist asset management

The Company's strong operational performance is underpinned by InfraRed's team of over 25 expert asset managers tasked with maximising long-term infrastructure asset value throughout the investment lifecycle. Based in London, New York, Miami 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 during the year on several of HICL's larger investments: securing a resumption of shareholder distributions at Affinity Water; making further progress towards a potential second international operator on the London St. Pancras Highspeed route; achieving a regulatory outcome at Texas Nevada Transmission consistent with assumptions; and the completion of value-accretive debt refinancings at Fortysouth and Altitude Infra. This active, hands-on approach to management supports the long-term earnings profile of these investments and underpins HICL's proposition of sustainable income alongside capital growth.

InfraRed's active asset management approach is also evident in the context of critical infrastructure, where there is a strong focus on maintaining quality, safety and service for HICL's clients and end users. For the Company's PPP investments, maintaining facility condition remains integral to long-term investment performance. This encompasses a proactive approach to handback, the effective and timely delivery of lifecycle works, and the appropriate management of construction defects as they arise. During the period, good progress was made in delivering capital works to improve facility condition across the PPP portfolio, including at the Company's largest healthcare assets such as Birmingham Hospital, Southmead Hospital, and Pinderfields and Pontefract Hospital. At Lewisham Hospital (0.6% of portfolio value), a targeted service improvement plan is being implemented by InfraRed in collaboration with the facilities management provider in the context of an ongoing contractual dispute with the Trust relating to performance deductions. While this plan is intended to address the underlying performance challenges over time, the associated risks remain appropriately reflected in HICL's valuation.

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 24.

### Capital allocation

HICL's capital allocation strategy, as determined and directed by the Board, remains clear and is being executed in a disciplined manner. While the relative attractiveness of near-term returns, including those available through share buybacks<sup>1</sup>, is an important consideration, capital allocation decisions are ultimately shaped by the Board's assessment of how best to support sustained long-term NAV

growth. Over time, it is this NAV growth that is expected to underpin a durable narrowing of the discount to NAV (the amount, expressed as a percentage, by which the share price is less than the net asset value per share), and capital is, therefore, allocated with this longer-term objective firmly in mind.

In this context, asset acquisition opportunities will be considered where prospective long-term returns exceed those available from share buybacks. In this context, the Investment Manager continues to identify opportunities, particularly within the existing portfolio, to acquire incremental equity stakes and follow-on investments that support asset growth. Such opportunities allow the Company to leverage its incumbent positions in high-quality assets to maximise value creation in an appropriately risk-adjusted approach.

Looking ahead, and as signalled in the Chair's statement, InfraRed expects HICL's portfolio evolution to be supported by highly selective investments that enhance overall portfolio construction through their return profile and earnings characteristics. While resilient income will remain fundamental to the strategy, InfraRed anticipates scope over time to increase exposure to assets offering higher capital growth potential. This is expected to include investments within sectors where the Investment Manager has established experience across the broader infrastructure return spectrum. This measured evolution reflects shareholder feedback and the prevailing market context, in which listed real-asset strategies combining resilient income with a more prominent capital growth component have demonstrated increasing relevance for investors. HICL benefits from a strong liquidity position and an undrawn RCF, providing ample capacity to selectively pursue attractive opportunities. Further detail on how the Company's strategy may be progressed is set out in the Market and outlook section.

## Financial highlights

HICL's NAV per share increased by 7.1p over the year to 160.2p at 31 March 2026 (31 March 2025: 153.1p). The increase reflected a combination of factors, most notably the highly accretive disposal of the A63 Motorway, inflation exceeding forecasts in the first half of the year, and strong performance across the Group's growth assets. Asset-specific headwinds over the period primarily reflected higher risk provisions at a small number of PPP projects.

HICL delivered dividends in line with guidance for the year, with payments to shareholders of 8.35p per share for the 12 months ended 31 March 2026. Portfolio performance again fully supported these distributions, with dividend cover excluding profits on disposals strengthening to a milestone level of 1.10x, up from 1.07x in the prior year. This represents stronger cash inflows from the portfolio relative to shareholder distributions, which enhances the long-term sustainability of the dividend. Reflecting the continued visibility of cash distributions from the portfolio and the Company's focus on delivering progressive income, the Board has reaffirmed its target of 8.50p per share for the year to 31 March 2027 and introduced new guidance of 8.65p per share for the year to 31 March 2028.

The weighted average discount rate used to value the portfolio increased marginally over the year to 8.5% (31 March 2025: 8.4%), reflecting changes in portfolio composition following the disposal of the A63 Motorway, and the valuation increase in HICL's growth assets. Underlying regional reference rates were unchanged.

<sup>1</sup> Based on discount rate, adjusted to reflect the prevailing share price discount to the NAV, using published discount rate sensitivities as at 31 March 2026

Asset-level discount rates reflect the risk and return profile of each investment and are informed by relevant market evidence, including pricing achieved on the Company's asset disposals during the year.

HICL's weighted average discount rate of 8.5% 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 an independent third-party external valuation expert and is one of the primary areas of focus during the year-end reporting process.

HICL's disposal activity during the year enabled the full repayment of amounts previously utilised under its RCF, which consequently was undrawn at 31 March 2026; and as a result, the Corporate Group had a cash balance of £87.7m at the period end with £333.3m of disposal proceeds held at year end within the HICL Group beneath the Corporate Group. At the same time, the RCF's maturity has been extended to 30 June 2028, enhancing the Company's balance-sheet flexibility. Disposal proceeds are also being deployed in line with the Company's stated capital allocation priorities, including funding the £50m equity commitment to Affinity Water and earmarking c.£66m against the Group's commitments to the Blankenburg Tunnel and B247 road, due in September and December 2026 respectively. Remaining proceeds provide capacity for redeployment into attractive investment opportunities that support HICL's return and growth objectives, including continued share buybacks where these represent the most compelling use of capital (see Capital allocation section above).

Further information on HICL's financial performance can be found in the Financial Review section starting on page 38.

## Governance

The Investment Manager continues to regard proactive shareholder engagement as an important component of HICL's governance framework and anticipates further dialogue with investors during the Annual Results investor roadshow, ahead of a capital markets event planned for 2 July 2026.

As explained in HICL's 2025 Annual Report, the Investment Manager agreed to amend its fee structure from 1 July 2025 such that fees would be based on an equal weighting of the Company's average closing daily market capitalisation and its most recently published NAV. Following further engagement with the Board, InfraRed has now agreed a further enhancement under which, effective from 1 July 2026, the management fee will be calculated entirely by reference to the Company's market capitalisation. This adjustment to HICL's management fee arrangements represents a significant further step in demonstrating InfraRed's continued commitment to delivering a high-quality and cost-effective proposition for HICL; and ensures even closer alignment of the Manager with the successful delivery of the Company's strategy and the associated share price outcomes for shareholders. With the Company's shares currently trading at a discount to NAV, the revised basis will reduce the management fee payable, providing a substantially lower operating expenses ratio on a *pro forma* basis.

## Investment Manager's Report continued

The move also takes HICL's fee basis significantly beyond that of its listed infrastructure peers in terms of alignment with shareholders. The revised basis is expected to deliver further savings for shareholders, reducing the management fee payable relative to the historic basis and contributing to a lower operating expenses ratio on a pro forma basis.

## Sustainability

Against a backdrop of evolving policy developments across HICL's core markets, including a growing emphasis on mobilising private capital to support priority infrastructure, the Investment Manager has introduced a new societal value framework for the portfolio. The framework provides a more structured articulation of the socioeconomic benefits arising from the ownership and operation of HICL's assets, recognising that many of these impacts are inherently delivered through day-to-day infrastructure services and operating company business models. It builds on the Investment Manager's established approach of embedding sustainability considerations within investment decisions and active asset management, supporting asset performance and long-term value creation. Combining portfolio-wide indicators with asset-level insights, the framework enhances transparency around how HICL's infrastructure supports local economies, public services, communities and the environment. These indicators and associated narrative are set out in the Company's Sustainability Report 2026 on pages 5-10.

## 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 52. 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 contributing significantly 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.

In the latter part of the financial year, an escalation of conflict in the Middle East contributed to a period of heightened volatility across global equity and bond markets as investors reassessed supply-side impacts on inflation and interest rate expectations. In the UK, ten-year gilt yields rose by 55bps over March 2026 and traded at their highest levels since 2008 at points during the month, while borrowing costs also moved higher across the Eurozone and the USA amid similar inflation-related concerns. These trends were indicative of heightened late-period market volatility. To date, these changes have had limited direct impact on the performance of the Group's assets, with HICL's core infrastructure investments benefitting from characteristics that help mitigate exposure to rising interest rates, including inflation-linked revenues or regulated cost-of-capital frameworks.

### UK infrastructure policy

UK infrastructure policy developments over the year indicated a modest shift towards a more supportive stance on the use of private capital, reflecting fiscal constraints and the scale of investment required to deliver against public infrastructure objectives. The government's Ten-Year Infrastructure Strategy signalled an intention to crowd-in private investment across targeted areas of social infrastructure, marking a change in tone from recent years. This shift was reflected in developments within the healthcare sector, where privately financed models were explored to support the delivery of new neighbourhood health centres in England. In parallel, InfraRed, through its role as a founding member of the Association of Infrastructure Investors in Public Private Partnerships ("AIIP"), continued to contribute to industry engagement with policymakers, drawing on investor and manager experience to help inform the evolution of future delivery models.

### Regulatory risk

Regulatory risk reduced further in relation to HICL's largest asset, Affinity Water, following the publication of the Cunliffe Review of the UK water sector and the subsequent UK Government white paper on water sector reform, both of which set out proposals to streamline the regulatory framework. These developments are expected to support the attractiveness of the UK regulatory regime to the advantage of strong performers such as Affinity Water. HICL will continue to monitor their implementation and implications over time.

At TNT, the conclusion of the regulatory settlement with the Public Utility Commission of Texas during the period reduced the asset's regulatory risk exposure for the current regulatory cycle. The outcome provided greater certainty over medium-term cash flows, with the final allowed return on equity aligned with HICL's assumptions. This supported the Group's valuation of TNT and provides further comfort around the robustness of the asset's regulatory framework.

At LSPH, The Office of Rail and Road approved Virgin Trains' application to access the Temple Mills Depot, a facility of strategic importance for supporting cross channel rail operations. This decision enhances the prospect of a second international operator being introduced to the line and reduces regulatory risk for the asset.

More broadly, InfraRed mitigates regulatory risk by managing regulatory exposures across jurisdictions and regulators. The 29% of the portfolio with regulated revenues comprises eight investments, in three countries, spanning four different regulatory frameworks.

### Facility condition risk

Maintaining high standards of facility condition remains a core asset management priority for InfraRed. This is reflected in the ongoing remedial works at Birmingham Hospitals, which continue to be delivered on schedule, with the support of the NHS Trust. This programme forms part of a broader set of targeted initiatives across the portfolio aimed at enhancing asset quality and supporting long-term operational resilience. HICL's portfolio valuation continues to include appropriate provisions in respect of facility condition-related risks. The Investment Manager maintains proactive oversight with a continued focus on high standards of asset condition for HICL's clients and end-users, supported by active portfolio management.

During the year, InfraRed further increased its focus on lifecycle delivery risk across the portfolio, developing enhanced asset-level reporting covering asset condition, lifecycle spending and delivery performance. Lifecycle risk currently sits with HICL's portfolio companies for 31% of the portfolio by value (31 March 2025: 42%), with enhanced analysis in the period reinforcing the appropriateness of the lifecycle-related discount-rate premia and cash-flow provisions applied at the September 2024 valuation. This work also helped inform InfraRed's disciplined approach to asset recycling, with the c.£225m disposal of PPP assets during the year materially reducing exposure to projects with lifecycle delivery obligations. In parallel, InfraRed continued to strengthen HICL's preparedness for PPP handback, with c.52 assets (c.18% of portfolio value) scheduled to transfer to the public sector over the next ten years. During the period, three concessions expired, marking the start of a broader programme of handbacks over the coming years and providing practical evidence supporting the effectiveness of InfraRed's approach.

### Client relationships

Long-term partnership frameworks, such as those underpinning HICL's PPP portfolio, inherently carry certain risks, particularly in areas such as UK healthcare where wider public sector pressures can affect performance and make contractual disputes more likely. A valuation reduction was recognised at Lewisham Hospital during the year, reflecting a higher assessed level of risk related to these factors. In response, InfraRed is implementing a targeted service improvement plan with the facilities management provider to address the matters identified and support sustained asset performance.

While HICL generally maintains highly collaborative relationships with its public sector clients, the Investment Manager continues to monitor the risk of disputes that could result in reduced or withheld payments of contracted revenues. Alongside active asset management, HICL's approach to articulating and enhancing the social value delivered by its assets, including through initiatives that support local communities beyond the intrinsic operation of the infrastructure, provides an additional basis for constructive engagement with clients and stakeholders. As part of its proactive approach, InfraRed also contributes to the broader policy dialogue on private finance in UK infrastructure through its involvement in industry bodies, including as a founding member of the Association of Infrastructure Investors in PPPs ("AIIP").

### Macroeconomic risk

The macroeconomic environment continues to weigh on listed market valuations for real assets, including for HICL. Financial markets remain volatile, with heightened geopolitical risk and concerns around sovereign indebtedness contributing to increasingly uncertain interest rate outlooks across HICL's key geographies.

Within this context, inflation dynamics remain a key sensitivity for the Company. If inflation were to exceed current projections, this would support cash generation and dividend cover, given the Company's inflation-linked cash flows. However, such an outcome would also be expected to place upward pressure on sovereign bond yields and potentially discount rates, which are also referenced to actual market transaction data points. The Board's dividend guidance and the Directors' valuation have been rigorously stress tested by InfraRed across a range of macroeconomic scenarios.

## Market and outlook

The medium-term outlook for infrastructure investment remains strong, underpinned by the enduring need for essential assets and a growing reliance on private capital to support their long-term development. While resilient income remains central to the appeal of core infrastructure, the environment in which assets operate continues to evolve. Infrastructure networks are increasingly required to adapt to structural changes in demand, technology and external market conditions over long asset lives. As a result, value is shaped not only by contractual protections but, to a growing degree, by the effectiveness of active asset management, including the disciplined reinvestment of growth capex at asset level and the targeted deployment of incremental capital to support long-term growth. Across sectors aligned with HICL's existing investment focus, this evolution is expanding the opportunity set and where value can be actively created, while preserving the defensive characteristics of core infrastructure.

Private market conditions reflect this shift. Demand for high-quality infrastructure assets remains deep, particularly for assets that have benefitted from active management and where value creation has been delivered. HICL's disposal activity over recent years illustrates InfraRed's ability to create, de-risk and crystallise value, with mature availability-based PPP assets realised successfully alongside disposals of assets where operational management and asset-level initiatives formed a central part of the investment case. This is evidenced by the divestments of the A63 Motorway and the Northwest Parkway toll road, both of which were sold at strong premia to carrying value, reflecting InfraRed's ability to add value through active asset management.

Against this backdrop, HICL is well positioned to capitalise on a broad and attractive opportunity set. The Investment Manager's experience across its specialist sectors and its established origination capability enable it to identify opportunities where active ownership can support long-term value creation from acquisition through to exit, without compromising HICL's core infrastructure focus. The strengthening of the Company's balance sheet position during the year, together with ongoing surplus cash generation, provides the capacity and flexibility to act decisively as opportunities arise, supported by InfraRed's proven investment and asset management expertise.

# Top 10 assets

HICL's ten largest assets make up 54.7% of its portfolio by value and span a range of geographies, sectors and revenue types.

## 1 Affinity Water

**Affinity Water (“Affinity”) 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.**

**Sector:** Electricity and water

**Location:** UK

**% of portfolio:** 13.6%

**HICL holding:** 33.2%

### Valuation sensitivity

RCV multiple  $-/+0.05x$

(1.8)  1.8

Change in NAV in pence per share

HICL’s 2026 financial year marked the first 12 months of the UK water sector’s new regulatory period (AMP8), which runs to 2030, following Affinity Water’s strong final determination under the PR24 process. The year also coincided with the publication of the Cunliffe Review of the UK water sector and the subsequent UK Government white paper on water sector reform, both of which set out proposals to streamline the regulatory framework. These developments are expected to support strong performers such as Affinity Water, and HICL will continue to monitor their implications over time.

Affinity Water’s key performance development during the year was the resumption of shareholder distributions. This is expected to mark the start of a regular programme of distributions across AMP8, consistent with the stable, inflation-linked cash flow characteristics that underpinned the original investment case. As a result of the re-establishment of distributions, HICL partially reduced the uncertainty premium applied to the discount rate used to value Affinity Water by 10 basis points, which was a key driver of the increase in the asset’s valuation over the period. The Company will continue to assess the appropriateness of the remaining premium as the distribution track record develops.

Affinity Water delivered strong financial performance over the year, achieving significant EBITDA growth 3% above HICL’s 31 March 2025 valuation assumption. Performance was supported by higher-than-anticipated revenues from non-metered, fixed-tariff customers, which helped offset additional costs incurred during the hot summer of 2025. Affinity Water’s performance against its Outcome Delivery Incentives (“ODIs”) was below HICL’s expectations for the year. Targeted actions are underway to address this, including value-accretive investment in technology to enhance customer experience and focused workstreams to improve low-pressure performance in specific areas.

In October 2025, Ofwat published its latest Water Company Performance Report, the regulator’s annual assessment of the 16 largest water companies in England and Wales. Affinity Water was recognised by the regulator as having displayed strong operational performance in multiple areas and was identified as a ‘top performer’ in limiting supply interruptions for the second year running.

Affinity Water’s robust operational performance is underpinned by a stable and resilient capital structure. The business maintains investment grade credit ratings that remain above Ofwat’s required thresholds, with no refinancing requirements until 2033.

In support of Affinity Water’s significant capital investment programme, and in line with previous disclosures, HICL also executed its £50m incremental equity commitment to the business during the period. This investment is intended to support growth in Affinity Water’s Regulated Capital Value (“RCV”), which is forecast to increase by c.30% in real terms over AMP8.

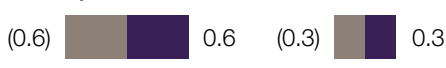

In October 2025, Affinity Water announced that its CEO, Keith Haslett, would be stepping down to take up the role of Group CEO at Pennon Group Plc. Since joining the business in 2023, Keith has overseen a period of strong operational delivery and cost discipline, positioning Affinity Water well for the current regulatory period. Following a thorough recruitment process supported by InfraRed, Mark Garth, who brings extensive senior leadership experience from across the water sector, will join Affinity Water as CEO in 2026.

► **950m**  
litres of clean water  
provided each day

► **3.9m**  
people supplied with  
clean water daily

## 2 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.**

<b>Sector:</b> Communications	<b>Valuation sensitivity</b>
<b>Location:</b> New Zealand	Tenancy ratio $-/+0.05x$ New tower roll-out $-/+10%$
<b>% of portfolio:</b> 8.0%	(0.6)  0.6      (0.3)  0.3
<b>HICL holding:</b> 40.0%	Change in NAV in pence per share

Fortysouth delivered strong results for the 2026 financial year, with EBITDA increasing by 10%, representing a second consecutive year of double-digit growth and slightly exceeding HICL’s valuation assumption. This performance was underpinned by the company’s effective sales strategy, prudent cost control and its availability-based, inflation-linked anchor tenancy contract with One NZ.

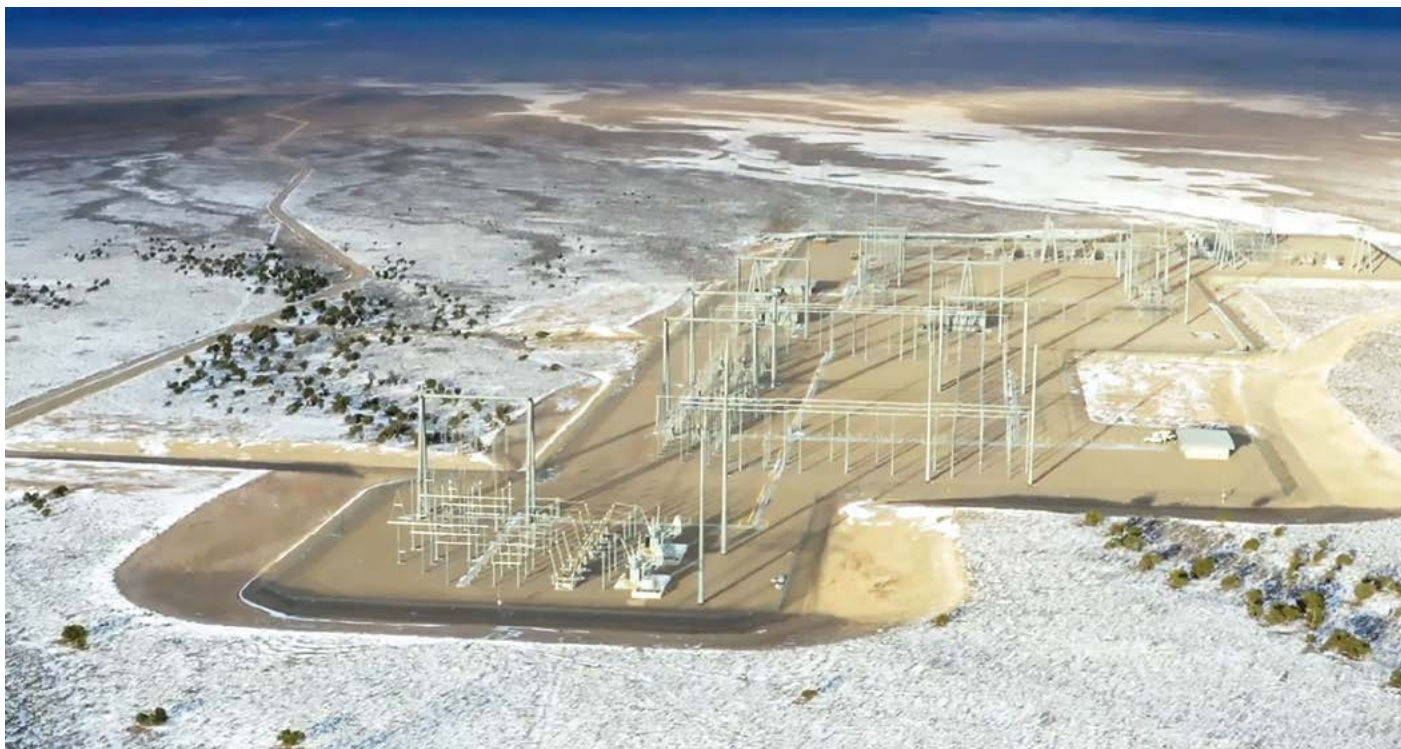
As at 31 March 2026, Fortysouth had delivered a cumulative total of 231 new towers and remained on track to achieve over 290 deployments by March 2027. Tower upgrades completed during the year were in line with HICL’s 31 March 2025 valuation assumptions, reflecting close operational collaboration with One NZ. Together, progress on new builds and upgrades demonstrates disciplined delivery of the Build to Suit programme, under which new towers are developed to meet One NZ’s specific 5G coverage requirements and the capacity of the tower portfolio to accommodate additional tenants over time is increased.

Building on this expanded tenant capacity, Fortysouth signed c.60 new co-location agreements during the financial year, approximately 75% of which were with the New Zealand emergency services network, which deploys public safety equipment across the tower portfolio. This strategic partnership continues to provide a valuable source of incremental co-location activity, partially offsetting lower levels of MNO-led co-locations in recent periods. In March 2026, the management team also reached an agreement with a key MNO customer on a structured 75-site co-location programme to be rolled out over five years, which is expected to enhance the quality of Fortysouth’s future revenues given the contracted nature of these co-locations.

Alongside this activity, favourable pricing outcomes achieved on existing co-location sites, together with the expansion of associated services linked to these sites, were the principal contributors to Fortysouth’s valuation uplift. Since HICL’s acquisition in 2022, the management team has now signed over 130 new co-location agreements in total and is prioritising initiatives to shorten the period between contract execution and the commencement of billing, with recent trends indicating good progress.

The business also completed an accretive debt refinancing in the period that was approximately 30% oversubscribed, enabling a step down in facility margins earlier than forecast. This outcome reflects the management team’s active approach to capital structure optimisation, supported by InfraRed’s local asset management presence, as well as the continued maturation of Fortysouth’s revenue profile since the carve-out of the business was completed in 2024.

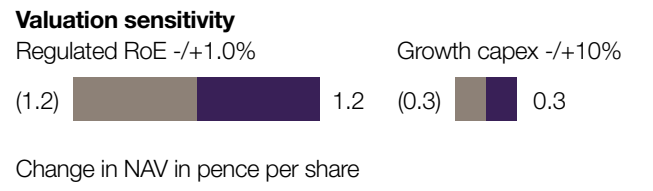
In November 2025, HICL’s co-shareholder Infracore announced a conditional agreement to sell its 20% stake in Fortysouth to a vehicle managed by InfraRed. This transaction reinforces the Investment Manager’s strategic commitment to the business and is expected to further enhance governance and alignment, supporting the effective management of Fortysouth over the long term.



### 3 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.**

<b>Sector:</b> Electricity and water
<b>Location:</b> USA
<b>% of portfolio:</b> 6.1%
<b>HICL holding:</b> 45.8%



TNT delivered a solid financial result for the year, with EBITDA in line with HICL’s 31 March 2025 valuation assumptions. This outcome was supported by consistently strong operational delivery, with average availability of 100% over the period and no material issues identified through system inspections. The asset’s operating track record to date reflects the quality of the maintenance regime delivered by co-shareholder and operator LS Power.

In October 2025, the regulatory settlement with the Public Utility Commission of Texas for Cross Texas Transmission was concluded. The final allowed return on equity aligned with HICL’s assumptions, and a modest increase in the share of equity in the capital structure supported the asset’s valuation. This regulatory outcome provides greater clarity over future cash flows and reinforces TNT’s long-term financial resilience.

A specialist consultant was commissioned over the period to undertake a new projection of TNT’s long-term capital expenditure. The outcome of the study had a modest, positive impact on the valuation as total energy demand over the asset life was forecast to be higher than previously assumed, primarily due to more planned data centre development in Texas over the coming years. This is expected to translate to greater-than-anticipated spending to expand transmission capacity, which would grow the asset base that attracts the regulated return.

While this outlook points to increased transmission investment over the long-term, TNT is deliberately pacing its near-term capacity expansion expenditure as it seeks greater clarity on the regulatory response to current grid capacity shortages and the practical implementation of recent federal energy policy changes. This approach reflects uncertainty around the future mix and timing of generation development and supports disciplined capital allocation. Against this backdrop of constrained capacity and greater uncertainty around investment timing, the value of established transmission networks that already connect generation to demand is becoming more pronounced. As a result, TNT’s networks are expected to become more important in linking Texas’s rural generation hubs with major population centres, particularly as energy-intensive technologies, including artificial intelligence, are deployed at greater scale. Further detail on the contribution of TNT’s networks to US energy security is set out on page 12 of HICL’s 2026 Sustainability Report.

During the year, TNT also completed a refinancing of its existing debt facilities, replacing near-term maturities with longer-dated, fixed-rate financing. This exercise reduced refinancing risk and improved visibility over funding costs, while maintaining balance sheet flexibility to respond to future investment requirements.

## 4 London St. Pancras Highspeed

**London St. Pancras Highspeed (“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.**

<b>Sector:</b> Transport
<b>Location:</b> UK
<b>% of portfolio:</b> 5.5%
<b>HICL holding:</b> 21.8%

**Valuation sensitivity**

Second operator train paths -/+25%



Change in NAV in pence per share

LSPH delivered robust financial performance over the year, with EBITDA in line with HICL’s valuation assumption as at 31 March 2025. This outcome was primarily driven by continued growth in international train path volumes, which were 4% higher than in the prior year, reflecting increased spot bid utilisation to align capacity with buoyant passenger demand. LSPH’s financial performance was further supported by the management team’s progress in increasing footfall and improving sales at St Pancras International station. This resulted in unregulated income, derived predominantly from retail and car parking, being 9% above HICL’s forecast and 7% higher than in the prior year.

Introducing international competition on the line has been a priority since acquisition, given its potential to increase utilisation of the route. HICL’s valuation of LSPH continues to reflect a probability weighted assessment of the potential impact of any new international operator. During the period, further progress was made towards this, including public announcements from Virgin Trains (“Virgin”) regarding its intentions for services from St Pancras and its approach to rolling stock procurement, following the award of depot capacity at Temple Mills by the UK rail regulator in October 2025.

Shortly after the period end, Virgin and LSPH jointly applied to the regulator for approval of a Framework Track Access Agreement, which would provide Virgin with access rights to the line and is another key milestone in the process towards commencing services on the route. HICL’s approach to forecasting international train paths at LSPH remains unchanged at this stage, with a firm

rolling stock order expected to be the catalyst for reassessing the long-term valuation methodology. These developments do, however, reduce the uncertainty around the introduction of a second operator, and as such a modest reduction was made to the discount rate premium applied to HICL’s investment in LSPH.

Complementing this activity, LSPH continues to progress work aimed at increasing passenger capacity at St Pancras International station, which is a key enabler of additional services from both Eurostar and prospective new operators. As this work has advanced, updated cost estimates for planned station expansion works have been incorporated into the valuation, which on aggregate was broadly stable during the period. Separately, LSPH and Eurostar signed a letter of intent during the year reflecting a shared commitment to supporting future capacity growth at the station. To help inform these capacity expansion plans, Hawkins\Brown was appointed to undertake a detailed design and feasibility study, with the aim of delivering a significant uplift in passenger flow over the next three to four years.

Domestic train paths remain under UK Government control and LSPH continues to benefit from the contractual underpin from the Department for Transport, which is fully indexed to RPI and guarantees 96% of pre-Covid domestic track access revenues. HICL’s forecast continues to assume that domestic train path bookings will remain below underpin levels until March 2028; however, the business observed further meaningful progression in underlying domestic revenues towards the underpin level over the year.





## 5 Cross London Trains

**HICL's investment covers a fleet of electric rolling stock operating on the Thameslink passenger rail route, a North–South London commuter rail corridor that serves both Luton and Gatwick airports. The project benefits from a 20-year availability contract, which commenced in 2016 and provides a guaranteed revenue stream fully backed by the UK Department for Transport.**

**Sector:** Transport

**Location:** UK

**% of portfolio:** 4.8%

**HICL holding:** 6.5%

### Valuation sensitivity

Re-leasing pricing +/-5%

(0.4)  0.4

Change in NAV in pence per share

In March 2026, HICL agreed to acquire an additional 6.65% interest in Cross London Trains ("XLT") for approximately £52m, which increased its total economic interest to 13.13% following completion of the transaction on 20 May 2026. The transaction strengthens HICL's governance position and board representation at the asset level and reflects its continued confidence in the long-term fundamentals of the investment.

XLT owns the fleet of 115 Siemens Class 700 trains operating on the Thameslink route, which is run by Govia Thameslink Railway ("GTR"), the train operating company that leases the fleet, and forms part of one of the UK's most strategically important commuter rail corridors. The network links north and south London and key transport hubs including St Pancras International, Gatwick Airport and Luton Airport. The asset benefits from a robust contractual framework, with the initial lease running to 2036 and supported by protections under the Railways Act, providing strong revenue visibility and downside protection during the current lease period. Manufacturing, maintenance and major lifecycle obligations sit predominantly with Siemens under long-term contractual arrangements, limiting operational and delivery risk for the portfolio company.

XLT performed well operationally over the year, with fleet availability and service delivery remaining in line with HICL's expectations. The asset has demonstrated a consistent operating track record

over successive periods, underpinned by the quality of the rolling stock and the stability of the contractual framework.

Financial performance was similarly robust, with distributions received in line with HICL's valuation assumptions throughout the year. XLT has continued to deliver stable, predictable cash flows consistent with expectations, reinforcing its role as a resilient contributor to the broader cash generation of HICL's portfolio.

Stakeholder relationships remained constructive over the period, including positive engagement with co-shareholders to progress necessary amendments to governance arrangements following the incremental acquisition. Preparations also continued for the anticipated renationalisation of GTR later in 2026, which HICL does not expect to affect XLT's contractual revenues given the protections embedded within the project structure. The UK Government has previously confirmed that rolling stock leasing companies (such as XLT itself) fall outside of its selective nationalisation plans.

Overall, XLT continued to perform consistently in line with expectations during the year. The incremental investment reflects HICL's confidence in the asset's long-term resilience, the quality of its contracted cash flows, and the benefits of enhanced oversight as the project progresses through the remainder of the current lease and toward future leasing discussions beyond 2036.

## 6 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.**

**Sector:** Communications

**Location:** France

**% of portfolio:** 3.8%

**HICL holding:** 5.9%

**Valuation sensitivity**

Penetration +/-5%

(0.5)  0.5

Change in NAV in pence per share

The rollout of the network progressed into its final stages during the year, with only limited sign-off activity remaining. The near completion of this complex programme reflects effective coordination across stakeholders and has positioned the business to focus increasingly on steady-state operations. Despite this delivery progress, EBITDA for the year was below HICL’s 31 March 2025 valuation assumption. This primarily reflected the timing of revenue recognition from internet service providers (“ISPs”) and slower-than-expected customer take-up within the business services segment.

While these factors reduced near-term accounting income, they did not have a material impact on HICL’s valuation, which is underpinned by the company’s monopolistic, wholesale positioning and a supportive regulatory framework. During the year, the regulator issued final guidance enabling an increase in wholesale network access tariffs payable by internet service providers. This change reflects the business having largely transitioned from construction into its operating phase, with the regulatory mechanism recognising the need for Altitude Infra to earn higher revenues as a result. The changes are expected to be implemented through uplifts to recurring access charges for ongoing network usage and to one-off connection fees. Overall, these tariff adjustments are consistent with the cost-plus nature of the French regulatory regime underpinning the investment case at the time of HICL’s acquisition.

Altitude Infra’s management team delivered meaningful progress against its broader set of operational delivery targets over the year. At the aggregate level, customer penetration rose broadly in line with plan, reaching 63% at 31 March 2026. However, the pace of growth within certain segments, notably business services, remains an area of focus. Accordingly, a range of initiatives have been explored to support improved uptake, including enhanced internet service provider marketing activity, targeted local stakeholder engagement and participation in copper decommissioning trials.

Beyond the connection of new users to the network, the business has continued to identify value-enhancing opportunities linked to the expansion of its footprint and the optimisation of its capital structure. During the year, these efforts culminated in a number of refinancing activities at both the portfolio company-level and also at one of Altitude Infra’s underlying fibre network concessions where new debt was obtained on terms modestly ahead of HICL’s assumptions, providing incremental support to asset value. Taken together, these transactions demonstrate proactive capital management and the company’s ongoing focus on achieving value accretion over time.





## 7 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.**

**Sector:** Accommodation

**Location:** UK

**% of portfolio:** 3.5%

**HICL holding:** 100.0%

The Royal School of Military Engineering ("RSME") performed well over the financial year, making shareholder distributions in line with forecast and contributing strongly to the overall cash generation of HICL's portfolio. Operational performance across the estate remained solid, with average asset availability in excess of 99%, reflecting the continued reliability of service delivery and effective facilities management.

RSME benefitted from enhanced oversight of lifecycle strategy and delivery arrangements during the year, which is expected to support long-term asset condition and service quality over the remaining concession life. A review of lifecycle budgets undertaken during the year supported the robustness of existing cost assumptions in HICL's valuation. The discount rate premium applied in September 2024 to reflect lifecycle risk was also reassessed, with no change considered necessary.

Stakeholder relationships remained constructive, with the portfolio company maintaining its engagement with the client on lifecycle delivery and the inflation-linkage of availability-based payments. These discussions supported clarity around the recovery of operating and lifecycle costs, helping to reduce uncertainty and underpin a stable operating environment for the asset.

Through its day-to-day operations, RSME delivers broader societal value by providing essential training infrastructure that supports UK defence capability and the development of transferable technical skills. Further detail on RSME's contribution to society through its core operations and service delivery is set out on page 21 of HICL's 2026 Sustainability Report.

## 8 Blankenburg Tunnel

The Blankenburgverbinding (“Blankenburg”) tunnel is a four-kilometre-long sequence of technical structures in Rotterdam, connecting the A15 and A20 highways. It was commissioned to strengthen transport links across Europe’s largest and busiest port. The project consists of two three-lane motorways, incorporating below river and land-based tunnels.

<b>Sector:</b> Transport
<b>Location:</b> Netherlands
<b>% of portfolio:</b> 3.3%
<b>HICL holding:</b> 70.0%

The 12 months to 31 March 2026 represented Blankenburg Tunnel’s first full year in service following the completion of its construction. Performance over the period was in line with expectations, with average asset availability high at over 98%. As is typical during the early operating phase of a newly commissioned tunnel, a limited number of items required remediation.

These were addressed through established contractual mechanisms under which construction contractors bore financial responsibility. During the year, focus was placed on transitioning the asset from initial, post-opening operations into steady-state delivery. This involved embedding routine maintenance regimes

and strengthening governance frameworks. Together, these actions are expected to lower the likelihood of unplanned service disruption.

Progress was also made towards delivering HICL’s £54m scheduled funding commitment to the asset, which is due to be executed later in 2026 ahead of the commencement of full equity distributions. The project remains on track to operate according to its expected cash flow profile.

In parallel, the portfolio company progressed work with relevant stakeholders to implement a clear approach to the delivery of lifecycle works over the concession period. In this context, lifecycle relates to periodic replacement and refurbishment activity required to maintain the tunnel’s structural integrity and system performance over time, beyond day-to-day maintenance. The work undertaken focused on improving clarity around how such interventions will be identified, costed and executed, informed by early in-service experience. For HICL, this provides improved visibility over future costs and delivery risk, supporting the protection of value as the project matures over time.

## 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.

<b>Sector:</b> Electricity and water
<b>Location:</b> UK
<b>% of portfolio:</b> 3.1%
<b>HICL holding:</b> 100.0%

Operational performance at the Home Office remained strong throughout the year, with delivery continuing in line with expectations. Asset availability of 100% was maintained on average, reflecting a service approach that remained effective as use of the building gradually normalising following shifts in working patterns post-Covid-19. Financial performance was consistent with valuation assumptions, with the portfolio company incurring no performance deductions and distributions to HICL made in line with expectations.

With approximately five years of concession life remaining, InfraRed’s focus increasingly reflected the need to prepare the asset for return to the public sector. Engagement with the public sector client remained constructive, enabling alignment on how contractual arrangements should evolve as expiry approaches.



Drawing on InfraRed’s wider handback strategy, this work was supported through appropriate liaison with relevant public sector stakeholders, including the National Infrastructure and Service Transformation Authority (“NISTA”), enabling measured and orderly preparation for handback.

## 10 Birmingham Hospitals

**Birmingham New Hospitals PFI project is a 40-year concession to finance, construct, operate, and maintain a new 1,213-bed acute hospital and three new mental health facilities in the Birmingham area. The clients are the University Hospital Birmingham NHS Foundation Trust, and Birmingham and Solihull Mental Health NHS Trust.**

**Sector:** Health

**Location:** UK

**% of portfolio:** 3.0%

**HICL holding:** 30.0%

Birmingham New Hospitals is a large acute and mental health hospital estate providing critical healthcare infrastructure for the West Midlands. The investment supports the long-term provision of modern hospital facilities through a well-established PPP structure, with availability-based revenues that are contractually linked to inflation. Over the 12 months to 31 March 2026, asset availability remained high at over 99%, with the vast majority of clinical space accessible for service delivery, while limited ward areas were temporarily closed to facilitate agreed remediation works.

The principal area of focus during the period remained the management and resolution of historic construction-related defects within a defined subset of buildings, primarily associated with fire safety works across the acute hospital estate. Remediation activity continued to progress in a structured and collaborative manner alongside the Trust and the original

construction contractor. Several ward areas were successfully completed and returned to full clinical use, with further works advancing in line with the agreed programme.

Alongside the physical remediation programme, engagement continued to progress towards a comprehensive settlement framework addressing both fire safety and other residual defect matters. Discussions with the Trust, construction counterparties and financing stakeholders remained productive and focused on safeguarding service continuity, preserving long-term asset quality and supporting a return to distributions over time as outstanding issues are resolved. Facilities management performance continued to strengthen during the period, supported by improved coordination between remediation activity and day-to-day operational delivery.

Over the year, HICL applied a modest reduction to its valuation of this asset, reflecting a more cautious assessment of equity cashflows as the remediation programme and associated discussions continued.

Looking ahead, InfraRed's asset management team remains focused on overseeing progress against the agreed remediation programme and supporting continued engagement between the Trust, HICL's portfolio company and other counterparties, while delivering strong availability for the client and community.



# Our sustainability strategy and key highlights

HICL’s approach to asset selection has resulted in a portfolio contributing to a range of national and international sustainability priorities.

These contributions are considered by the Company through a layered model, HICL’s Societal Value Framework, which begins with the delivery of essential services through core operations, is reinforced by asset management expertise that supports service quality, and is further enhanced by targeted portfolio company-level initiatives that extend beyond contractual requirements. Further detail on the Framework is set out on pages 5 to 8 of the HICL Sustainable Report.



Using this layered approach, HICL delivers sustainability outcomes across the themes of Climate and nature, Communities and people, and Governance and integrity. The framework is applied across each of these areas as the model through which progress is driven in practice. These three themes reflect where the Company considers its activities can have the greatest impact on stakeholder outcomes over the long term, given the nature of the services delivered by the portfolio and the responsibilities associated with long-term ownership of essential infrastructure. Highlights of the Company’s progress across each of these areas are set out on this page and the following page.

All key metrics presented on the following pages are based on information provided by portfolio companies through InfraRed’s annual sustainability data collection campaign, covering assets representing approximately 99% of HICL’s portfolio (unless stated otherwise); the information has not been independently verified and portfolio weightings are based on valuations as at 31 March in each reporting period.



## Climate and nature

Supporting the transition to a lower-carbon, energy-resilient and more resource-efficient economy through responsible stewardship of portfolio companies, including where core asset operations help to facilitate decarbonisation and positive outcomes for the natural environment. The Company also prioritises building resilience to climate- and nature-related risks to protect long-term asset value.

### 2026 Highlights

- ▶ **InfraRed enhanced HICL’s assessment of physical climate risks using scenarios published by the Intergovernmental Panel on Climate Change (see pages 67-69 for more information)**
- ▶ **Commercially disciplined decarbonisation and resource-efficiency initiatives continue to be progressed across the portfolio**

### 2026 Key metrics

<p>▶ <b>44%</b> of portfolio companies meet the NZIF criteria for aligning, aligned to or at net zero<sup>1</sup></p> <p>2025: 34% 2030 goal: 50%</p>	<p>▶ <b>92%</b> of portfolio companies have implemented environmental management plans covering relevant risks and impacts<sup>2</sup></p> <p>2025: N/A 2030 goal: 100%</p>
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▶ **Read more on page 11 of the HICL Sustainability Report.**

1 The Net Zero Investment Framework (NZIF) was 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 Based on information provided by portfolio companies as part of InfraRed’s annual sustainability data collection campaign, representing 99% of HICL’s portfolio. Such data is not independently verified. Share of portfolio based on valuations as at 31 March in each reporting period



## Communities and people

Delivering reliable infrastructure that supports access to essential services and positive socio-economic outcomes. Active engagement with clients, stakeholders and local partners helps to ensure assets are responsive to community needs and promote fair, safe and inclusive working practices.

### 2026 Highlights

- ▶ Refreshed assessment of the quality of infrastructure delivery at a subset of HICL's hospital assets using NHS Estates Returns Information Collection ("ERIC") data, finding that this remained generally above average
- ▶ Six initiatives delivered by HICL portfolio companies recognised as Gold Standard at InfraRed's Creating Better Futures Awards for 2025 (see InfraRed's 2026 Sustainability Report)

### 2026 Key metrics

▶ **0.28**

portfolio lost time accident frequency rate (per 100,000 hours worked)<sup>1</sup>

2025: N/A  
2030 goal: <1%

▶ **90%**

of portfolio companies support community initiatives<sup>1</sup>

2025: 92%  
2030 goal: 100%

▶ Read more on page 20 of the HICL Sustainability Report.



## Governance and integrity

High standards of corporate governance, ethical conduct and integrity in decision-making underpin the Company's stewardship of its portfolio. Board oversight and transparent disclosure, alongside ongoing dialogue with shareholders and other key stakeholders, help reinforce investor confidence and the delivery of resilient, long-term infrastructure.

### 2026 Highlights

- ▶ The Board undertook a structured programme of shareholder engagement to support informed decision-making and long-term alignment
- ▶ Revised management fee structure implemented in line with prior guidance, strengthening alignment between the Investment Manager and shareholders

### 2026 Key metrics

▶ **91%**

of portfolio companies have board / senior management oversight of sustainability<sup>1</sup>

2025: N/A  
2030 goal: 100%

▶ **55%**

of portfolio companies have core policies in line with InfraRed's criteria for "Advanced" or "Leading"<sup>1,2</sup>

2025: N/A  
2030 goal: 75%

▶ Read more on page 28 of the HICL Sustainability Report.

<sup>1</sup> Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 99% of HICL's portfolio. Such data is not independently verified. Share of portfolio based on valuations as at 31 March in each reporting period  
<sup>2</sup> Based on InfraRed's proprietary maturity assessment framework

## HICL's societal value framework continued

### Intrinsic contributions

By facilitating access to essential services, HICL's assets deliver an inherent social good through their core operations. These operations also contribute to a range of the UN Sustainable Development Goals ("SDGs"), reflecting the breadth of outcomes associated with the Company's infrastructure delivery.

With reference to the UK Government's official Social Value Model<sup>1</sup>, the Company has undertaken an initial, high-level assessment to better understand the positive economic and societal externalities arising from the standard delivery and ongoing functioning of its assets. The Model has been used as a recognised reference point rather than applied in full, reflecting the fact that many of HICL's ultimate public sector counterparties are UK Government departments. Drawing on selected elements of this guidance, InfraRed has identified a set of metrics to illustrate how the Company's infrastructure delivery benefits societies and contributes to its vision to develop strong social foundations, connect communities and support sustainable modern economies, as set out on the following page.

Individual assets within HICL's portfolio often contribute to more than one UN Sustainable Development Goal,<sup>2</sup> reflecting that HICL's infrastructure assets can support progress across multiple goals simultaneously, with the percentages shown on the following page reflecting these various alignments rather than summing to a single total.

### Strong social foundations

**Key themes**  
Demographic change,  
Urbanisation,  
Ageing population



### Connecting communities

**Key themes**  
Transport,  
Decarbonisation,  
Digitalisation



### Sustainable modern economies

**Key themes**  
Energy transition,  
Energy security,  
Circular economy and capacity constraints



<sup>1</sup> [www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/procurement-policy-note-002-the-social-value-model-html](http://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/procurement-policy-note-002-the-social-value-model-html)

<sup>2</sup> Alignment with the UN Sustainable Development Goals ("SDGs") is determined by InfraRed and reflects their core activities and role in enabling sustainable development outcomes. Such alignment is not an explicit investment objective. A project can align to more than one SDG

## ▶ 41% of portfolio (by value)

- ▶ 39 schools, universities and other facilities
- ▶ 17 defence, accommodation, judicial and law enforcement infrastructure projects
- ▶ 26 hospitals and clinics with 7,500+ beds

### Over the year<sup>1</sup>

- ▶ 100,000+ people pursued learning at our education projects
- ▶ c.12 million people had access to our healthcare facilities with over 7,500 beds
- ▶ 0.6 million people benefitted from our accommodation facilities
- ▶ 15+ million people were served by our courts, fire stations and police stations

## ▶ 34% of portfolio (by value)

- ▶ 2 assets enabling reliable and resilient digital connectivity through 1,600+ towers and 300,000+km of fibre networks
- ▶ 16 road and rail assets across 1,750+km of transport networks

### Over the year

- ▶ 320 million passenger journeys enabled
- ▶ 2.5 million homes now connected to fibre infrastructure
- ▶ 67 total telecom towers installed
- ▶ 4% of fibre networks in underserved areas

## ▶ 25% of portfolio (by value)

- ▶ 6 energy system supporting infrastructure projects including 1,700+km of transmission networks
- ▶ 1 water utility business

### Over the year

- ▶ 44TWh of electricity transmitted, all from renewable sources
- ▶ 950 million litres of clean water provided each day to a population of more than 3.9 million people



▶ 18%



▶ 10%



▶ 14%



▶ 10%



▶ 94%



▶ 18%



▶ 4%

<sup>1</sup> Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, as at 31 December 2025

<sup>2</sup> Alignment with the UN Sustainable Development Goals (SDGs) is determined by InfraRed and reflects their core activities and role in enabling sustainable development outcomes. Such alignment is not an explicit investment objective. A project can align to more than one SDG. Percentage figures are based on proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

# Financial Review

HICL Infrastructure Plc prepares its financial information in accordance with UK-adopted International Accounting Standards. Consistent with the 2025 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 LP ("IILP"), together 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"); and 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 pages 41 and 42. Reconciliation of the Investment Basis financial information to the IFRS statements is provided from page 43.

## Summary income statement

Investment Basis £m	For the year ended 31 March 2026	For the year ended 31 March 2025
Dividend income received	74.6	360.0
Interest income receivable	133.8	136.9
Fair value gain / (loss) on revaluation of investments	91.3	(398.0)
Foreign exchange gain / (loss) on investments	20.3	(38.3)
(Loss) / gain on foreign exchange derivatives	(4.7)	23.0
Other income	8.6	13.5
<b>Total investment income</b>	<b>323.9</b>	<b>97.1</b>
Expenses and finance costs	(56.0)	(51.1)
<b>Profit before tax</b>	<b>267.9</b>	<b>46.0</b>
Tax	(1.3)	(0.1)
<b>Total return</b>	<b>266.6</b>	<b>45.9</b>
<b>Earnings per share</b>	<b>13.8p</b>	<b>2.3p</b>

Total investment income increased to £323.9m in the year to 31 March 2026 (31 March 2025: £97.1m). The large increase reflects an underlying portfolio return of 12.2% for the year, including a 21% gain on disposal of the A63 Motorway. The large prior-year dividend income, together with the offsetting fair value loss<sup>1</sup> balance represents the Northwest Parkway disposal proceeds received into IILP.

Further details on the valuation movements are provided in the Valuation of the portfolio section starting on page 45.

The table below shows the breakdown of other income:

Investment Basis £m	For the year ended 31 March 2026	For the year ended 31 March 2025
Project directors' fees	6.5	9.4
Interest on bank deposits	0.6	1.4
Early repayment fees	1.5	2.7
<b>Other income</b>	<b>8.6</b>	<b>13.5</b>

<sup>1</sup> Fair value loss adjusted for dividend income, interest income, directors' fees and early repayment fees

Other income principally represents project directors' fees charged to project companies, which are recognised in Other Income when invoiced, early repayment fees on loans and recharge of costs to project companies, 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 £15.6m gain (31 March 2025: £15.3m loss), which represents 0.5% of the closing NAV (31 March 2025: 0.5%). This follows an 8.5% movement in weighted average FX rates in the year, driven by volatility in the market (31 March 2025: 1.7%).

The below table shows the impact of hedging on non-sterling assets, with hedging performed at the IILP level:

Foreign exchange hedging £m	Rate as at 31 March 2026	Non-UK assets	FX hedge	FX hedge as % of non-UK assets %	1% sensitivity to movement in FX rates <sup>1</sup>
Euro	1.14	377.5	247.7 <sup>2</sup>	66%	1.2
USA	1.32	174.3	85.9	49%	1.0
Canada	1.84	43.6	12.6	29%	0.2
New Zealand	2.30	229.1	96.5	42%	1.4
<b>Total</b>		<b>824.5</b>	<b>442.7</b>	<b>54%</b>	<b>3.8</b>

<sup>1</sup> Sensitivity impact is net of derivatives

<sup>2</sup> Excludes EUR FX forwards that were previously hedging the A63 Motorway investment. These are still in place to hedge the EUR disposal proceeds now received, in line with HICL's FX hedging policy

## Expenses and finance costs

Investment Basis £m	For the year ended 31 March 2026	For the year ended 31 March 2025
Finance costs	16.6	15.7
Investment Manager fees	26.9	30.7
Directors' fees and expenses	0.6	0.6
Professional fees	11.9	4.1
<b>Expenses and finance costs</b>	<b>56.0</b>	<b>51.1</b>

Finance costs, which included facility arrangement fees, increased to £16.6m (31 March 2025: £15.7m) primarily reflecting the arrangement fees paid to lender banks in May 2025 to extend the maturity of the RCF out to June 2027. On 31 March 2026, the RCF was extended for a further year, out to June 2028.

The arrangement fees for this second extension were settled in April 2026. Accordingly, the outstanding arrangement fee balance for the June 2027 extension was fully expensed to the income statement as at 31 March 2026. The RCF was partially drawn on during the year to manage working capital requirements effectively, but was undrawn as at 31 March 2026 (31 March 2025: £10.0m drawn), having been repaid using disposal proceeds. Average total borrowing, including the £150.0m private placement loan notes, was £179.6m throughout the year (31 March 2025: £173.3m), while the average interest rate was 5.7% (31 March 2025: 5.8%).

Investment Manager fees, including £0.1m charged to HICL Infrastructure Plc, were £26.9m (31 March 2025: £30.7m). The decrease reflects the revised fee calculation basis effective from 1 July 2025, and as previously announced in the 2025 Annual Report. Up until 30 June 2025, the fee was based on 100% Adjusted Gross Asset Value ("GAV"). The revised fee is based on the average of the Company's most recently published NAV (for example 30 September 2025 NAV for the quarter ending 31 March 2026), and the daily average closing market capitalisation of the Company (all capped at the previous 100% GAV fee arrangement).

With the Company's share price trading at a discount to NAV, this, therefore, is reflected in a lower Investment Manager fee compared with the prior-year period. The calculation methodology is in line with the Investment Manager fee terms shown on page 77.

Professional fees increased by £7.8m to £11.9m during the year (31 March 2025: £4.1m), primarily driven by aborted deal costs and disposal costs related to the sale of a portfolio of seven UK PPP assets (the "APG transaction").

## 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.

The tax charge in the current year reflects the high level of disposal activity in the prior year.

## Operating Expense Ratio ("OER")

Investment Basis £m	For the year ended 31 March 2026	For the year ended 31 March 2025
Investment Manager	26.9	30.7
Auditor fee for the Corporate Group	0.6	0.5
Non-audit fee paid to the Auditor:		
Interim review	0.2	0.1
Directors' fees and expenses	0.6	0.6
Other operating expenses	2.8	2.6
Total expenses	31.1	34.5
Average NAV	3,024.4	3,133.4
<b>Operating Expense Ratio</b>	<b>1.03%</b>	<b>1.10%</b>

The OER is calculated in line with the Association of Investment Companies' ("AIC") guidance. It is defined as the annualised ongoing charges (which exclude acquisition and disposal costs, finance costs and other non-recurring items such as the aborted deal costs) divided by the average published undiluted Net Asset Value of £3,024.4m for the year (31 March 2025: £3,133.4m).

The OER for the year is 1.03% (31 March 2025: 1.10%).

The decrease is principally because of the lower Investment Manager fee due to the new calculation basis effective from 1 July 2025. The pro forma annualised OER (assumes the revised fee was charged for the full year) is 0.99% as at 31 March 2026.

## Summary balance sheet and NAV

Investment Basis £m	31 March 2026	31 March 2025
Investments at fair value	3,091.9	3,114.2
Net other assets	3.9	18.7
Net debt	(62.3)	(102.2)
<b>Net assets</b>	<b>3,033.5</b>	<b>3,030.7</b>
NAV per share (before dividend)	160.2p	153.1p
NAV per share (post-dividend)	158.1p	151.0p

Investments at fair value, which includes the £333.3m of disposal proceeds held outside of the Corporate Group in the current year, decreased by 1% to £3,091.9m (31 March 2025: £3,114.2m), principally due to the disposal of assets and repatriation of cash to IILP, offset by the net gains on assets disposed of during the year and a value increase generated by positive performance of the portfolio.

During the year, eight assets were sold, being seven UK PPP assets as part of the APG transaction, and the A63 Motorway, which was sold at a 21% premium to last reported NAV. Further details on the movement in Investments at fair value, which are net of investment commitments, are given in the Valuation of the portfolio section on page 45.

Net other assets decreased to £3.9m (31 March 2025: £18.7m).

The main drivers of this decrease were a £22.5m decrease in the value of FX forwards due to market movements; large short-term accruals held at year end, which settled in early April, primarily due to the high volume of share repurchases over year end; and the arrangement fees on the RCF extension signed on 31 March 2026. This was offset by a £14.0m receivable at year end relating to deferred proceeds for the APG transaction, due to be received in June 2026.

An analysis of the movements in net debt is shown in the summary cash flow section. The decrease relative to 31 March 2025 is primarily due to the significantly higher level of cash (£87.7m compared with £57.8m at 31 March 2025) being held by the Corporate Group, and which represents disposal proceeds that are held at IILP.<sup>1</sup> Additionally, the RCF was fully repaid as at 31 March 2026 (31 March 2025: £10m drawn).

NAV per share was 160.2p (31 March 2025: 153.1p) before the 2.09p fourth quarterly distribution, due to be paid in June 2026. NAV per share increased by 7.1p, as a result of earnings per share of 13.8p and the benefit from the impact of share buybacks of 1.6p, offset by 8.33p of distributions for the year ending 31 March 2026. NAV per share and earnings per share are the same under the Investment Basis and IFRS.

## Material accounting estimates and judgements

In preparing these accounts, the material 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 expert 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.

<sup>1</sup> At 31 March 2026, a further £333.3m of disposal proceeds were held within the HICL Group but outside of the Corporate Group. These will be held in the subsidiaries until required for specific capital purposes, including existing equity commitments, future acquisitions and ongoing share buybacks. They are accounted for within the investments at fair value of £3,091.9m

## Financial Review continued

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 43 and 44.

### Summary cash flow

Investment Basis £m	31 March 2026	31 March 2025
Cash from investments	<b>223.2</b>	227.2
Operating costs	<b>(34.0)</b>	(37.0)
Finance costs	<b>(12.7)</b>	(12.9)
<b>Net cash inflow before capital movements</b>	<b>176.5</b>	<b>177.3</b>
Cost of new investments	<b>(49.9)</b>	–
Investment disposal proceeds	<b>164.6</b>	230.0
Shares repurchased	<b>(100.9)</b>	(61.2)
Net cash flow from derivatives	<b>17.9</b>	21.5
Sundry transaction fees	<b>(7.3)</b>	–
Dividends paid	<b>(160.9)</b>	(166.1)
<b>Movement in the year</b>	<b>40.0</b>	<b>201.5</b>
Net debt at start of year	<b>(102.2)</b>	(303.9)
Foreign exchange on cash	<b>(0.1)</b>	0.2
<b>Net debt at end of year</b>	<b>(62.3)</b>	<b>(102.2)</b>

The Corporate Group ended the year with net debt of £62.3m (31 March 2025: £102.2m net debt). This is made up of private placement loan notes of £150.0m (31 March 2025: £150.0m), net of cash and cash equivalents of £87.7m (31 March 2025: £57.8m). The RCF was undrawn at 31 March 2026 (31 March 2025: £10.0m drawn).

The £164.6m investment disposal proceeds represent the amounts that have been received into ILLP up to 31 March 2026. £333.3m of disposal proceeds were held at year end within the HICL Group beneath the Corporate Group. This cash will be held in the subsidiaries until required for specific capital purposes, including existing equity commitments, share buybacks and future acquisitions. It is accounted for within Investments at fair value of £3,091.9m.

Sundry transaction fees includes aborted deal costs, disposal costs for the APG transaction and debt arrangement fees paid. Dividends of £160.9m (31 March 2025: £166.1m) were paid in the year, with the decrease from prior year reflecting the impact of share buybacks during the year, with 86.3m fewer shares in issue at the end of the year, repurchased for £102.9m<sup>1</sup> including direct costs.

Cash from investments of £223.2m was received by ILLP during the year, covering expenses, the 8.33p per share dividend paid, and supporting an increased dividend cash cover of 1.10x excluding profit on disposals (31 March 2025: 1.07x excluding profit on disposals). Dividend cash cover including profit on disposals of £206.9m<sup>2</sup> was 2.38x (31 March 2025: including profit on disposals of £82.7m, cash cover was 1.56x). Funds From Operations ("FFO"), defined as operating cash flow from the portfolio less finance costs, tax, maintenance capex and lifecycle costs, covered the dividend 1.59x before growth capex and other capital allocation decisions are considered.

### Debt and gearing levels

The Corporate Group's debt and borrowing facilities are held by ILLP. At 31 March 2026, ILLP was undrawn on its RCF (31 March 2025: £10.0m) and had £5.2m by way of letters of credit (31 March 2025: £6.0m). RCF balances drawn during the course of the year were repaid using disposal proceeds received.

In May 2025, the maturity of the RCF was extended by one year to 30 June 2027. In March 2026, it was extended by a further year to 30 June 2028, with no change in facility size.

In addition, ILLP had a utilised amount of €91.9m on its Letter of Credit facility ("LCF") (31 March 2025: €92.5m). The LCF, which matures on 31 December 2026, is in place to support future equity commitments. The commitments are expected to be fulfilled before the LCF expires. The decrease in the LCF balance during the year was solely due to foreign exchange movements in the year. ILLP also had £150.0m of private placement loan notes in issue.

Overall, the Corporate Group had £482.5m of available liquidity as at 31 March 2026, made up of £394.8m capacity<sup>3</sup> on the RCF and £87.7m of cash and cash equivalents. Including the £333.3m of disposal proceeds held outside of the Corporate Group, the Group had £815.8m of total available liquidity at 31 March 2026.

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

Investment Basis £m	31 March 2026 £m	31 March 2025 £m
<b>Drawings</b>		
Bank borrowings	–	10.0
Letter of credit facility <sup>4</sup>	<b>85.5</b>	83.5
Private placement loan notes	<b>150.0</b>	150.0
	<b>235.5</b>	<b>243.5</b>
<b>Adjusted Gross Asset Value</b>		
Directors' Valuation (includes disposal proceeds) <sup>5</sup>	<b>3,209.3</b>	3,227.1
Disposal proceeds due <sup>6</sup>	<b>17.4</b>	5.1
Cash and cash equivalents	<b>87.7</b>	57.8
	<b>3,314.4</b>	<b>3,290.0</b>
Borrowing ratio	<b>7.1%</b>	<b>7.4%</b>

1 £2.0m of the total £102.9m of shares repurchased, as mentioned throughout the Annual Report, was cash settled in early April 2026.

Direct costs include broker fees and stamp duty

2 This is the profit versus original cost on disposal of APG (seven UK PPP assets) plus A63 Motorway, all completed in the current financial year

3 Consisting of £400.0m facility less £5.2m of Letter of Credit utilisation

4 Consisting of £80.3m on the LCF and £5.2m on the RCF (31 March 2025: £77.5m on the LCF and £6.0m on the RCF)

5 Excluding the £333.3m of disposal proceeds held outside of the Corporate Group, the borrowing ratio is 7.9%

6 Current year relates to the deferred consideration of £14.0m on disposals plus a \$4.5m tax refund due from the FY24 Northwest Parkway disposal

## 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% p.a. of its issued Ordinary Shares; and
- ▶ make tender offers for the Ordinary Shares.

In May 2024, the Company announced a share buyback programme for an initial amount of £50m, with a £100m extension to the programme announced in March 2025, which was all funded using disposal proceeds and has now completed. In March 2026, the Company resumed share repurchases on an ongoing basis, and expects this to continue while this represents an attractive allocation of capital relative to other uses. The Board retains discretion to stop

repurchasing shares at any point, subject to any close period.

As at 31 March 2026, 138.1 million shares had been bought back for a cost of £165.0m including direct costs. While trading at a discount to net asset value, the Company is unable to issue shares via a tap issuance, 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 111 onwards. The Investment Basis is itself an APM.

APM	Description and purpose	31 March 2026 Investment Basis	Investment Basis Calculation	31 March 2026 IFRS Basis	IFRS Calculation
<b>Annualised return from the portfolio (including / excluding disposals)</b>	A ratio of portfolio performance within the year. Performance primarily relates to the unwind of the portfolio discount rate and any under or over performance by investments during the year. Where the impact of disposals are included in the return, this represents any gain or loss on disposals in the year, against most recent previously published NAV	<b>12.2% / 10.5%</b>  (2025: 7.7% / 7.9%)	Including disposals, which is primarily the 21% gain on the A63 Motorway, this is the total of H1 and H2 return being £138.7m / £184.8m return divided by £2,738m / £2,568.0m rebased valuation. Excluding disposals, this is a H1 and H2 return both of £138.7m divided by £2,738m (H1) / £2,568.0m (H2) rebased valuation	<b>9.1%</b>  (2025: 1.6%)	£277.5m investment income divided by an investment value of £3,037.0m. The IFRS basis is not impacted by the disposals
<b>Directors' Valuation</b>	A measure of the size of the investment portfolio including the value of further contracted future investments committed by HICL. This reflects the value of the portfolio at IILP	<b>£3,209.3m</b>  (2025: £3,227.1m)	£3,091.9m Investment Basis investments at fair value (which includes disposal proceeds of £333.3m held beneath the Corporate Group) plus £117.4m of contracted commitments	<b>£3,037.0m</b>  (2025: £3,031.5m)	The IFRS valuation is £3,037.0m as at 31 March 2026. There are no contracted commitments held by the Company
<b>Distributable cash</b>	A measure of cash received by the HICL Group from underlying projects in the year, based on income from investments plus gains or losses on disposals of investment during the year	<b>£383.4m</b>  (2025: £260.0m)	Calculated as net cash inflow before capital movements of £176.5m, as shown in the Investment Basis Summary Cash Flow, plus £206.9m net profit over original cost on a portfolio sale of seven UK PPP assets and the A63 Motorway	<b>£261.1m</b>  (2025: £226.7m)	Consists of £160.9m received to support the Company dividend, £11.1m for Company working capital and £100.0m for share buybacks, all net of £10.9m expenses paid in the year
<b>Dividend cash cover</b>	A ratio of cash received from underlying projects in the year enabling distributions to shareholders. Includes gains / losses on any disposals during the year	<b>2.38x<sup>1</sup></b>  (2025: 1.56x)	£176.5m distributable cash received in addition to £206.9m net profit over original cost on a portfolio sale of seven UK PPP assets and the A63 Motorway, divided by the £160.9m dividend for the year ending 31 March 2026	<b>1.00x</b>  (2025: 1.00x)	The IFRS equivalent is 1.00x, as only sufficient funds are provided to the Company to cover the dividend of £160.9m and working capital of £11.1m. The cash cover metric does not include funding for share repurchases
<b>Cash investments</b>	Identifying new opportunities in which to invest capital is a driver of HICL's ability to deliver attractive returns	<b>£49.9m</b>  (2025: nil)	£49.9m Investment Basis cash paid to acquire investments in the year	<b>Nil</b>  (2025: nil)	There were no cash investments made by the Company during the year

## Financial Review continued

APM	Description and purpose	31 March 2026 Investment Basis	Investment Basis Calculation	31 March 2026 IFRS Basis	IFRS Calculation
<b>Disposal cash proceeds</b>	Disposal cash proceeds from HICL's investments support HICL's returns to shareholders, as well as the ability to invest in new opportunities. Only disposal proceeds used to fund share repurchases are distributed up to the Company, with the majority of proceeds used for either working capital purposes such as repayment of debt, or reinvested back into the portfolio in the form of acquisitions	<b>£164.6m</b>  (2025: £230.0m)	£164.6m cash received into ILLP in the year, directly or indirectly, from the disposal of investments, net of all direct costs and taxes	<b>£100.0m</b>  (2025: £60.0m)	HICL's dividend and working capital is funded through income for underlying investments. Disposal cash proceeds are used to fund the Company share repurchases
<b>Net cash / (debt)</b>	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	<b>£(62.3)m</b>  (2025: £(102.2)m)	£87.7m cash and cash equivalents less £150.0m loans and borrowings	<b>£0.9m</b>  (2025: £0.7m)	Cash and cash equivalents is £0.9m under IFRS as at 31 March 2026, being the working capital held by the Company and cash held to support share repurchases
<b>Borrowing ratio</b>	A measure of loan drawings as a percentage of adjusted Gross Asset Value of the Corporate Group, and reflects that the external debt is held by ILLP and not the Company	<b>7.1%</b>  (2025: 7.4%)	£235.5m debt (including £85.5m letters of credit) divided by the sum of Directors Valuation of £3,209.3m (which includes disposal proceeds) disposal proceeds due of £17.4m and cash and cash equivalents of £87.7m	<b>Nil</b>  (2025: nil)	The Company holds no debt, therefore, the borrowing ratio is not applicable under IFRS
<b>Operating expense ratio<sup>2</sup></b>	A measure of annualised ongoing costs (which exclude acquisition and disposal costs, finance costs and other non-recurring items such as the aborted deal costs) divided by the average published undiluted Net Asset Value	<b>1.03%</b>  (2025: 1.10%)	£31.1m of ongoing expenses divided by the average NAV across FY26 of £3,024.4m	<b>0.1%</b>  (2025: 0.1%)	£4.3m of ongoing expenses divided by the average NAV across FY26 of £3,024.4m

1 The calculation includes total profit on disposal of £206.9m. Excluding this, dividend cash cover is 1.10x. For 31 March 2025, profit on disposal was £82.7m and excluding this, dividend cash cover was 1.07x

2 Disclosed as the ongoing charges ratio in previous annual reports

Note: The format of disclosure around APMs has been changed to give equal prominence to the IFRS basis, in line with ESMA guidelines

## Reconciliation of Investment Basis to IFRS

### Reconciliation of Statement of Comprehensive Income

£m	For the year ended 31 March 2026			For the year ended 31 March 2025		
	Investment Basis	Consolidation adjustments	IFRS Basis	Investment Basis	Consolidation adjustments	IFRS Basis
Dividend income received and interest income receivable	208.4	(36.4)	172.0	496.9	(365.9)	131.0
Fair value gain / (loss) on revaluation of investments	91.3	14.2	105.5	(398.0)	317.0	(81.0)
Foreign exchange gain / (loss) on investments	20.3	(20.3)	–	(38.3)	38.3	–
(Loss) / gain on foreign exchange derivatives	(4.7)	4.7	–	23.0	(23.0)	–
Other income	8.6	(8.6)	–	13.5	(13.5)	–
<b>Total investment income<sup>1</sup></b>	<b>323.9</b>	<b>(46.4)</b>	<b>277.5</b>	<b>97.1</b>	<b>(47.1)</b>	<b>50.0</b>
Management fee	(26.9)	26.9	–	(30.7)	30.7	–
Finance costs	(16.6)	16.6	–	(15.7)	15.7	–
Other fund expenses <sup>2</sup>	(12.5)	1.6	(10.9)	(4.7)	0.6	(4.1)
<b>Total expenses</b>	<b>(56.0)</b>	<b>45.1</b>	<b>(10.9)</b>	<b>(51.1)</b>	<b>47.0</b>	<b>(4.1)</b>
<b>Profit before tax</b>	<b>267.9</b>	<b>(1.3)</b>	<b>266.6</b>	<b>46.0</b>	<b>(0.1)</b>	<b>45.9</b>
Tax	(1.3)	1.3	–	(0.1)	0.1	–
<b>Earnings for the year</b>	<b>266.6</b>	<b>–</b>	<b>266.6</b>	<b>45.9</b>	<b>–</b>	<b>45.9</b>
<b>Earnings per share</b>	<b>13.8p</b>	<b>–</b>	<b>13.8p</b>	<b>2.3p</b>	<b>–</b>	<b>2.3p</b>

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 2026			For the year ended 31 March 2025		
	Investment Basis	Consolidation adjustments	IFRS Basis	Investment Basis	Consolidation adjustments	IFRS Basis
Investments at fair value	3,091.9	(54.9)	3,037.0	3,114.2	(82.7)	3,031.5
Trade and other receivables	22.8	(22.5)	0.3	7.6	(7.3)	0.3
Other financial assets	5.9	(5.9)	–	26.0	(26.0)	–
Trade and other payables	(18.1)	13.4	(4.7)	(13.9)	12.1	(1.8)
Other current financial liabilities	(6.7)	6.7	–	(1.0)	1.0	–
Cash and cash equivalents	87.7	(86.8)	0.9	57.8	(57.1)	0.7
Loans and borrowings	(150.0)	150.0	–	(160.0)	160.0	–
<b>Net assets attributable to Ordinary Shares</b>	<b>3,033.5</b>	<b>–</b>	<b>3,033.5</b>	<b>3,030.7</b>	<b>–</b>	<b>3,030.7</b>
NAV per share (before dividend)	160.2p	–	160.2p	153.1p	–	153.1p
NAV per share (post-dividend)	158.1p	–	158.1p	151.0p	–	151.0p

Note: The Investment Basis financial statements are prepared for performance measurement and, therefore, reserves are not analysed separately. The reconciliation table represents extracts of the full Statement of Financial Position where consolidation adjustments arise between the Investment Basis and on an IFRS basis

## Reconciliation of Statement of Cash Flows

£m	For the year ended 31 March 2026			For the year ended 31 March 2025		
	Investment Basis	Consolidation adjustments	IFRS Basis	Investment Basis	Consolidation adjustments	IFRS Basis
Investment income received	223.2	(51.2)	172.0	227.2	(96.2)	131.0
Operating expenses paid	(34.0)	23.1	(10.9)	(37.0)	32.9	(4.1)
Finance costs paid	(12.7)	12.7	–	(12.9)	12.9	–
<b>Net cash inflow before capital movements</b>	<b>176.5</b>	<b>(15.4)</b>	<b>161.1</b>	<b>177.3</b>	<b>(50.4)</b>	<b>126.9</b>
Cost of new investments	(49.9)	49.9	–	–	–	–
Investment disposal proceeds	164.6	(164.6)	–	230.0	(230.0)	–
Investment repayment	–	100.0	100.0	–	100.0	100.0
Shares repurchased	(100.9)	–	(100.9)	(61.2)	–	(61.2)
Increase in payables <sup>1</sup>	–	0.9	0.9	–	–	–
Net cash flow from derivatives	17.9	(17.9)	–	21.5	(21.5)	–
Sundry transaction fees	(7.3)	7.3	–	–	–	–
Dividends paid	(160.9)	–	(160.9)	(166.1)	–	(166.1)
<b>Movement in the year</b>	<b>40.0</b>	<b>(39.8)</b>	<b>0.2</b>	<b>201.5</b>	<b>(201.9)</b>	<b>(0.4)</b>
Net debt at the start of the year	(102.2)	102.9	0.7	(303.9)	305.0	1.1
Foreign exchange on cash	(0.1)	0.1	–	0.2	(0.2)	–
<b>Net debt at the end of the year</b>	<b>(62.3)</b>	<b>63.2</b>	<b>0.9</b>	<b>(102.2)</b>	<b>102.9</b>	<b>0.7</b>

1 Excludes movement in payables of £2.0m relating to share repurchase costs, which are recognised through the Treasury Shares reserve instead of the Income Statement

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")<sup>1</sup> and comprises the investment portfolio and future commitments adjusted for disposals committed to by the Group at the reporting period end but including disposal proceeds.

The Directors' Valuation is the Group's principal valuation measure because it reflects the Group's total value at risk at the balance sheet date. The valuation methodology and policy<sup>2</sup> 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.<sup>3</sup>

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.

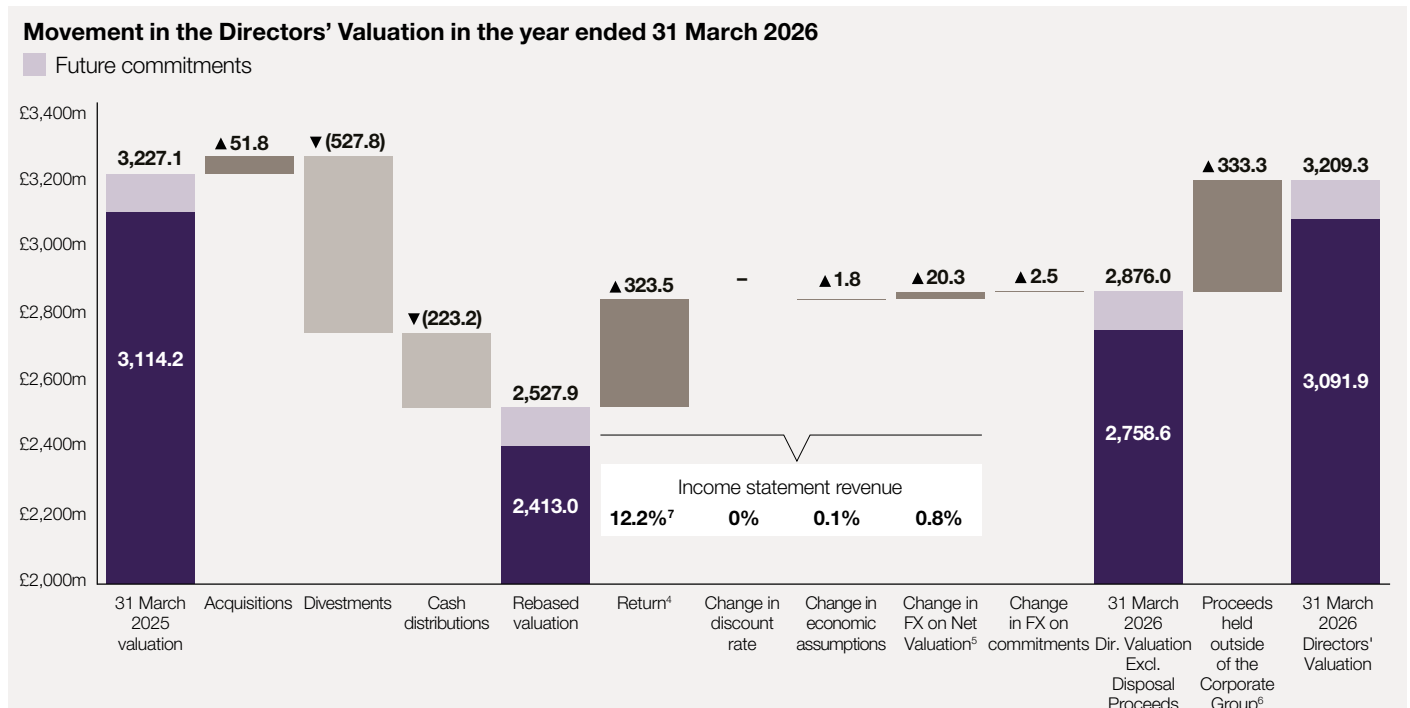
The fair value for each investment is then derived from the application of an appropriate market discount rate and year-end currency exchange rate. The discount rate takes into account risks associated with the financing of the investment (e.g. liquidity, currency risks, market appetite) and its earnings 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 151.

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 2026

The Directors' Valuation of the portfolio at 31 March 2026, which includes the £333.3m of disposal proceeds held outside of the Corporate Group, was £3,209.3m, a decrease of 0.6% (31 March 2025: £3,227.1m) from the prior year. The 31 March 2026 Directors' Valuation includes £117.4m of outstanding equity commitments (31 March 2025: £112.9m) in respect of three projects: Cross London Trains (UK), the Blankenburg Tunnel (Netherlands) and the B247 Road (Germany).



1 Further detail on the Group's APMs, including a reconciliation to the IFRS financial statements, is shown on page 41

2 Refer to Appendix 2 on page 151 for further details on the Valuation Policy

3 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

4 Return comprises the unwinding of the discount rate and project outperformance, including actual inflation

5 FX movement net of hedging is a gain of £15.6m

6 The 'Disposal Proceeds' column reflects the cash proceeds received from the A63 and APG disposals that were held in bank accounts below the Corporate Group level at the period end

7 The 12.2% portfolio return is calculated by adjusting for the timing of disposals and interim cash movements

## Valuation of the portfolio continued

A breakdown of the movement in the Directors' Valuation is shown in the chart on the previous page.

### Investments

During the year to 31 March 2026, the Company made a commitment to invest an additional £51.8m into Cross London Trains.

Commitments at the end of the period were £117.4m (31 March 2025: £112.9m) reflecting the commitment into Cross London Trains (£51.8m), and the previously announced commitments into Blankenburg Tunnel (£56.5m) and B247 Road (£9.1m).

### Divestments

During the year, the Group entered into agreements to divest its equity interests in eight assets (Medway LIFT, Birmingham & Solihull LIFT, Redbridge & Waltham Forest LIFT, Staffordshire LIFT, Edinburgh Schools, 50% of HICL's holding in Pinderfields & Pontefract Hospitals, 50% of HICL's holding in Southmead Hospital and the A63 Motorway).

The total consideration for all these divestments is £527.8m net of £8.3m of distributions received.

### Rebased net valuation

The four 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 weighted for the timing of the disposals and reflect the returns generated on the capital employed in the year.

The rebased portfolio delivered Income Statement revenue of 13.1% in the year (31 March 2025: 3.3%). The income return showed an increase when compared to the year ended 31 March 2025. This was mainly due to the disposal premium received on the A63 Motorway and the strong performance of the growth assets seen over the year.

### Return from the portfolio

The return from the underlying portfolio of £323.5m (31 March 2025: £235.5m) represents a 12.2% (31 March 2025: 7.7%) increase in the rebased valuation, compared to the weighted average discount rate, or expected annualised return, of 8.4% at the start of the year. The return is stated before changes to discount rates, macroeconomic assumptions and adjusts for the timing of the disposals over the year.

This annual portfolio performance was significantly ahead of the expected annual return at the start of the year. This reflects the disposal premium achieved on the A63 Motorway, positive actual inflation during the period, together with strong performance across the growth assets. This includes Affinity Water, which re-commenced distributions during the period. The PPP portfolio performed broadly in line with expectations.

### Inflation

At 31 March 2026, RPI had increased in the UK to 4.1% compared to 3.2% for the year ending 31 March 2025.

In France, CPI remained at 0.8% (31 March 2025: 0.8%). In the USA, CPI increased to 3.3% (31 March 2025: 2.8%). The impact of the increase in actual inflation increased to 3.3% versus forecast assumptions for the year resulted in an increase in NAV of £7.0m (31 March 2025: £4.7m 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 one demand-based asset in the portfolio, LSPH, representing 6% of the portfolio by value at 31 March 2026 (31 March 2025: 14%). The exposure to demand assets has reduced following the sale of the A63 Motorway and the concession expiry for M1-A1 and RMG Roads. Over the past year, LSPH train path bookings were marginally above HICL's forecast. In addition, LSPH continues to benefit from the contractual underpin in relation to domestic track access revenues.

For further information on LSPH, refer to the Top 10 assets – operational highlights on pages 24 to 33.

### Discount rates

As at 31 March 2026, HICL's weighted average discount rate slightly increased to 8.5% (31 March 2025: 8.4%). During the year to 31 March 2026, movements in long-dated government bond yields were modest in the Company's key jurisdictions. As a result, the risk-free rates used to inform discount rates were broadly stable over the period.

During the period, the Company announced and completed several asset disposals, providing important market-based evidence to support the calibration of HICL's discount rates. In August, the Company announced the sale of seven PPP assets to APG at their carrying value as at the March 2025 valuation. This transaction successfully completed in February 2026. In March 2026, the Company announced the divestment of the A63 Motorway, which was sold to the majority shareholder at a 21% premium to its carrying value reflecting its attractiveness as an acquisition for the purchaser. Together, these outcomes reinforce the robustness of HICL's valuation approach, the appropriateness of the discount rate assumptions, and the resilience of the portfolio in the current market environment.

The Investment Manager also considered observable market evidence. This included pricing implied by transactions and corporate activity within the listed infrastructure sector, alongside indications from private market processes, in assessing the ongoing appropriateness of discount rates. Private market transaction volumes were below longer-term averages, reflecting a higher cost of capital and buyer–seller pricing gaps; however, the Investment Manager has observed a modest increase in activity during the year indicating increased capital availability for high-quality assets. The Investment Manager observed a range of pricing outcomes, largely driven by asset quality, contractual structure and risk allocation. Where relevant transactions were available, these were incorporated as part of the overall calibration of discount rates.

Looking ahead, the Investment Manager expects discount rates for core infrastructure to remain sensitive to movements in long-dated yields and broader market sentiment. In the near term, continued uncertainty around inflation and interest rate changes following the conflict in the Middle East, may contribute to volatility in risk-free rates and investor return requirements. The Company will continue to assess market evidence and asset-specific fundamentals in determining appropriate discount rates for the portfolio.

When setting discount rates, the Investment Manager places significant emphasis on the equity risk premium implied by long-dated government bond yields, supplemented by observable market evidence. The Company has utilised the average of the 10-15-year gilt rate for PPPs, which aligns closer to the PPP concession life rather than the 20-30-year average. In the UK, this resulted in the equity risk premium remaining largely unchanged despite the marginal increase in the risk-free rates. USA, New Zealand and the Eurozone experienced small increases in the long-term government bond yields over the period. These changes, together with market transaction evidence and asset-specific factors, were reflected in the Company's discount rate calibration. In addition, the disposal of the A63 Motorway and the increase in the growth assets valuation resulted in a slight increase in the weighted average discount rate to 8.5% (31 March 2025: 8.4%), with the equity risk premium at 3.5% (31 March 2025: 3.4%).

## Changes in economic assumptions

Changes in economic assumptions resulted in a small positive impact of £1.8m (31 March 2025: £1.1m). The positive effect of an increase in short term inflation was partially offset by a number of modest adverse interest rate and tax movements

## Foreign exchange

Sterling weakened against the Euro in the period resulting in a positive impact of £20.3m pre-hedging. Net of hedging, the impact was £15.6m.

## Valuation of the portfolio continued

**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 2026	31 March 2025
<b>Inflation rates</b>	UK (RPI and RPIX) <sup>1</sup>	<b>3.50% p.a. to March 2028</b> <b>3.25% p.a. to March 2030</b> <b>2.50% p.a. thereafter</b>	3.00% p.a. to March 2026 3.25% p.a. to March 2030 2.50% p.a. thereafter
	UK (CPI / CPIH) <sup>2</sup>	<b>2.75% p.a. to March 2028</b> <b>2.50% p.a. thereafter</b>	2.25% p.a. to March 2026 2.50% p.a. thereafter
	Eurozone (CPI)	<b>2.00% p.a.</b>	2.00% p.a.
	Canada (CPI)	<b>2.00% p.a.</b>	2.25% p.a. to March 2026 2.00% p.a. thereafter
	USA (CPI)	<b>2.00% p.a.</b>	2.25% p.a. to March 2026 2.00% p.a. thereafter
	New Zealand (CPI)	<b>2.25% p.a.</b>	2.25% p.a.
	<b>Interest rates</b>	UK	<b>3.50% p.a.</b>
Eurozone		<b>1.75% p.a. to 31 March 2030</b> <b>2.00% p.a. thereafter</b>	2.00% p.a.
Canada		<b>2.50% p.a.</b>	2.25% p.a.
USA		<b>3.50% p.a.</b>	3.75% p.a. to March 2026 3.50% p.a. thereafter
New Zealand		<b>2.50% p.a. to March 2030</b> <b>3.50% p.a. thereafter</b>	3.25% p.a. to March 2030 3.50% p.a. thereafter
<b>Foreign exchange rates</b>	GBP / EUR	<b>1.14</b>	1.19
	GBP / CAD	<b>1.84</b>	1.86
	GBP / USD	<b>1.32</b>	1.29
	GBP / NZD	<b>2.30</b>	2.27
<b>Tax rates</b>	UK	<b>25%</b>	25%
	Eurozone	<b>Ireland 12.5%</b> <b>France 25%</b> <b>Netherlands 25.8%</b>	Ireland 12.5% France 25% Netherlands 25.8%
	Canada	<b>23% and 27%</b>	23% and 27%
	USA	<b>21% Federal</b>	21% Federal
	New Zealand	<b>28%</b>	28%
<b>GDP growth</b>	UK	<b>2.0% p.a.</b>	2.0% p.a.
	Eurozone	<b>1.8% p.a.</b>	1.8% p.a.

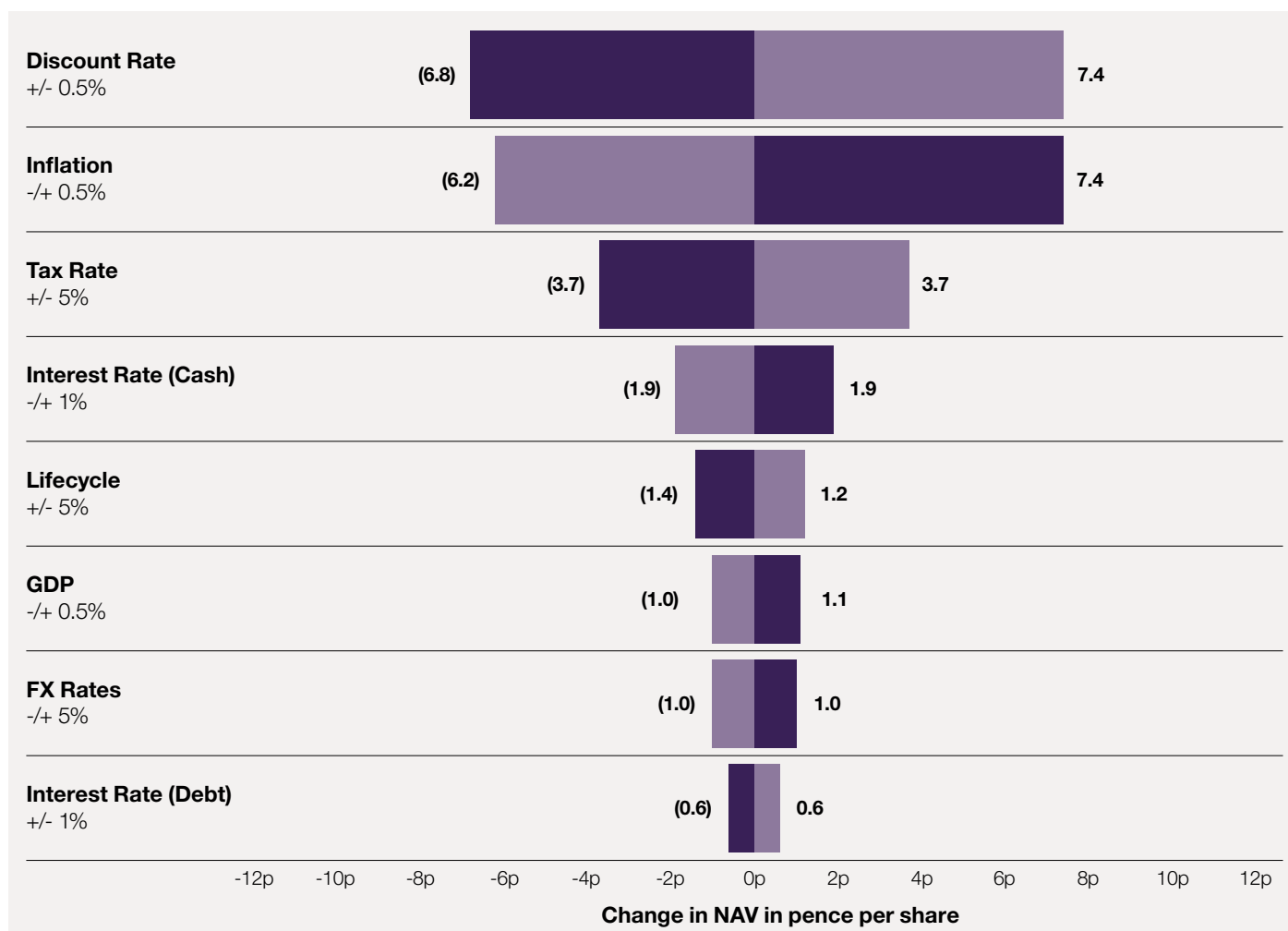
1 Retail Price Index and Retail Price Index excluding Mortgage Interest Payments

2 Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

## Valuation sensitivities

The Directors Valuation (excluding disposal proceeds) is sensitive to each of the macroeconomic assumptions listed on the previous page. 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<sup>1,2,3</sup>. The sensitivities are also contained in Note 14 to the financial statements.

### Valuation sensitivities – impact in pence per share



■ Negative correlation

■ Positive correlation

1 NAV per share based on 1,893 million Ordinary Shares as at 31 March 2026

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 2026

## Valuation of the portfolio continued

### 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 on the previous page. The relationship between discount rate movements and valuation is broadly linear, such that a 1.0% change would have approximately twice the impact of a 0.5% change.

### 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 LSPH, the demand-based asset, the concession agreement prescribes how train paths are 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 2026 was 0.8x (31 March 2025: 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 0.8%, from 8.5% to 9.3%.

The portfolio valuation assumes UK inflation of 3.5% for the years ending March 2027 and March 2028, 3.25% to March 2030, and 2.5% thereafter. The March 2026 forecasts for RPI out to December 2026 range from 2.3% to 4.1% from 15 independent forecasters as compiled by HM Treasury, with an average forecast of 3.2%.

### Gross Domestic Product ("GDP") sensitivity

At 31 March 2026, the portfolio had one asset sensitive to GDP, namely LSPH. The asset is classified as GDP-sensitive because at times of higher economic activity there will be greater traffic volumes, generating increased revenues 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 0.1% from 8.5% to 8.4% (31 March 2025: 8.2%).

### 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 46% (31 March 2025: 51%), which is lower than the portfolio gearing at 65% (31 March 2025: 66%). As set out on page 49, were interest rates to be 1.0% higher in all future valuation periods, the expected return from the portfolio would decrease by (0.02)% 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 2026, cash deposits for the portfolio were earning interest at a rate of 3.5% p.a. on average (31 March 2025: 3.4%).

### 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 105 investments, PPPs make up 57% of the overall portfolio by value. For 54% of these PPP investments (31% of the overall portfolio), the lifecycle risk and reward is borne by the project company, while for the remaining 46%, 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.

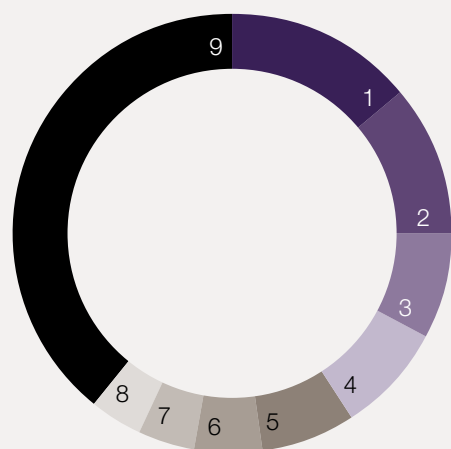
The UK corporation tax assumption for the portfolio valuation is 25% (2025: 25%).

### Foreign exchange rate sensitivity

32% of the portfolio by Directors' Valuation (excluding disposal proceeds), has exposure to foreign exchange rates. The sensitivity shows, post-hedging, the impact of Sterling appreciating or depreciating against these currencies by + / - 5%.

#### Ten largest exposures<sup>1</sup> – Counterparty, FM

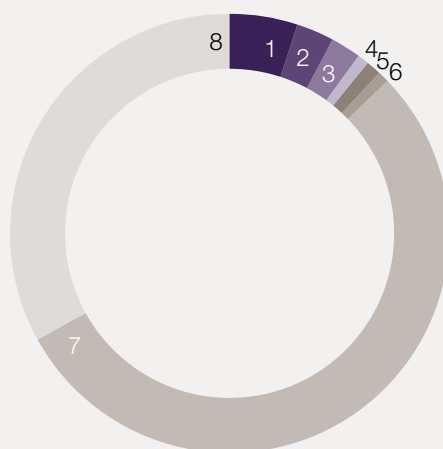
31 March 2026



1	In-house	14%
2	Bouygues	11%
3	Vodafone	8%
4	Equans	8%
5	Siemens	7%
6	Network Rail	5%
7	LS Power	4%
8	Altitude Infrastructure Construction	4%
9	Other	39%

#### Ten largest exposures<sup>1</sup> – Counterparty, Construction

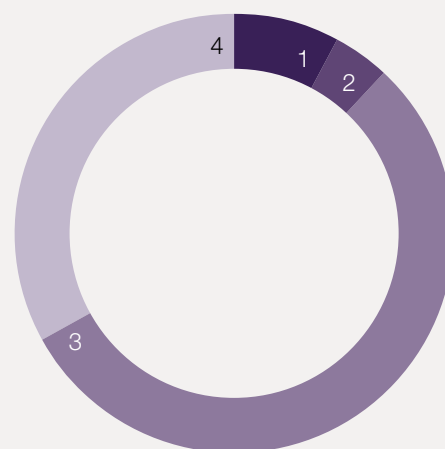
31 March 2026



1	Siemens	5%
2	DEME	3%
3	Strabag	2%
4	Bouygues	1%
5	Balfour Beatty	1%
6	Fluor	1%
7	Latent defects limitation / Warranty period expired	54%
8	Assets subject to regulatory regimes <sup>2</sup>	33%

#### Ten largest exposures<sup>1</sup> – Counterparty, Latent defect warranty periods

31 March 2026



1	2-5 years	8%
2	5-10 years	4%
3	Equity	55%
4	Assets subject to regulatory regimes <sup>2</sup>	33%

1 By value, at 31 March 2026, using Directors' Valuation excluding A13 senior bonds and disposal proceeds. 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 (excluding disposal proceeds)

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.

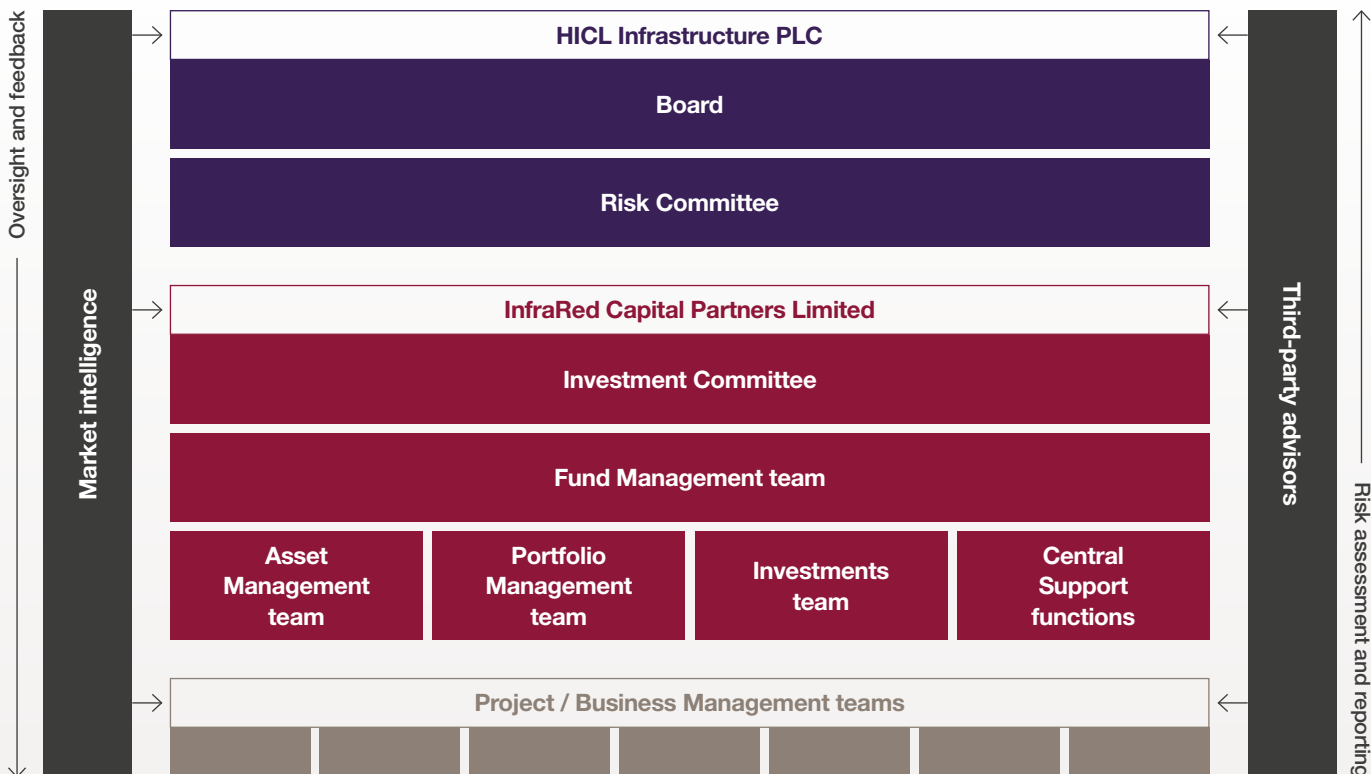
The Investment Manager is monitored and challenged by the Risk Committee, which reports to the Board.

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 on the next page 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<sup>1</sup> 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 per 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.

During the year, the Company enhanced its approach to assessing rare, high-impact risks (often referred to as 'black swan' events). This exercise focused on deepening the Board's understanding of existing protections across the portfolio and identifying opportunities to strengthen resilience where appropriate. The review was informed by a range of external developments observed over the period, including heightened geopolitical uncertainty, rapid technological advances and the ongoing effects of climate change, and forms part of the Company's broader, proactive approach to risk management.

Notwithstanding the strong financial performance delivered over the year, the Company has maintained a prudent approach to risk classification, with residual portfolio performance risk still considered to be high. This reflects a continued focus on targeted asset management workstreams at a small number of assets, aimed at supporting the timely release of distributable cash and ensuring operational readiness as PPP handback processes draw closer. As part of this approach, asset-specific valuation adjustments were made during the year where appropriate, including an upward adjustment to the discount rate at Lewisham Hospital (0.6% of portfolio value) to reflect an increased risk of performance deductions, alongside a related cash flow provision, which was reflected in the 30 September 2025 valuation process. Whilst three concessions expired successfully during the period, the Board has retained a cautious stance given the volume of further expiries ahead. This reflects the importance of maintaining robust, consistently executed handback processes across the portfolio, with the Board monitoring progress closely and remaining confident that these matters are being actively managed.

Several key portfolio performance milestones were achieved during the year, helping to mitigate risk at the Group level. In particular, Affinity Water resumed shareholder distributions following the execution of HICL's £50m incremental equity commitment, reducing uncertainty around near to medium-term cash generation. In addition, at Texas Nevada Transmission ("TNT"), the regulatory settlement with the Public Utility Commission of Texas was concluded for one of the two networks, with the final allowed return on equity aligning with HICL's valuation assumptions. The completion of the portfolio sale of seven UK PPP assets, announced in August 2025, reduced the Group's exposure to UK healthcare projects and to assets with lifecycle

delivery obligations, where performance risk has tended to be more concentrated. Remediation of construction-related defects remains a priority, with works progressing well across a number of projects. More broadly, InfraRed continued to mitigate the risk of adverse public sector client behaviour through active and constructive engagement, including via its role as a founding member of the Association of Infrastructure Investors in Public Private Partnerships ("AIIP"), which strengthened its coordinated industry engagement through the addition of a new member during the year.

Despite the material mitigation of financial risk through the receipt significant disposals proceeds, the residual risk rating for the Financial / Market Risk class was maintained as high during 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. Geopolitical developments towards the end of the financial year also indicated that interest rates may remain elevated for longer than had been anticipated at the start of the period.

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 and can evolve at relatively short notice; however, policy developments across relevant geographies in the year pointed towards a potentially more supportive environment for private capital in infrastructure, including a growing emphasis on mobilising private investment in priority areas, as reflected in the publication of the UK Government's Ten-Year Infrastructure Strategy. These factors contributed to a more constructive backdrop for long-term infrastructure investment. In general, risks associated with uncertain political outcomes are mitigated through HICL's diversified portfolio, which spans 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.

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 following tables. The Investment Manager's Report (starting on page 18) provides additional commentary on how the risk landscape faced by the Group has evolved during the year.

The risks posed by climate change, while 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 64.

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

# Risk and risk management continued

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

**Change in risk level**  
 ↔ No change    ↓ Decreased risk    ↑ Increased risk    ■ Inherent    ■ Residual

## Portfolio performance risk

### Principal risk

#### Adjustments to contracted or regulated revenues

Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
<p>▶</p> <p><b>Link to strategic objectives</b></p> <p>🌱 ↗</p>	<p>Reduced income from PPP projects due to availability deductions because of poor operational performance or a disputed approach to contract management by clients and advisors</p> <p>Under certain regulated regimes, failure to meet specified delivery outcomes can result in penalties being applied, reducing income</p> <p>Projects may be prevented from making distributions by lenders, or in severe cases, default on financing arrangements</p> <p>Adverse reputational impacts from loss of revenue linked to acute operational issues</p>	<p>Contractual pass-through of deductions to subcontractors, which can be terminated and replaced if performance is poor for an extended period of time</p> <p>Collaborative and proactive engagement with public sector clients where disagreements arise over performance</p> <p>Diversity of exposures to regulatory mechanisms and performance regimes</p> <p>For most regulated assets, management team compensation linked to performance against regulatory outcomes</p> <p>InfraRed’s local asset management presence across HICL’s geographies, supporting proactive issue identification and resolution</p>	<p>Low overall level of deductions across the PPP portfolio, with the vast majority passed down to subcontractors</p> <p>Large share of deductions related to Lewisham Hospital (0.6% of portfolio value), where discount rate adjustments and cashflow provisions were recognised, and a service improvement plan is being implemented</p> <p>InfraRed’s membership of the AIIP enables the sharing of expertise on best approaches to managing PPP projects and strengthens the co-ordinated voice on industry issues with key stakeholders including the UK Government</p> <p>Affinity Water resumed shareholder distributions, while targeted improvement actions are being implemented in response to service-delivery-related penalties</p> <p>Revenues at Fortysouth (largely contracted) and TNT (regulated and contracted) slightly ahead of expectations</p>

### 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

## Portfolio performance risk

### Principal risk

Revenue variability			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
▾  <b>Link to strategic objectives</b> 	<p>Actual usage of demand-based assets below valuation assumptions</p> <p>Potential default of financing arrangements in the case of significant underperformance</p> <p>Uncertain and unpredictable impact on usage from long-term behavioural changes, such as increased home working</p> <p>Take up or adoption of new communications technology slower or less than expected</p>	<p>Detailed analysis of demand risk as part of due diligence process at acquisition</p> <p>Use of independent third-party traffic forecasts where appropriate</p> <p>Assessment of risk of long-term behavioural changes as part of the Directors' Valuation</p> <p>Strategic and critical nature of the Group's demand-based assets</p> <p>Communications assets benefit from monopolistic wholesale market positioning or long-term contracts</p>	<p>Revenue at Altitude Infra slightly behind valuation assumption</p> <p>International train path revenue at London St. Pancras High Speed ("LSPH") above valuation assumption</p> <p>At LSPH, further progress was made towards the introduction of a second international operator, including announcements by Virgin Trains regarding its intentions for cross Channel operations from St. Pancras and its approach to rolling stock procurement, having been awarded depot capacity by the UK rail regulator</p> <p>A63 Motorway disposal reduced demand-based revenue exposure</p>





Construction defects			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
▷  <b>Link to strategic objectives</b> 	<p>Disputes with the subcontractor on the scope of remediation required</p> <p>Increased cost to the portfolio company where the construction contractor is no longer solvent or the statutory limitations period has expired</p> <p>Lenders preventing the project from distributing or in severe cases, default on financing arrangements</p> <p>Availability deductions may be levied depending on the extent of the defects and the works required for remediation</p> <p>Adverse reputational impact from material defect issues</p>	<p>Legal rights of portfolio companies to make claims against construction subcontractors for identified defects during the statutory limitations period</p> <p>Construction defects identified through targeted surveys as well as a regular programme of operations and maintenance</p> <p>Adjudication or court process used where disputes arise and cannot be commercially resolved</p> <p>Lifecycle budget to offset some costs following the expiry of the statutory limitations period</p>	<p>Further reduced exposure to the historical obligations of Carillion plc through the disposal of 50% of the Group's interest in Southmead Hospital</p> <p>Across the portfolio, proactive leadership and control of the delivery of remediation works by responsible parties where necessary</p> <p>At Birmingham Hospitals, the programme of remedial works continued to progress on schedule, reflecting collaborative engagement between the parties involved. Unitary charge payments to HICL's portfolio company remain protected through a standstill arrangement with the client and contractor</p>

## Risk and risk management continued




### Portfolio performance risk (continued)

#### Principal risk



#### Construction, operations and maintenance counterparties



Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p>   	<p>Operational underperformance reducing a portfolio company's ability to fulfil its contractual obligations, potentially leading to revenue adjustments</p> <p>Failure of a counterparty, which is likely to lead to lenders preventing projects from distributing until the counterparty is replaced</p>	<p>Well-diversified portfolio, mitigating concentration risk</p> <p>Counterparty credit risk assessed on a regular basis by InfraRed's internal credit risk team</p> <p>Continuous review of contingency plans for a scenario in which a key subcontractor enters administration or liquidation</p> <p>A number of potential replacement service providers from InfraRed's wide network</p>	<p>No material deterioration in any direct counterparty rating</p> <p>A construction subcontractor at Altitude Infra entered pre-insolvency proceedings during the final stages of the network rollout. This risk is mitigated by the rollout being substantially complete, effective Altitude Infra management support, and the maximum expected cost exposure not being material to the Group</p> <p>Construction process at B247 (0.4% of valuation) is behind schedule, albeit no valuation impact is anticipated due to contractual protections</p>

#### Operational costs

Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p>  	<p>Budgets for management services contracts, lifecycle costs and insurance premia prove to be insufficient</p> <p>For certain regulated assets, overspend against allowances may reduce returns</p> <p>Overspends can also occur where portfolio company management teams are responsible for operational service delivery</p>	<p>Risk for several types of operational cost generally passed down through fixed price contracts to industry specialists</p> <p>Regular assessment of lifecycle budget adequacy</p> <p>For regulated businesses, set stretching but achievable expenditure allowances</p> <p>For some assets, management team compensation linked to performance business plan</p> <p>For 57% of HICL's PPP portfolio (35 projects), lifecycle obligations sit with facilities management contractors as opposed to HICL's project companies</p>	<p>The operating environment for UK PPP assets remained challenging during the year, particularly in relation to defect remediation and lifecycle delivery; however, the increase in forecast cost risk applied to a small subset of projects in the prior-year's Directors' valuation has remained appropriate</p> <p>Disposals in the period reduced the Group's exposure to assets with lifecycle delivery obligations from 34% to 31% of gross portfolio value</p> <p>Operating costs for growth assets largely in line with expectations</p>

#### Link to strategy

-  Deliver a sustainable dividend
-  Build a diversified portfolio to manage risk


-  Grow Net Asset Value
-  Provide a compelling cost proposition


#### Change in risk level

-  No change
-  Decreased risk
-  Increased risk

## Financial and market risk

### Principal risk

Investor sentiment			
<b>Movement in risk status in FY26</b> 	<b>Potential impact</b> Prolonged periods where the share price trades below HICL's prevailing NAV, inhibiting HICL's ability to issue new equity capital  Inability to capitalise on attractive investment opportunities	<b>Risk mitigation</b> Ability to refinance HICL's RCF to extend maturity and size (if deemed appropriate)  Under the authority granted by shareholders, HICL may repurchase shares equating to c.14.99% of its total issued share capital  Strategic disposals to generate cash to pay down drawings under the RCF and facilitate opportunistic acquisitions without substantially increasing HICL's gearing  Private Placement diversifies sources of capital and extends the maturity of debt to a longer tenor at a fixed rate	<b>FY26 outcome</b> Following the Board's decision not to proceed with the proposed merger with TRIG, the Company has observed increased market focus on its strategic direction and capital allocation decisions. Extensive shareholder consultation programme led by Chair and SID  HICL's share price discount to NAV narrowed from 28% on 31 March 2025 to 24% on 31 March 2026  An additional £100m of shares were repurchased following the initial £50m share buyback programme completed in the prior year  £200m FY26 disposal target exceeded through the c.£225m PPP sale at carrying value and the A63 Motorway divestment for gross proceeds of c.£311m, representing a 21% premium to the 30 September 2025 valuation  Acquisition of Cross London Trains ("XLT") incremental stake announced with attractive pricing expected to add in excess of 1.0p to NAV per share on completion

Discount and interest rates			
<b>Movement in risk status in FY26</b> 	<b>Potential impact</b> 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  All other things being equal, higher discount rates would result in a reduction in the portfolio valuation	<b>Risk mitigation</b> Higher interest rates usually coincide with higher inflation, elements which materially offset each other in the portfolio valuation  Higher deposit interest income when interest rates increase partly mitigates the value reduction arising from increased discount rates  Low overall sensitivity to the impact of increased interest rates on financing costs at portfolio level  Adequate and reasonable risk premium added to risk-free reference rate (long-dated government bonds) used to corroborate reference discount rates	<b>FY26 outcome</b> Transaction activity during the period, including HICL's disposals, supports the Investment Manager's view that there is no strong evidence of a change in discount rates; HICL's weighted average discount rate increased marginally to 8.5% (8.4% at 31 March 2025) as a result of the A63 Motorway disposal  Refinancings completed successfully at Fortysouth, TNT and Altitude Infra  Discount rates used in the Directors' Valuation corroborated by market transactions and the Board's third-party expert opinion on the valuation  Market expectations in the latter part of the year shifted towards interest rates remaining elevated for longer than anticipated at the start of the period, influenced by renewed energy price-driven inflationary pressures



### Link to strategic objectives



# Risk and risk management continued


## Financial and market risk (continued)

### Principal risk



Inflation			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p> 	<p>Adverse impact on portfolio valuation and distributable cash flows if inflation levels below HICL's long-term assumptions</p> <p>Potential defaults under loan arrangements in sustained periods of deflation</p> <p>Sustained high inflation may lead to increases in interest rates and, therefore, discount rates</p> <p>In some cases, inflation may impact costs to a greater extent than revenues</p>	<p>HICL's inflation assumptions are carefully considered as part of the Directors' Valuation, drawing from a wide range of forecasts</p> <p>Lower inflation usually coincides with lower interest rates, elements which materially offset each other in the portfolio valuation</p> <p>Negative impact of discount rate increases should be largely offset by positive impact of inflation</p> <p>In many cases, both costs and revenues are contractually linked to the same inflation index</p>	<p>HICL's portfolio valuation benefitted overall from inflation outturns being above assumptions in the first half of the year, partially offset by lower-than-assumed inflation in the second half</p> <p>Inflation itself showed signs of easing across many of HICL's geographies during the year, although upward pressure re-emerged towards the period-end following a spike in energy prices linked to heightened geopolitical turbulence. This is expected to influence the inflation trajectory over financial year 2027</p> <p>Valuation assumptions continue to assume a modest decrease in inflation over the coming year</p>



### Political risk

#### Principal risk

Policy changes			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p> 	<p>Clients of HICL's portfolio companies or national governments may choose to terminate contracts</p> <p>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</p> <p>Governments may consider taking certain assets back into public ownership</p>	<p>PPPs generally have a contractual right to receive compensation in the event of counterparties voluntarily terminating a PPP contract</p> <p>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</p> <p>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</p>	<p>UK Government's 10-Year Infrastructure Strategy published in the period pointed towards a potentially more supportive environment for private capital in infrastructure</p> <p>NHS England commenced work on a new model to attract private capital into healthcare infrastructure delivery, reflecting a renewed recognition by the UK Government of the role that private finance can play in the sector</p> <p>The broader need for infrastructure procurement enjoys bipartisan political support across HICL's core geographies</p>

#### Link to strategy

-  Deliver a sustainable dividend
-  Build a diversified portfolio to manage risk


-  Grow Net Asset Value
-  Provide a compelling cost proposition

#### Change in risk level

-  No change
-  Decreased risk
-  Increased risk

## Political risk (continued)

### Principal risk

Legal or regulatory changes			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p>   	<p>Exposure to higher contractual costs or obligations due to legal and regulatory changes</p> <p>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</p>	<p>Continuous monitoring of potential and actual changes to regulations by the Investment Manager and its advisors to ensure both the Group and its service providers remain compliant</p> <p>Protection in relation to changes in legislation is provided by most social and transport infrastructure concessions through their contractual structures</p> <p>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</p> <p>Well-diversified portfolio across clients, sectors and countries</p>	<p>Affinity Water was recognised by the regulator as having displayed strong performance in multiple areas in Ofwat's most recent Water Company Performance Report</p> <p>Cunliffe Review of the UK water sector and UK Government white paper on water sector reform set out proposals to streamline the regulatory framework, which are expected to support strong performers such as Affinity Water</p> <p>At Texas Nevada Transmission ("TNT"), the regulatory settlement with the Public Utility Commission of Texas for one of the asset's two networks was concluded, with the final allowed return on equity aligning with HICL's valuation assumptions</p>



Taxation changes			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p>  	<p>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</p>	<p>Closely monitor relevant cross-border tax rules and broader taxation legislation developments for any potential adverse impact on the Group</p>	<p>The A63 Motorway disposal reduced the Company's exposure to ongoing fiscal policy uncertainty in France, including evolving considerations directly affecting long-distance transport infrastructure operators</p> <p>No material changes in tax legislation affecting the portfolio</p>

## Risk and risk management continued



### Operational risk – execution



#### Principal risk

Inadequate due diligence			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p> 	Underperformance against acquisition assumptions due to poor or inadequate due diligence	<p>InfraRed’s Investment team adopts a thorough due diligence approach and has a depth of experience in buying and selling infrastructure assets</p> <p>Support of specialist advisors (e.g. lawyers, technical consultants, sustainability advisors and tax advisors)</p> <p>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”)</p>	<p>The sole acquisition during the year was that of an incremental stake in Cross London Trains (“XLT”), which has consistently performed in line with expectations since HICL’s initial acquisition in 2022</p> <p>Assets most recently introduced to the portfolio continue to perform in line with expectations</p>

Asset pricing			
Movement in risk status in FY26	Potential impact	Risk mitigation	FY26 outcome
 <p><b>Link to strategic objectives</b></p> 	<p>Infrastructure assets become less attractive due to high asset pricing</p> <p>Overpayment for assets leads to lower realised investment returns than expected</p>	<p>InfraRed’s disciplined and selective acquisition strategy, leveraging the Investment Manager’s international Investments team</p> <p>New acquisitions can provide inherent protection against rising interest rates through inflation correlation or regulated cost of capital structures</p>	<p>Discount rates used to value new acquisitions corroborated by market data points, including HICL’s disposal activity, along with transactions completed by other InfraRed-managed funds</p> <p>Pricing data points from other market transactions also provided pertinent inputs to the adequacy of discount rates used in HICL’s valuation process</p> <p>Disposals during the period comprised a c.£225m PPP sale at carrying value and the sale of the A63 Motorway for c.£311m, representing a 21% premium to carrying value</p>

#### Link to strategy

-  Deliver a sustainable dividend
-  Build a diversified portfolio to manage risk

-  Grow Net Asset Value
-  Provide a compelling cost proposition

#### Change in risk level

-  No change
-  Decreased risk
-  Increased risk

# 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 2031 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 105 companies whose underlying assets are predominantly fully constructed and operating. PPPs make up 57% of the portfolio at 31 March 2026, 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 52). 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 ten assets make up 55% 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, via long-term £150m private placement loan notes, which are 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.

The Company, via IILP, also has access to an RCF of £400m, of which £5.2m was utilised for LC’s at year end. Likewise, the Company, via IILP, also has access to its LCF, which was £80.3m utilised 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 £563m and has allowed the full repayment of the drawings on the RCF. Should capital markets remain closed for an extended period, the Company, via IILP, has access to its RCF, of which £394.8m remains undrawn and utilised at 31 March 2026.

## 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% per annum lower than the Company’s base case in all future periods;
- ▶ 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 Group’s operational assets highlighting hypothetical operational challenges;
- ▶ combined scenario assuming:
  - 15% reduction in distributions from operational assets; and
  - 50% reduction in final distributions from assets whose concessions end within the viability period.

Due to the diversified nature of the Company’s portfolio, the scenarios outlined above pose a minimal threat to the Company’s solvency. A reverse stress scenario was also performed to assess the level of revenue loss required to result in insolvency. The analysis indicated that, even under this severe downside case, the Company would 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 2031, 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 RCF and LCF, 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 that 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](http://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 52.

## 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](http://www.hicl.com). A comprehensive review of the year, including case studies from the portfolio, can be found in HICL's Sustainability Report 2026, 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. The Company's impact on stakeholders and the long-term consequences of any decision are taken into consideration by the Board when making that decision. Decision-making is guided by the Company's purpose: to deliver long-term, stable, and sustainable income along with capital growth to investors by managing a diversified portfolio of core infrastructure assets that support communities and facilitate essential public services. The Company has numerous stakeholders that the Directors consider as part of their decision making, notably investors, the Investment Manager, service providers and governments and regulatory bodies, and who are actively managed on an ongoing basis. Key decisions that the Directors made during the year were:

### Acquisition and disposal activity

During the year, the Directors worked closely with the Investment Manager to realise several disposals and incremental acquisitions that aligned with the Company's portfolio rotation strategy.

### Capital allocation

The Directors worked closely with the Investment Manager to ensure a disciplined approach to capital management, resulting in the full repayment of the RCF, funding of both realised and future equity commitments through active disposal activity, and maintaining an ongoing share repurchase programme that benefitted from the persistent share price discount to NAV and which aligned with shareholder preferences that had been raised through ongoing investor engagement.

### Dividend policy

The Directors remained committed to the Company's progressive dividend policy of 8.35p per share for the year ended 31 March 2026, and the reiteration of future dividend guidance of 8.50p per share and 8.65p per share for the years ending 31 March 2027 and 31 March 2028 respectively.

## Valuations

The Directors provided robust challenge to the asset portfolio valuations presented by the Investment Manager. The Directors were provided additional comfort around the robustness of the valuations process through independent third-party valuation expert review, benchmarking against competitors and disposals realised in-line with their NAVs.

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 six non-executives: three 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 2026.

Leverage	Gross Method	Commitment Method
Maximum limit	150%	125%
Actual level	124%	105%

## Mike Bane

Chair

26 May 2026

# Climate-related financial disclosures (“TCFD”)

## Introduction

HICL is a closed-ended investment company and, therefore, under Listing Rule 11.4.22R is not required to comply with the climate disclosure requirements specified in Listing Rule 6.6.6R(8). The Company has, however, been voluntarily reporting using the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) since its 2020 Annual Report and 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 the potential impact on that company.

HICL’s climate-related financial disclosures, set out below, cover the 12-month period to 31 March 2026 (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 following 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 2026 Sustainability Report, published on the HICL website on the same day as this report).

## Governance

The Board and Investment Manager recognise 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 factoring 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 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.

HICL’s Sustainability Policy sets out the approach to integrating climate-related considerations into both the acquisition process and the ongoing management of its portfolio. The Policy is reviewed and approved by the Board annually.

The oversight and management of climate-related risks and opportunities includes activities such as:

### Board level

- ▶ Consideration of climate-related risks within the Company’s risk register at each quarterly Board meeting, feeding into the risk management framework presented in each Annual Report
- ▶ 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 often a key topic at the Board’s annual strategy meetings
- ▶ The Risk Committee oversees and challenges InfraRed’s risk management processes and analysis, with a specific remit to examine horizon risks such as the long-term consequences of climate change, including reviewing periodic climate-related stress-testing scenarios produced by the Investment Manager
- ▶ 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

### Portfolio level

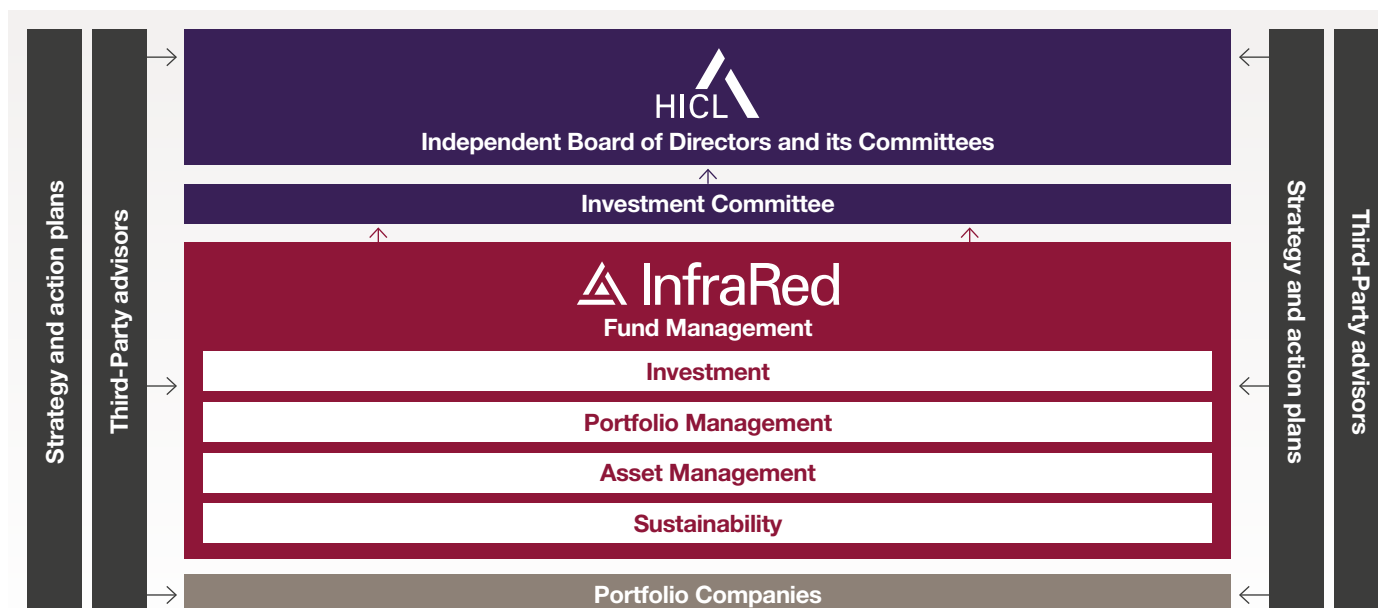
- ▶ InfraRed monitors government policies related to climate and engages with policy makers, where appropriate
- ▶ Conducting climate risk assessment for the portfolio and interpreting the findings, including the suitability of mitigation and adaptation measures (where possible) in place for identified risks
- ▶ This analysis informs HICL’s strategy and the assessment of the Company’s risks and effectiveness of risk mitigation measures at the portfolio and portfolio company levels

### Portfolio company level

- ▶ InfraRed is represented on the board of the vast majority of HICL’s portfolio companies. Through this role, the Investment Manager ensures that climate-related risks are considered by portfolio company management teams and reflected in portfolio company risk registers. Relevant matters are communicated to the HICL Board, as necessary

## HICL's governance structure

The diagram below sets out HICL's governance structure and how information is fed back to the Board from each portfolio company.



### Strategy

HICL is positioned to capture selective climate-related opportunities, while managing exposure to physical and transition risks over the short, medium and long term. The Company's focus on long-duration infrastructure assets that provide essential services, together with contractual and regulatory arrangements and active asset management, supports resilience by enabling risks to be identified early and responses to be adapted as conditions evolve. This approach is intended to support the durability of asset performance over time and to underpin long-term value creation for shareholders and other stakeholders. These time horizons are defined as follows:

**Short term:** up to five years from the date of this report, aligning with the Company's Viability Statement.

**Medium term:** five to 20 years from the date of this report, broadly aligning with the average remaining life of HICL's PPP concessions.

**Long term:** 20 to 40 years from the date of this report, broadly aligning with the Long term: 20 to 30 years from the date of this report

The pace and nature of the transition to a lower-carbon, energy-resilient economy will influence the opportunity set for HICL by affecting how essential infrastructure is maintained, adapted and financed over time. As governments and regulators seek to improve the resilience and environmental performance of existing assets, this is expected to create ongoing requirements for investment within HICL's core sectors. Against this backdrop, the Board and Investment Manager believe the Company's strategy remains resilient over the long term.

In line with the TCFD classification, climate-related risks can broadly be split into two categories:

**Transition risks:** Risks related to the transition to a lower-carbon economy. These risks are related to four risk drivers: policy and legal risk; technological risk; market risk; and reputational risk.

**Physical risks:** Risks associated with physical impacts from climate change that could affect energy assets and operating

companies. These impacts may include 'acute', event-driven hazard occurrences such as severe storms, floods, and wildfires, and 'chronic' longer-term impacts, such as sea-level rise and changing wind or precipitation patterns.

#### Climate scenarios

In assessing the climate-related risks and opportunities, the Investment Manager utilised three emissions scenarios from the Intergovernmental Panel on Climate Change ("IPCC"):

A scenario is defined as a realistic description of how the Earth's physical atmospheric system may evolve over time, based on a given set of assumptions about key drivers of GHG emissions and concentrations, and land use. Scenarios are collectively referred to as Representative Concentration Pathways ("RCP").

#### Low emissions / 'Paris aligned' (SSP1-RCP2.6)

A high degree of civic-social commitment to adaptation and mitigation leads to emissions growth levelling out by 2050 and declining after. This is the Investment Manager's chosen Paris-aligned scenario, resulting in a global temperature increase of 1.3–2.4°C in 2100 compared to a 1986–2005 baseline average.

#### Moderate emissions / 'Business as usual' (SSP2-RCP4.5)

A moderate degree of civic-social commitment to adaptation and mitigation with some continued fossil fuel emissions – most closely representing current global climate policy trends. This scenario projects global warming of 2.1–3.5°C in 2100 compared to a 1986–2005 baseline average.

#### High emissions / 'Hothouse World' (SSP-8.5-RCP-8.5)

Social and economic development is based on an intensified exploitation of fossil fuel resources. Continued greenhouse gas emissions growth through 2100, and a likely global warming of 3.3–5.7°C in 2100 compared to a 1986–2005 baseline average.

Further detail on HICL's risk assessment findings and the methodology is set out on pages 66 to 69. The climate-related risks faced by HICL in different climate scenarios are determined to have a limited adverse impact on the Company's business strategy.

# Climate-related financial disclosures (“TCFD”) continued

## Summary of key climate-related risks and opportunities

The table below sets out key climate-related risks and opportunities of relevance to HICL, based on the Investment Manager’s high-level assessment of potential portfolio-level impacts.

		Potential portfolio impact			
		Short-term	Mid-to-long-term		
Asset-level manifestation	Description	BAU	Hothouse World	Paris-aligned	
<b>Risks</b>	<b>Physical climate exposure</b> (physical) Physical climate change may lead to disruption to asset availability, accelerated asset deterioration or increased maintenance and renewal expenditure as operating conditions change over time.	The essential service nature of the assets supports prioritised continuation of operations and timely intervention following disruptions. Impacts are partially mitigated through contractual revenue protection mechanisms, insurance coverage and structured lifecycle planning.	L-M	M-H	L-M
	<b>Compounding physical impacts from nature degradation</b> (physical) Reduced natural buffering capacity (e.g. water stress, land degradation, ecosystem loss) leading to longer recovery times, reduced operability and higher lifecycle costs.	May result in increase in the severity and duration of disruption events, leading to extended recovery times, reduced asset operability and higher lifecycle and maintenance costs.	L	M-H	L-M
	<b>Climate policy and regulation</b> (transition) Evolving environmental policy, regulation and public sector frameworks may mandate changes to asset specifications or operating practices over time, with potential implications for lifecycle expenditure and operating costs.	Long-term contractual and regulated frameworks may allow changes in policy or standards to be reflected through defined risk allocation mechanisms, limiting direct cost exposure to portfolio companies. This is supported by ongoing engagement with public sector counterparties.	L-M	L-M	L-M
	<b>Supply chain disruption</b> (transition) Climate-related policy change and evolving environmental standards may place pressure on construction and maintenance supply chains, affecting material availability, cost and programme timing. This could disrupt refurbishment and lifecycle works.	May affect the timing and cost of maintenance and capital works. Long-term contractual structures support forward planning and enable refurbishment programmes to be rescheduled, phased or re-procured where required.	M	M	L-M
	<b>Insurance availability and cost</b> (physical) As physical climate risks become more prominent, insurance availability, coverage terms or pricing for certain asset types or locations may change. This could adversely affect operating costs or valuation assumptions around risk allocation over time.	Insurance market and product changes may increase operating costs and affect risk allocation assumptions. Impacts are partially mitigated through contractual provisions, periodic review of insurance arrangements and asset-level risk assessment.	L	M-H	L-M
<b>Opportunities</b>	<b>Decarbonisation of public assets</b> (transition) Public sector decarbonisation objectives may translate into funded or mandated asset upgrades, creating opportunities for capital investment within existing assets that support improved efficiency and long-term value.	Decarbonisation requirements may drive funded or mandated upgrades, enabling capital deployment into existing assets. Where integrated into planned lifecycle programmes, this can support efficiency improvements and enhance long-term asset value.	M-H	M	H
	<b>Resilient infrastructure prioritisation</b> (physical) Increasing focus on climate resilience may reinforce the strategic importance of well-maintained, essential infrastructure capable of operating reliably under changing conditions. Assets providing core public services may benefit from sustained demand, policy support or long-term relevance.	Increased policy and stakeholder focus on climate resilience may strengthen demand for well-maintained essential infrastructure. Assets aligned with resilience objectives may benefit from sustained utilisation, policy support and long-term relevance.	L-M	H	M

### Legend

L	Limited	L-M	Limited to moderate	M	Moderate	M-H	Moderate to heightened	H	Heightened
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## Approach to climate risk assessment and scenario analysis

As part of its broader risk management processes, the Investment Manager undertakes climate risk assessments of the Company's portfolio to better understand exposure and vulnerability to physical and transition climate risks and the capacity to continue to capitalise on climate-related opportunities, and, where feasible, to consider measures that may enhance resilience over the long term, having regard to the economic life of each asset. This approach is aligned with the TCFD recommendations and draws on the Climate Resilience Investment Framework ("CRIM") produced by the Institutional Investors Group on Climate Change ("IIGCC") in 2025.

The latest such assessment was conducted for the Company's portfolio as at 31 March 2026, utilising three emissions scenarios outlined on page 65.

## Physical climate risk assessment

The physical climate risk assessment applies a structured, location-specific methodology to evaluate potential physical climate perils across the portfolio. The approach combines standardised peril exposure modelling with an internally developed vulnerability framework to derive a consistent view of inherent physical climate risk at the asset level. The review identified 22 projects, representing c.41% of the Portfolio Value, as having high or highest inherent risk exposure to physical climate perils. However, based on a qualitative assessment of mitigating factors, including insurance coverage and asset-specific physical defences, the Investment Manager considers the portfolio's residual physical climate risk exposure to be within the Company's risk appetite.

### 1. Peril modelling at asset locations

For each asset held as at 31 March 2026, the Investment Manager selected representative point locations (each with single point coordinates). These coordinates were analysed using an external high-resolution climate risk tool to assess exposure to a defined suite of **nine physical climate perils** (acute, event-driven occurrences), represented by **13 underlying metrics** that also serve as indicators of longer-term chronic climate patterns.

Modelling was conducted at five-year intervals under three climate scenarios detailed, producing a **location-specific exposure** score for each peril over time.

The assessed perils and associated metrics include:

1. **Cold** (extreme cold days)
2. **Drought** (multi-month precipitation deficits / total water stress)
3. **Flood** – coastal (storm surge, tides, sea level rise), fluvial (riverine depth at a given annual probability) and pluvial (intense rainfall driven surface flooding)
4. **Hail** (frequency of large hail storm)
5. **Heat** (extreme heat days; annual cooling requirement; wet bulb globe exceedance)
6. **Extreme precipitation** (annual probability of intense daily rainfall)
7. **Wildfire** (annual probability of large events)
8. **Wind** (annual probability of extreme wind speeds)
9. **Subsidence** (annual probability of shrink-swell soil movement causing structural stress)

### 2. Vulnerability assessment

The Investment Manager then evaluates each project's vulnerability, defined as its susceptibility to harm from a heightened level of peril exposure. Vulnerability is assessed across three dimensions:

1. **Critical Components** – sensitivity of key physical or operational elements
2. **Layout and Physical Context** – site configuration and topography
3. **Access and External Dependencies** – off-site infrastructure such as roads, utilities, and communications networks

This assessment draws on proprietary research, asset type characteristics, and operational knowledge.

### 3. Determining Inherent Physical Climate Risk

For each project and each peril, Inherent Physical Risk is calculated as:

Inherent Physical Risk = Peril Exposure × Asset Vulnerability

This produces a consistent, comparable indication of potential future physical climate risk before taking account of mitigation measures already in place. These results help identify assets where risk may be more significant, inform prioritisation of further analysis, and support the development of targeted resilience measures.

The analysis and findings are communicated through the Investment Manager to portfolio companies, with a view to ensuring that, where appropriate, these risks are incorporated into portfolio company risk registers and mitigation strategies are developed. The findings of the inherent physical risk analysis are summarised as follows.

The analysis shows that peril exposure levels across the three scenarios do not materially diverge until approximately 2060 or later. Therefore, given the remaining economic life of the assets in the HICL's portfolio, the Investment Manager has focused on the maximum peril exposure observed under any scenario over the 2025–2050 period.

Overall, the analysis indicates that heightened inherent risk (High and Highest level) is limited to five perils – drought, flood, cold, precipitation, and wildfire – and is concentrated across 22 projects representing 40.9% of the portfolio by value. For the majority of the portfolio, inherent risk remains within the lower two rating categories across most perils. Cold and subsidence are the only perils for which a material share of the portfolio registers a Medium inherent risk rating. Certain perils cannot be assessed at all locations, either because they are not applicable (e.g. subsidence and wildfire for certain asset types or geographies) or, in a small number of cases, where model outputs are inconclusive.

# Climate-related financial disclosures (“TCFD”) continued

## 4. Resilience of the Company’s portfolio to heightened physical climate risks

To begin to understand the potential implications of physical climate risk across the portfolio, the Company undertook an initial targeted resilience review, led by the Investment Manager, covering over 700 locations across all assets. The review focused primarily on assets with heightened inherent risk, being locations where metric-level sensitivity thresholds are exceeded at any point between 2025 and 2050, and where the inherent risk rating for at least one peril is classified as High or Highest under any of the three scenarios. The objective of the analysis was to assess whether existing mitigants, whether physical, operational or financial, are sufficient to reduce risk such that residual exposure remains within an acceptably manageable range. Across all projects reviewed, the Investment Manager applied a consistent framework centred on three categories of resilience measures:

### 1. Engineering and nature-based enhancements:

These measures include permanent physical or ecological interventions designed to reduce the likelihood or severity of asset damage from acute weather events. Examples include improved drainage, strengthened foundations, enhanced flood protection,

wind resistant or fire resilient design elements, as well as nature-based features such as vegetative buffers, shelterbelts, and other natural barriers that help absorb or deflect climate-related impacts.

### 2. Operational preparedness:

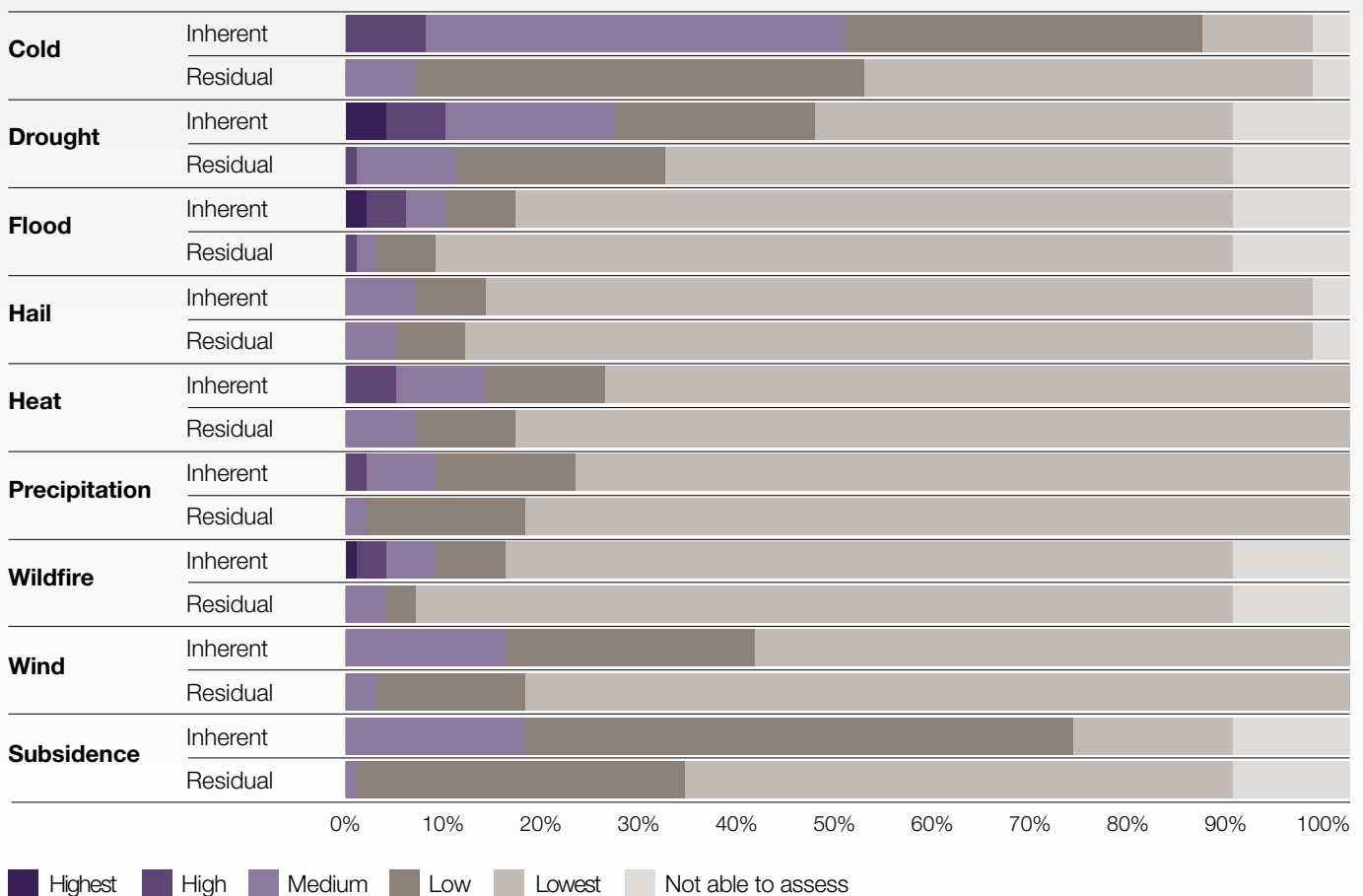
Operational mitigants relate to monitoring, forecasting, and readiness procedures designed to reduce disruption ahead of, during, or after an extreme event. This includes protocols for severe weather alerts, site access and safety procedures, contingency planning for high wind or high temperature conditions, and well-established business continuity arrangements. External adaptive capacity such as emergency services and infrastructure were also considered.

### 3. Insurance effectiveness:

Insurance remains an important mitigant for low probability, high impact climate events, particularly where engineering measures are not technically or economically feasible. The review examined coverage levels, policy terms, renewal practices, and prevailing market conditions, and assessed the effectiveness of insurance in protecting against asset damage, business interruption, and revenue loss from acute climate events. Other financial protections such as contractual arrangements were also considered.

### Distribution of inherent and residual risk across perils (NAV weighted)

Maximum exposure in any scenario 2025–2050. Portfolio composition and valuations as at 31 March 2026 or closest available.



## Findings of the Initial Resilience Review

Based on the review, the Investment Manager found that:

- ▶ in most cases, the combination of engineering measures and strong operational preparedness can materially reduce the impact of asset damage or prolonged downtime under the relevant peril;
- ▶ insurance coverage provides an effective backstop for severe or residual risks, particularly for perils where permanent engineering or ecological solutions are not feasible or where uncertainty remains high. The Investment Manager will continue to monitor the property damage and business interruption insurance market to ensure adequate policies continue to be in place across the portfolio; and
- ▶ no instances were identified where the combination of mitigants was judged insufficient, although a number of cases were identified for exploring future resilience and adaptation enhancements.

Based on this initial assessment, the Investment Manager considers that existing mitigants are generally appropriate to reduce inherent risk to an acceptable residual level for the assets reviewed, recognising that resilience is an evolving area and will continue to be monitored and enhanced as climate science, regulation, and technology advance.

## Transition climate risk assessment

As summarised in the transition risk and opportunity table on page 66, HICL is exposed to both risks and opportunities arising from the transition to a lower-carbon, energy-resilient economy. Transition risks relate to changes in climate policy and public sector requirements that may affect how assets are upgraded, maintained or adapted over time. These changes are generally introduced gradually and managed within existing contractual and regulatory arrangements. At the same time, the portfolio is positioned to benefit from sustained demand for essential, resilient infrastructure that supports decarbonisation and electrification.

## Net zero alignment of the portfolio

To further strengthen the resilience of the HICL portfolio to transition climate risks, the Investment Manager seeks to anticipate and build capability at portfolio company level to manage these risks. The principal industry frameworks used to assess preparedness for a lower-carbon, energy-resilient future are the Net Zero Investment Framework ("NZIF")<sup>1</sup> and the Private Markets Decarbonisation Roadmap ("PMDR")<sup>2</sup>. These investment-led frameworks assess portfolio positioning across five progressive stages, from assets that are not yet aligned through to those operating in line with net zero objectives.

Currently, 44% of HICL's portfolio by value is aligning, aligned to or at net zero, up from 34% in the prior year. See page 13 of HICL's 2026 Sustainability Report for more information about InfraRed's approach to assigning assets into the various stages of alignment to net zero.

- 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: [www.bain.com/content/assets/6df8cbe0d2a34117bf9751b150a6372e/private-markets-decarbonisation-roadmap.pdf](http://www.bain.com/content/assets/6df8cbe0d2a34117bf9751b150a6372e/private-markets-decarbonisation-roadmap.pdf)
- 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

As set out in this report, the Company has set interim portfolio objectives relating to net zero alignment.

### Portfolio coverage:

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

**At 31 March 2026: 44%**

### Portfolio engagement:

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

**At 31 March 2026: 93%**

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 a lower-carbon, energy-resilient economy, including asset adaptation and targeted additional investment within existing infrastructure. This may include investment in building retrofit programmes, electrification, energy efficiency improvements or network capacity enhancements aligned with evolving public sector objectives. Such investment can be integrated into lifecycle planning where it supports long-term asset performance and resilience. A core element of HICL's strategy is to support sustainable modern economies through assets linked to the energy transition, and a Paris-aligned scenario is expected to increase the availability of attractive investment opportunities in this area.

As of 31 March 2026, 24% of the portfolio is currently invested in projects directly supporting or facilitating the transition to a lower-carbon, energy-resilient economy (often referred to as 'climate solutions'<sup>3</sup>). 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 goal for funds of HICL's nature. The Company is, therefore, not setting a formal goal at this time.

## Conclusion

Taken together, the analysis indicates that HICL's portfolio demonstrates a resilient position in respect of climate-related risks across the assessed climate scenarios. Physical climate risks are generally moderate and vary by asset type and location, reflecting the long-life nature of the portfolio and exposure to evolving operating environments. Under higher-temperature scenario, physical risks may, over, time lead to increased operating costs, lifecycle expenditure and insurance-related pressures, which are expected to emerge gradually for essential infrastructure assets. Transition analysis indicates that climate-related policy and behavioural drivers act in a broadly aligned manner for HICL, supporting utilisation and long-term relevance of regulated transmission and electrified transport assets. In scenarios where decarbonisation or electrification progresses more slowly, this valuation support may reduce, resulting in greater downside pressure over the medium to long term. Overall, existing contractual protections and active management are expected to support long-term resilience delivery.

## Climate-related financial disclosures (“TCFD”) continued

**Risk management**

Climate-related risks are identified and assessed by the Investment Manager when making new investments (throughout the investment screening and due diligence processes) and in the operation of the current portfolio (asset management activities, monitoring and reporting).

Climate-related risks identified through the acquisition process are managed through the acquisition business plan and investment pricing. The appropriateness of mitigating action is considered by the Investment Committee as part of the investment process.

The Investment Manager monitors the management of identified climate-related risks for all assets, while also requiring climate-related risks to be maintained as part of portfolio company risk registers. The Investment Manager seeks to work closely with management teams of portfolio companies with heightened exposures, by supporting efforts to establish adaptation measures in response to risks identified in the assessment.

Representatives of InfraRed sit on the boards of the vast majority of HICL's portfolio companies. Through this role, InfraRed seeks to ensure that climate-related risks are appropriately identified and considered by portfolio company management teams, reflected within risk registers, and monitored through relevant management processes. All portfolio management activity, including the assessment and management of climate-related risks, is undertaken by InfraRed on behalf of the Company. These matters are reviewed through regular Board discussions, with specific oversight and challenge provided through the Risk Committee as part of its consideration of HICL's overall risk profile.

The management of climate-related risks is also supported by the sustainability policies of both the Company and the Investment Manager, which set out the principles and expectations applied across the investment lifecycle.

For further information on the Company's approach to risk management, refer to the Risk and risk management section of the Strategic Report.

**Metrics and targets**

The Company considers the TCFD's cross-industry metrics and specifically reports on GHG emissions related to its activities. In addition, HICL utilises a range of metrics, which assist in the monitoring of the portfolio's contribution to mitigating adverse climate change, including the ones set out below.

HICL's complete set of sustainability metrics in relation to its thematic priorities of Climate and nature, Communities and people, and Governance and integrity can be found on page 9 of HICL's 2026 Sustainability Report.

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

Metric	Methodology	Unit	Year to 31 March 2026	Year to 31 March 2025	Relevant risk / opportunity
Portfolio companies with Carbon Reduction Initiatives	Based on information provided by HICL portfolio companies as part of InfraRed's annual sustainability data collection campaign	%	93%	91%	Opportunity: Decarbonisation of public assets Risks: Climate policy and regulation, Supply chain disruption
Portfolio companies that meet the NZIF criteria for aligning, aligned or net zero	Net Zero Investment Framework	%	44%	34%	
Total attributable GHG emissions (Scopes 1, 2 and 3) for the portfolio	Based on GHG protocol and Partnership for Carbon Accounting Financials (“PCAF”)	tCO <sub>2</sub> e	109,493	94,576	
Portfolio weighted average carbon intensity (Scopes 1, 2 and 3)	Based on TCFD recommended metrics for asset managers	tCO <sub>2</sub> e / £m revenue	158	309	
Portfolio emissions subject to direct or collective engagement and stewardship actions	Based on information provided by HICL portfolio companies as part of InfraRed's annual sustainability data collection campaign	%	93%	93%	
Portfolio (by value) that has implemented robust resilience measure to address relevant physical climate and ecosystem risks <sup>1</sup>	Based on InfraRed's proprietary physical climate risk resilience rating methodology. Ratings of 3 or 4 considered by InfraRed as robust	%	81%	n/a	Opportunity: Resilient infrastructure prioritisation Risks: Physical climate exposure; Compounding physical impacts from nature degradation, Insurance availability and cost

## GHG emissions

The Greenhouse Gas (“GHG”) Protocol categorises GHG emissions into three Scopes:

- ▶ Scope 1: direct emissions from owned / controlled sources;
- ▶ Scope 2: indirect emissions from the generation of purchased energy; and
- ▶ Scope 3: includes all other indirect emissions that occur in the Company’s value chain.

HICL’s Scope 1, Scope 2 and Scope 3 GHG emissions are disclosed in the table below, aligned with the GHG Protocol Corporate Accounting and Reporting Standard. In addition, Scope 3, Category 15 emissions, i.e. financed emissions, are calculated in accordance with the Partnership for Carbon Accounting Financials (“PCAF”) methodology. In line with the FRC’s Streamlined Energy and Carbon Reporting (“SECR”) regulations, HICL is required to disclose its direct energy consumption and associated GHG

emissions (i.e. Scope 1 and 2). HICL does not directly consume any energy or generate Scope 1 and 2 emissions related to asset operation and construction within its own operational boundaries, as all operational and construction activities related to the portfolio are sub-contracted (i.e. no direct control), and the Company is not directly responsible for the purchase of any fuel. Instead, HICL accounts for all Scope 1, 2 and 3 GHG emissions relevant to each asset in which it holds equity and / or debt, using an attribution factor calculated in line with the ‘Project Finance’ approach under the PCAF’s Financed Emissions Standard (an attribution factor of zero is assigned to projects where the senior debt exceeds the balance sheet value of fixed assets). Therefore, HICL includes both required Scope 1 and 2 emissions, as well as estimates of upstream Scope 3 emissions occurring from the operation, construction and other required activities for maintenance of assets in the portfolio. The market-based approach has been adopted for the reporting of electricity-based emissions related to HICL’s portfolio.

GHG emissions (tCO <sub>2</sub> e)	Year ended 31 December 2025	Year ended 31 December 2024
<b>Scope 1</b>		
Direct GHG emissions – occur from sources that are owned or controlled by the organisation	Nil	Nil
<b>Scope 2</b>		
Indirect GHG emissions – occur from the generation of purchased electricity, heating, cooling and steam	Nil	Nil
<b>Total Scope 1 and 2 (market-based) emissions</b>	<b>Nil</b>	<b>Nil</b>
<b>Scope 3</b>		
Category 1, emissions from indirect purchased goods and services	105	285
Category 15, emissions from all operational investments – attributable basis	109,361	90,007
Category 15, emissions from all investments under construction – attributable basis	132	4,569
<b>Total Scope 1, 2 and 3 emissions</b>	<b>109,598</b>	<b>94,861</b>
Total Scope 1, 2 and 3 emissions – excluding sold assets <sup>1</sup>	106,796	94,861

## Understanding the changes in our emissions

The Investment Manager has continued to deploy scalable approaches to improving the accuracy and coverage of data relating to the Scope 3 emissions of our investments, which represent the majority of attributable emissions across the portfolios we manage. Notable improvements this year include enhancing data collection processes where portfolio companies were unable to supply primary data directly (including the use of spend data where appropriate), standardising calculations of Scope 3 fuel and energy-related emissions using activity data, and expanding proxy datasets to cover additional Scope 3 categories. These enhancements increased the completeness of reported Scope 3 emissions over the period. The primary driver in the increase in total emissions reported this year is the increase in the Scope 3 emissions of HICL’s investment portfolio (reported under HICL’s Scope 3, Category 15 or financed emissions). Financed emissions are inherently sensitive to changes in portfolio composition and valuations and, therefore, fluctuate year on year. We also provide normalised metrics – including Portfolio Weighted Average Carbon Intensity – to support comparability over time. For the year to 31 March 2026, Portfolio Weighted Average Carbon Intensity decreased 49% compared to the prior period.

<sup>1</sup> Reference calculation that excludes emissions from assets sold during the relevant period

## Climate-related financial disclosures (“TCFD”) continued

**Task Force on Climate-related Financial Disclosures**

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

## Governance

Recommended disclosure	Pages
a. Describe the board’s oversight of climate-related risks and opportunities.	64 to 66
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	64 and 65

## Strategy

Recommended disclosure	Pages
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	66 to 68
b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	66
c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	65

## Risk management

Recommended disclosure	Pages
a. Describe the organisation’s processes for identifying and assessing climate-related risks.	67 to 69
b. Describe the organisation’s processes for managing climate-related risks.	67 to 70
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	70

## Metrics and targets

Recommended disclosure	Pages
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	70 and 71
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	71
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	70 and 71

# Governance

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# Board of Directors

## The Board and the Committees

As at 31 March 2026, the Board of HICL comprised six 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 81.

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.



### 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<sup>1</sup>:** Appointed to the Board on 1 July 2018

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** Apax Global Alpha Limited, abrdn Property Income Trust Limited

### Frances Davies

Senior Independent Director  
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 2006, she has been a partner of Opus Corporate Finance, a corporate finance advisory business. Frances is also a NED on the Supermarket Income REIT Board where she chairs the ESG Committee. 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<sup>1</sup>:** Appointed to the Board on 1 April 2019

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** Supermarket Income REIT PLC

### Liz Barber

Chair of Risk Committee



**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 graduated from the University of Leeds, where she has served as a Lay Member of Council and Deputy Chair, and is a fellow of the ICAEW, where she is a member of the board and Chair of the Risk Committee. Liz is the Senior Independent Director of Cranswick plc and Sizewell C Limited, where she also chairs the Audit and Risk Committee, and Chair of Encyclis Limited. She 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<sup>1</sup>:** Appointed to the Board on 1 September 2022

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** Cranswick plc, Renew Holdings plc

<sup>1</sup> Assuming a continuation of the years of service as a Director of HICL Infrastructure Company Limited

<sup>2</sup> 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

## Rita Akushie

Chair of Audit Committee



**Nationality:** British

**Background and experience:** Rita Akushie is a chartered accountant and an independent consultant specialising in finance, transformation and strategy. 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. Most recently, she served as Pro Vice-Chancellor (Finance & Operations) at the University of London. 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<sup>1</sup>:** Appointed to the Board on 1 January 2020

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** None

## Graham Sutherland



**Nationality:** British

**Background and experience:** Graham Sutherland is currently Chief Executive Officer at FirstGroup plc having previously been Chief Executive Officer of KCOM Group plc. Prior to this, Graham held a number of senior executive roles within BT Group PLC over 12 years, including as Chief Executive Officer of the BT Business and Public Sector division, and as Chief Executive of BT Ireland. Prior to that, he was Chief Executive of NTL Ireland and has also held senior financial roles including at Bombardier. Graham graduated with a BA in Accounting and Finance from Heriot-Watt university.

**Date of appointment<sup>1</sup>:** Appointed to the Board on 1 July 2025

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** FirstGroup plc

## 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<sup>1</sup>:** Appointed to the Board on 1 September 2022

**Other public company directorships (listed in London unless noted otherwise)<sup>2</sup>:** None

# 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.

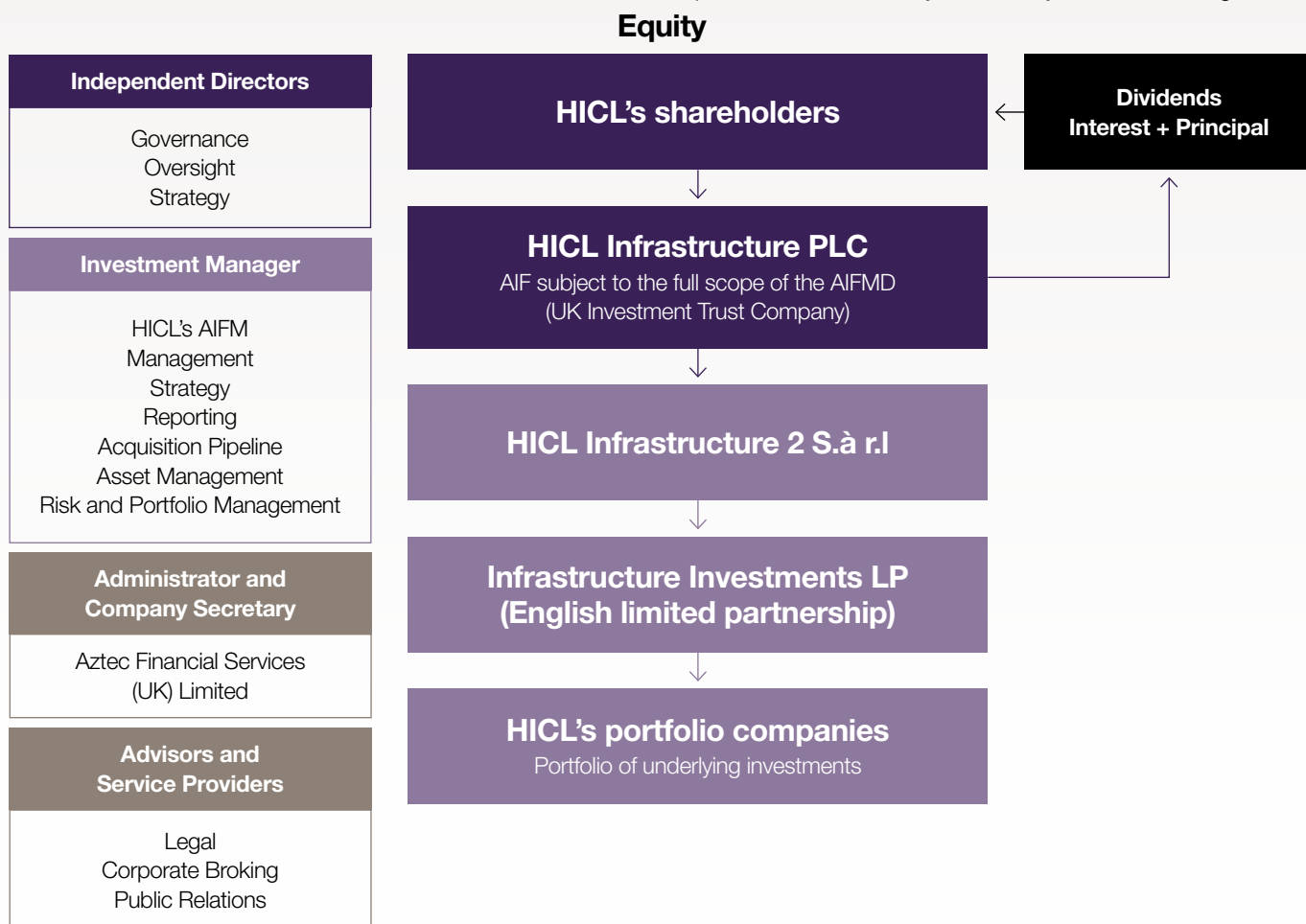
HICL’s infrastructure investments are registered in the name of the General Partner or wholly owned subsidiaries of the Partnership.

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 are admitted to the Official List of the UK Financial Conduct Authority (in the Closed-ended investment funds category) 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.



# 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 alternative asset management business. As of 31 March 2026 Sun Life had total assets under management of c.CAD\$1,541bn. For more information please visit: [www.sunlife.com](http://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 Frankfurt, Madrid, New York, Miami, Sydney, and Seoul. 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 and selling assets;
- ▶ 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.

Four senior members of the InfraRed team make up InfraRed's Investment Committee on behalf of HICL. The Investment Committee has combined experience of over 70 years in making infrastructure investments, and managing investments and projects.

Further details on the InfraRed Group can be found at: [www.ircp.com](http://www.ircp.com).

Under the terms of the Investment Management Agreement, InfraRed is entitled to a fixed management fee of £100,000 p.a., 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 were entitled to annual fees calculated on the following basis:

- I. 1.1 per cent. of that part of the Fee Basis Value of up to (and including) £750 million;
- II. 1.0 per cent. of that part of the Fee Basis Value that exceeds £750 million but is less than or equal to £1,500 million;
- III. 0.9 per cent. of that part of the Fee Basis Value that exceeds £1,500 million but is less than or equal to £2,250 million;
- IV. 0.8 per cent. of that part of the Fee Basis Value that exceeds £2,250 million but is less than or equal to £3,000 million; and
- V. 0.65 per cent. of that part of the Fee Basis Value that exceeds £3,000 million.

From 1 April 2025 to 30 June 2025 the Fee Basis Value was calculated as 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.

With effect from 1 July 2025 to 31 March 2026 the Fee Basis Value was adjusted by mutual agreement such that it was calculated as:

1. Fifty per cent. (50%) of the Company's average daily total market capitalisation as at the close of trading of the main market of the LSE during the relevant Calculation Period; plus
2. Fifty per cent. (50%) of the Company's Net Asset Value as at the beginning of the relevant Calculation Period; or

Since the year end, the Board and Investment Manager have agreed to change the fee basis, with effect from 1 July 2026, to a 100% market capitalisation-based structure, subject to the finalisation of contractual documentation. This will deliver an immediate reduction in the Company's cost base, to the extent that the Company's shares are trading at a discount to NAV, while fully aligning the Investment Manager's economics with shareholder outcomes.

This will deliver an immediate reduction in the Company's cost base, to the extent that the Company's shares are trading at a discount to NAV, while fully aligning the Investment Manager's economics with shareholder outcomes.

Under the revised management terms agreed following the period end and subject to the finalisation of contractual documentation, from the 1 July 2026 the Investment Management Agreement may be terminated by either party giving the other party 24 months' written notice (or, at HICL's option, making a payment in lieu of such notice), reduced from 36 months under the prior agreement. 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.

# Corporate Governance Statement

## 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.

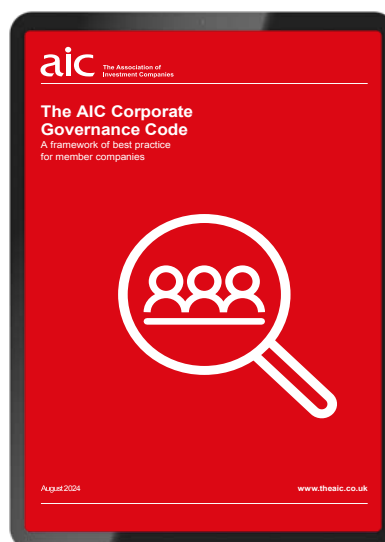
The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)).

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 2026, the Board comprised six 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, Frances Davies. Frances met the independence criteria of the AIC Code Provision 11 upon appointment and has continued to meet this condition throughout her term of service. Being non-executive Directors, none of the Directors have a service contract with the Company.



► **Download the AIC Framework online at: [www.theaic.co.uk](http://www.theaic.co.uk)**

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

The Articles of Incorporation provide that each of the Directors shall retire at each Annual General Meeting in accordance with Provision 23 of the AIC Code. All six Directors intend to retire and will offer themselves for re-election at the forthcoming Annual General Meeting in July 2026.

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 2026 is set out on page 82.

During the period to 31 March 2026, a further 13 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 86.

Papers are sent to Directors electronically, normally at least a week in advance of 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**

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

## Corporate Governance Statement continued

### 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 provides 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 2026, 50% (three) of the Board of Directors were women and 16% (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.

The HICL Board has met its diversity target. The Senior Independent Director is female, and the Chairs of the Audit, Risk and Remuneration Committees are also female.

HICL has no employees beyond its non-executive Board.

► **50%**  
of the Board  
are women

► **16%**  
are from an  
ethnic minority

### Gender identity and ethnic background reporting as at 31 March 2026

	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 <sup>1</sup>
<b>Gender identity</b>					
Men	3	50%	1	5	84%
Women	3	50%	1	1	16%
<b>Ethnic background</b>					
White British or other White (including minority-White groups)	5	84%	2	6	100%
Black / African / Caribbean / Black British	1	16%	0	0	0%
Other ethnic group	0	0%	0	0	0%

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

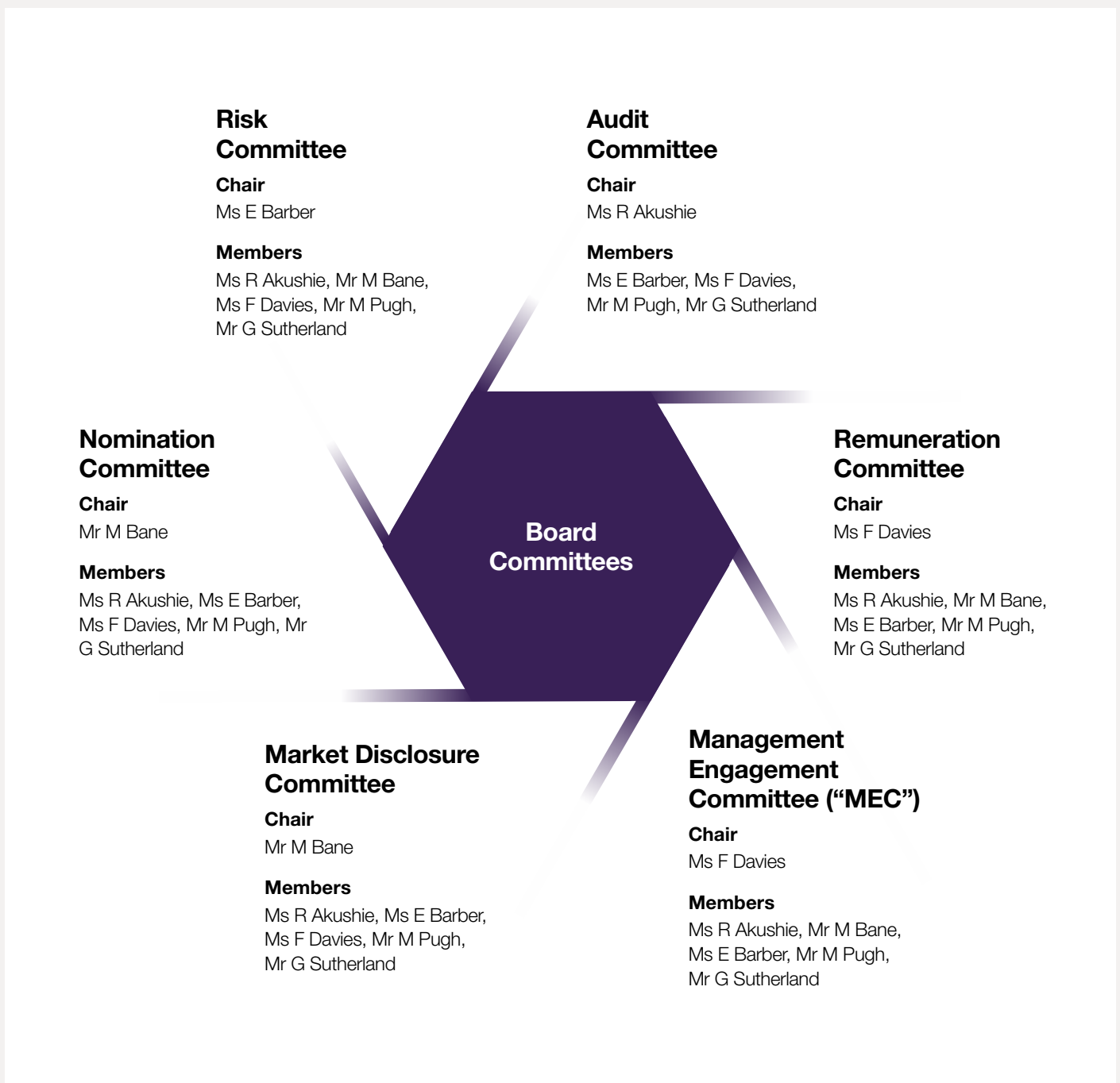
# Committees of the Board

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.



## Committees of the Board continued

### 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 95, 86 and 88, respectively, of this Annual Report.

The attendance of the Chair and members of each Committee as at 31 March 2026 was as follows:

#### Board attendance

	Formal Board meetings (14)	Audit Committee (9)	Management Engagement Committee (1)	Market Disclosure Committee (1)	Nomination Committee (2)	Remuneration Committee (2)	Risk Committee (4)
Mr M Bane*	14	8	1	1	2	2	4
Ms F Davies	14	9	1	1	2	2	4
Ms E Barber	13	9	1	1	2	2	4
Ms R Akushie	14	9	1	1	2	2	4
Mr M Pugh	14	8	1	1	2	2	4
Mr G Sutherland	7	3	1	1	1	1	2
Mr K Reid**	4	2	–	–	1	1	2
Mr S Holden**	4	3	–	–	1	1	2

\* Mr Bane attends Audit Committee meetings by invitation

\*\* Mr Reid and Mr S Holden, who both resigned as directors during the year, attended meetings during their respective periods of appointment

## Conflict of interest

As at 31 March 2026, the Board comprised six 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](http://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, including consideration of the AIC UK Corporate Governance Code Provision 34, please see the Audit Committee Report starting on page 88.

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 their 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) and Frances Davies (SID) 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.

## Committees of the Board continued

### Management Engagement Committee (“MEC”)

The MEC is responsible for reviewing the performance and continuing appointment of HICL’s principal service providers, including the Investment Manager. The Committee’s terms of reference are approved by the Board and are available on HICL’s website.

The Committee met in February 2026 to undertake its annual review of the Company’s principal service providers. This included consideration of the quality, effectiveness and value of the services provided to HICL, together with the relevant providers’ capabilities, resourcing, systems and controls, and the quality of engagement with the Board and other stakeholders. In light of the additional work undertaken during the year in connection with the proposed combination with TRIG, which was ultimately not pursued, the Committee’s review of the Company’s service providers was more detailed than usual.

Having completed its review of the Company’s other principal service providers, the Committee was satisfied that they continued to perform their roles effectively and that the current arrangements remained appropriate. No material issues or weaknesses were identified.

The Committee also undertook its annual review of the Investment Manager, examining the quality and depth of investment management, asset management and shareholder engagement services provided to the Company under the Investment

Management Agreement. As part of this review, and being cognisant of the broader strategic options considered in the year, the Committee undertook a thorough assessment of HICL’s management arrangements, including alternative management models such as internalisation and partial internalisation.

This substantial exercise was undertaken by a board-appointed independent third-party expert, and included detailed consideration of alternative operating models, implementation approaches, regulatory, organisational and personnel-related considerations, and costs associated with a range of delivery structures.

In conducting this assessment, the Committee considered not only the potential merits of different models, but also the practical implications for the Company, including execution risk, continuity of management and asset stewardship, retention of capabilities and, importantly, the ability to support the long-term delivery of HICL’s strategy. Having considered the available options in depth, the Committee concluded that the current management arrangements, particularly as enhanced by the agreed change to the fee basis and notice period, remains the model best suited to delivering HICL’s strategy and supporting its long-term success. The Committee further concluded that the Investment Manager continues to perform its role highly effectively and professionally. This view has been endorsed by shareholder consultation and the Committee has therefore concluded that the existing arrangements, enhanced by the changes in the fee basis and terms, are in the best interests of the Company and its shareholders.

### 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 2026.

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 99), which the Nomination Committee takes regard of in all decision-making. The Nomination Committee had two meetings in the year to 31 March 2026.

**The full Terms of Reference for the Nomination Committee are available from HICL's website.**

### Chair succession

As part of its responsibility for orderly succession planning, the Committee is overseeing the appointment of the Company's next Chair. The Committee has initiated the formal search to identify a suitable successor, having appointed specialist search consultants in April to support this process. The process is being led by the Senior Independent Director, Frances Davies, on behalf of the Committee.

The Committee is focused on ensuring that the appointment process is rigorous, orderly and aligned with the long-term needs of the Company. In considering potential candidates, the Committee will have regard to their leadership qualities and experience, and the personal attributes required to chair the Board effectively, along with their ability to support the continued delivery of the Company's strategy and maintain the highest standards of corporate governance.

The incoming chair will join the Board as a director. The Committee expects to complete the appointment in sufficient time to enable the incoming Chair to undertake a comprehensive induction and develop a thorough understanding of the Company, its governance framework and its key stakeholder relationships before assuming the Chair role.

### 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 in the year ending 31 March 2025, which was undertaken by Lintstock Ltd.

### Director skills matrix

Last 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 this review were refreshed by the Nomination Committee in February 2026 to account for changes to Board composition.

The table below displays the concentration of skills among 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 and Expertise								
	Investment Company	UK PLC Executive	Non-Executive	Investor Engagement	Strategy	Transactions	Audit / Finance	Infrastructure	Sustainability
Mr M Bane	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
Ms R Akushie	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
Ms L Barber	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
Ms F Davies	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
Mr M Pugh	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
Mr G Sutherland	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise

■ Expertise

■ Experience

# Risk Committee Report

The following pages set out the Risk Committee’s Report on its activities for the year ended 31 March 2026. The Risk Committee operates within clearly defined Terms of Reference, which are available on the Company’s website. The Risk Committee comprises all Directors and meets four times a year, coinciding with the quarterly Board meetings, and is available to convene 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

26 May 2026

**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 that 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;
- ▶ approaches to various risk categories;
- ▶ risk limits and tolerances, and risk management;
- ▶ ongoing regulatory compliance;
- ▶ the Group’s risk profile, challenging the assessment and measurement of key risks, while 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. Given the persistent macroeconomic volatility experienced during the year, the Risk Committee and the Investment Manager have continued to operate enhanced oversight of capital allocation decisions under the more rigorous framework introduced in 2024. Under this framework, all proposed investments and disposals are subject to Board review, with specific Board approval required for transactions undertaken while HICL's shares trade below Net Asset Value. This approach has informed the level of scrutiny applied to investment, disposal and broader capital allocation decisions during the period.

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), an assessment of 'black swan' risks (which are 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<sup>1</sup> 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 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 operating in compliance with its stated risk appetite. Following the Board's decision not to proceed with the proposed merger with TRIG, the Committee noted that the Company was operating closer to the boundary of its risk appetite, reflecting increased market sensitivity to strategic direction and capital allocation decisions. In this context, the Risk Committee worked closely with the Board and Management Engagement Committee to develop the Company's approach to governance and capital allocation.

## 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 was presented to the Risk Committee at each of its meetings throughout the year. The Investment Manager continued to refine the scenarios within each Primary Risk Class to reflect the Company's evolving portfolio and operating environment. Against a backdrop of extreme weather events across several HICL asset geographies during the year, InfraRed's specialist sustainability team introduced a new stress scenario to better inform the Risk Committee's assessment of the Group's exposure to physical climate risks and to provide deeper insight into the resilience measures in place across the portfolio. Other previously presented stress scenarios were also updated as appropriate to reflect developments in the period, including those relating to the business plans of HICL's growth assets.

### Black swan risks

The Committee oversaw a targeted review of the Company's approach to 'black swan' events during the year. This work focused on deepening the Board's understanding of the protections in place across the portfolio, including insurance coverage adequacy and the robustness of key controls, predominantly in the context of heightened risks of malicious interference with critical infrastructure across Europe. The Committee noted that HICL was not impacted by any such events in the period. Overall, this review formed part of the Committee's continued focus on ensuring that tail risks are appropriately identified and mitigated.

### Lifecycle delivery and PPP handback risks

During the year, the Committee increased its focus on lifecycle delivery risk across the portfolio. Informed by enhanced reporting by the Investment Manager, the Committee reviewed asset condition, lifecycle spending and delivery performance in greater depth, which in turn informed its assessment that the lifecycle-related discount rate premia and cash flow provisions applied to the valuation in September 2024 remained appropriate. The Committee's enhanced focus on this area also informed HICL's disciplined approach to asset recycling, with the c.£225m sale of PPP projects during the year materially reducing exposure to assets with lifecycle delivery obligations and higher risk sectors.

The Committee also considered risks associated with PPP handback, including enhanced condition assurance and early engagement with public sector counterparties. The expiry of three concessions during the period marked the start of a broader programme of handbacks expected over the coming years and provided evidence supporting the effectiveness of HICL's preparations.

<sup>1</sup> Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1985

# Audit Committee Report

I am pleased to present the Audit Committee's Report for the year ended 31 March 2026. 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 82. Other regular attendees at these meetings included: the Company Chair, members of the Investment Manager including the CFO, the external Auditor, Deloitte LLP ("Deloitte"), 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.

This is the first year with Deloitte as the new external Auditors of the Company, having successfully tendered for the audit in the prior year. We have reviewed the independence, objectivity and effectiveness of Deloitte and recommended to the Board that Deloitte be appointed as external Auditor of the Company in respect of the coming financial year.

I met with the CFO in advance of Committee meetings, to discuss his reports as well as any relevant issues. I also met privately with Deloitte as part of my ongoing review of their effectiveness and, 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

26 May 2026

## 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 advisors as appropriate. In particular, the Board is satisfied that Rita Akushie, Liz Barber, and Mike Bane, attending by invitation of the Committee, 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 Deloitte 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 2026 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 2026

### Financial reporting

- ▶ Annual and interim reports
- ▶ Material accounting judgements and estimates
- ▶ Application of Alternative Performance Measures (“APMs”), including proposed disclosure changes
- ▶ The Annual Report to ensure that it is fair, balanced and understandable
- ▶ The proposal to extend the RCF

### External audit

- ▶ Confirmation of Deloitte as new external Auditors
- ▶ Confirmation of the external Auditor’s independence
- ▶ External Auditor performance and effectiveness
- ▶ Policy and approval for non-audit fees
- ▶ FY26 audit plan, including significant audit risks
- ▶ Audit results report, including the results from audit procedures performed to address significant audit risks

### 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
- ▶ Updates on changes to the FRC UK Corporate Governance Code, in particular around minimum standards for audit committees, and the risk management and internal control framework and annual accounts disclosure requirements (refer to the Compliance with Corporate Governance Code section for details)

### 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

On 1 January 2026, Provision 29 of the UK Corporate Governance Code came into force, introducing new requirements on the Board relating to the effectiveness of the Company’s risk management and internal control framework. The Company is subject to the AIC Corporate Governance Code, which incorporated the requirements of the UK Corporate Governance Code as Provision 34 of the AIC Code. This provision is effective from accounting periods beginning on or after 1 January 2026 and the Board must report:

- ▶ a description of how the Board has monitored and reviewed the effectiveness of the framework;

- ▶ a declaration of the effectiveness of the material controls as at the balance sheet date; and
- ▶ a description of any material controls, which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues.

The Audit Committee has assumed responsibility for observing the new requirements. The Company has consulted with the external Auditor and has formed a working group to respond to the new requirements comprising the Audit Committee Chair, the Risk Committee Chair and members of the Investment Manager, including the CFO.

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, including from the external Auditor, on accounting developments around accounting standards and legislation, application of accounting standards, material accounting judgements and observations on systems and controls;
- ▶ approval of the Company’s budget in February 2026 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;
- ▶ 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 2026; 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 61. 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 following table, alongside the actions taken by the Committee (with appropriate challenge from the external Auditor) to address them.

## Audit Committee Report continued

**Significant issue considered**

**Valuation of investments**

The total carrying value of ‘Investments at fair value through profit or loss’ at 31 March 2026 was £3,037.0m (31 March 2025: £3,031.5m). See Note 12 to the financial statements.

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 ILLP, being the Limited Partner of ILLP. The NAV of ILLP in turn is based on the fair value of the underlying investments in its portfolio of infrastructure assets.

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 45 of this report.

**Valuation of investments – discount rates**

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.

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 45 of this report.

**Audit Committee actions and conclusions**

The Audit Committee met 9 times throughout the year to discuss the valuation process and methodology with the Investment Manager as part of the FY26 Interim and Annual Report processes.

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.

The Audit Committee also considered the significant disposal activity during the year, at or above the most recently published NAV, to further support the valuation.

The Audit Committee formally met with Deloitte 3 times during the year. In July 2025, the Audit Committee reviewed and agreed Deloitte’s initial audit plan, while in February 2026 the Audit Committee discussed the audit approach with a final update and findings on the audit provided by Deloitte in May 2026.

Deloitte explained the results of their audit and confirmed that the results of Deloitte’s audit testing were satisfactory.

The Audit Committee challenged the Investment Manager on its material judgements and compared this to feedback from the third-party valuation expert, which supported the discount rates used.

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.

The Investment Manager presented analysis of the risk-free rate movement and implied risk premium when determining discount rates. The Investment Manager also presented information from comparative external companies to further support the discount rates used.

The Audit Committee was satisfied that the range of discount rates was appropriate for the valuation carried out by the Investment Manager.

The external Auditor challenged and assessed the reasonableness of discount rates and macroeconomic assumptions applied in the valuation, by benchmarking these to independent market data, including recent market transactions and comparator companies, using their valuation expertise in valuing similar investments, and with reference to the Company disposal activity during the year.

**Significant issue considered****Valuation of investments – key forecast assumptions**

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 45 of this report.

**Audit Committee actions and conclusions**

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, including the ongoing situation in the Middle East, on these key economic assumptions as well as on the investments' underlying cash flows, in particular for those with demand risk.

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.

Inflation during the year was higher than HICL's assumptions, which resulted in an upside. 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 FY27 and FY28. The third-party valuation expert confirmed that the inflation assumptions were within their acceptable range.

The Investment Manager provided sensitivities showing the impact of changing these assumptions, which have been considered by the Audit Committee and the external Auditor.

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.

**Going concern and Viability Statement**

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.

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.

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.

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")**

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.

The Investment Manager presented the Audit Committee with proposed changes to the APMs to be disclosed in the Annual Report, as part of ongoing improvements to the quality of annual reporting. The APMs, including changes from prior year, 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 38 details the assessment and calculation of APMs.

## Audit Committee Report continued

**Significant issue considered**

**Fair, balanced and understandable**

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.

As noted, 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.

**Audit Committee actions and conclusions**

The Audit Committee reviewed the March 2026 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.

The Audit Committee received a draft version of the March 2026 Annual Report for their review and comment, as well as a specific paper from the Investment Manager to aid their assessment of the March 2026 Annual Report being fair, balanced and understandable.

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.

The key areas highlighted to the Audit Committee as part of the fair, balanced and understandable review are:

- ▶ 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.
- ▶ Balanced: A strong underlying performance, with particular outperformance of the growth assets, but where there was some modest performance challenges with the PPP portfolio, notably Lewisham Hospital. Also highlighted was the strength of the Company's financial position, through accretive portfolio rotation, disciplined capital allocation management, and through a portfolio construction that supports robust cash generation.
- ▶ Understandable: Disclosure around the IFRS basis in relation to APMs was improved, to ensure equal prominence provided to that of the Investment Basis, and resulting in increased disclosure around the operating expense ratio, which was disclosed as the ongoing charges ratio in previous annual reports.

## 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 Risk Committee 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 52 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. 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 20 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 current financial year.

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 Deloitte'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 Deloitte'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:

	31 March 2026 £m <sup>1</sup>	31 March 2025 £m
<b>Audit services</b>		
Audit of the Company and intermediate holding entities	0.5	0.5
Audit of HICL's project subsidiaries and other audit-related services	0.5	0.5
	1.0	1.0
<b>Other services</b>		
Audit-related assurance services	0.2	0.1
Other non audit-related assurance services	0.4	–
	0.6	0.1
<b>Total</b>	<b>1.6</b>	<b>1.1</b>

1 Exclusive of VAT

Deloitte LLP was the statutory auditor in respect of the 31 March 2026 audit and KPMG LLP was the statutory auditor for the 31 March 2025 audit.

£0.2m of audit related services arose in respect of the half-year review and the US GAAS audit.

Of the other non-audit fees arising in respect of the year ended March 2026 of £0.4m they represent the following matters: £0.02m were other assurance services, £0.35m were reporting accountant and other fees associated with the aborted TRIG transaction, and £0.05m were non-statutory audit services at an overseas subsidiary.

The Audit Committee considers Deloitte 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. Deloitte confirmed their compliance with their standard independence and objectivity procedures to the Audit Committee.

## Audit Committee Report continued

### **Assessment of independence and effectiveness**

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

- ▶ changes in the external Auditor and 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; and
- ▶ the extent of non-audit services provided by the external Auditor and its member network firms.

To assess the effectiveness of the external audit, 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.

Notwithstanding this being the external Auditor's first year of audit engagement, the Audit Committee is satisfied with Deloitte's effectiveness and independence as auditor to date, 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 2026 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 Directors' fees are maintained at the same level as the prior year for all Board roles.

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

**Frances Davies**

Remuneration Committee Chair

26 May 2026



## 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. The Committee has not recommended the payment of any additional fees in relation to activities undertaken by Directors during the financial year.

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 six 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 95) and with Principles P, Q and R of the 2024 AIC Code.

## Directors' Remuneration Report continued

### 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<sup>1</sup> for the 20-year period from inception until 31 March 2026 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 6.1% p.a. compared with the FTSE All Share index return of 6.7% p.a., the FTSE 250 return of 6.8% p.a. and the S&P Global Infrastructure index, which returned 9.0% 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 2026.

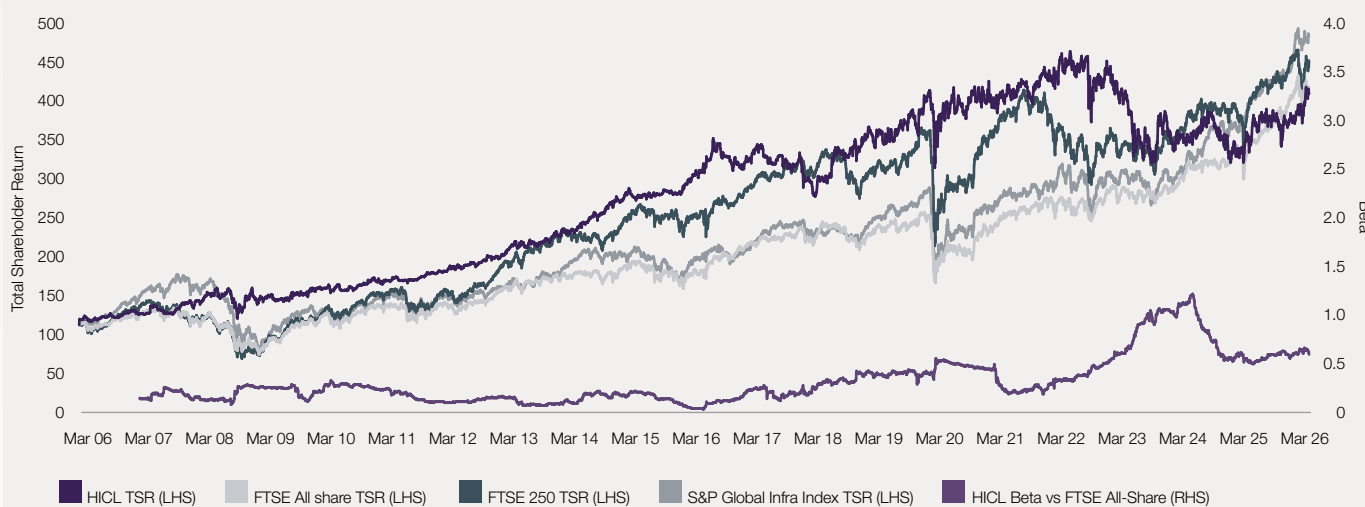
### Review of remuneration

The Remuneration Committee performed a review of Board remuneration in the year ended 31 March 2026. The review noted that CPI inflation in the year to 31 March 2025 was 3.3% but the Committee elected to maintain Directors' fees at the same level as the prior year for all Board roles.

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 proposed remuneration, analysed by role, for the year ending 31 March 2027 is set out in the following table, together with comparatives:

Actual expenditure	31 March 2026	31 March 2025
<b>Aggregate Directors' remuneration</b>	<b>£567,493</b>	£571,500
Aggregate dividends paid to shareholders	<b>£160,880,644</b>	£166,129,752
Aggregate cost of Ordinary Shares repurchased	<b>£102,418,700</b>	£61,697,073



<sup>1</sup> Including its predecessor, HICL Infrastructure Company Limited, from inception in March 2006 until March 2019

Role <sup>1</sup>	Total fees proposed (Year ended 31 March 2027)	Fees approved (Year ended 31 March 2026) <sup>2</sup>
Chair	£122,000	£122,000
Senior Independent Director	£86,000	£86,000
Audit Committee Chair	£86,000	£86,000
Risk Committee Chair	£84,000	£84,000
Director	£69,500	£69,500
Luxembourg representative	£9,000	£9,000
<b>Total<sup>3</sup></b>	<b>£580,500</b>	<b>£580,500</b>

1 The fees approved / proposed relate to the roles performed and not to individuals per se

2 Approved at the AGM on 23 July 2025

3 The total proposed fee presented is based on the full-year remuneration for six Directors (31 March 2025: six 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 22 July 2026.

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 23 July 2025.

## Directors' remuneration – audited

Total remuneration paid / due in year	Year ended 31 March 2026	Year ended 31 March 2025
M Bane*	<b>£131,000</b>	£128,000
K Reid**	<b>£36,148</b>	£84,000
R Akushie	<b>£86,000</b>	£84,000
L Barber	<b>£84,000</b>	£68,910
F Davies	<b>£79,126</b>	£67,500
S Holden**	<b>£21,766</b>	£80,590
M Pugh	<b>£69,500</b>	£67,500
G Sutherland	<b>£59,953</b>	–
<b>Total</b>	<b>£567,493</b>	£580,500

Figures rounded to nearest £

\* The Chair was the highest paid Director, includes £9,000 in respect of Luxembourg subsidiary

\*\* K Reid and S Holden were not appointed for the full year

## Directors' Remuneration Report continued

**Statement of Directors' shareholdings – audited**

The Directors of the Company on 31 March 2026, and their interests in the shares of the Company, are shown in the table below:

Number of Ordinary Shares	Year ended 31 March 2026	Year ended 31 March 2025
M Bane	<b>160,102</b>	160,102
R Akushie	<b>34,518</b>	34,518
L Barber	<b>29,662</b>	29,662
F Davies	<b>25,000</b>	25,000
M Pugh	<b>22,000</b>	22,000
G Sutherland	<b>89,617</b>	22,000
<b>Total</b>	<b>360,899</b>	293,282

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 23 July 2025, the resolutions relating to the Directors' Remuneration Report for the year ended 31 March 2025 and the Director's Remuneration were approved.

The percentage of votes cast was 64%. The results of the votes on resolutions relating to remuneration are summarised in the table below:

Resolution	In favour		Discretion		Against		Withheld	
	Votes	%	Votes	%	Votes	%	Votes	%
9 Remuneration Report	1,248,355,067	99.80	54,720	0.01	1,934,552	0.15	546,905	0.04
10 Remuneration Policy	1,066,992,868	85.30	54,720	0.01	1,922,582	0.15	181,921,074	14.55

# 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 2026. 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 38 and are set out in detail in the financial statements.

## Distributions and share capital

HICL declared four quarterly interim distributions, totalling 8.35p per share, for the year ended 31 March 2026 as follows:

Amount	Declared	Record date	Paid / to be paid
2.08p	23/07/2025	01/08/2025	30/09/2025
2.09p	18/11/2025	28/11/2025	31/12/2025
2.09p	24/02/2026	06/03/2026	31/03/2026

The fourth quarterly interim distribution, of 2.09p per share, for the year ended 31 March 2026 was declared by HICL on 20 May 2026, and is due to be paid by 30 June 2026.

HICL has one class of share capital, Ordinary Shares, of which there were 1,892,602,480 in issue with voting rights on 1 April 2026 and 138,885,581 shares held in Treasury. Shareholders may reinvest their dividends via a Dividend Reinvestment Plan ("DRIP"), the details of which can be obtained by emailing DRIP.Enquiries@cm.mpms.mufg.com

## Dividend history

Interim dividend	Year ended 31 March 2026	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
3-month period ending 30 June	<b>2.08</b>	2.06	2.06	2.06	2.06	2.06
3-month period ending 30 September	<b>2.09</b>	2.06	2.06	2.06	2.06	2.06
3-month period ending 31 December	<b>2.09</b>	2.06	2.06	2.06	2.06	2.06
3-month period ending 31 March	<b>2.09</b>	2.07	2.07	2.07	2.07	2.07
<b>Paid / declared</b>	<b>8.35p</b>	8.25p	8.25p	8.25p	8.25p	8.25p

## Directors

The Directors who held office during the year to 31 March 2026 were:

Director	Role(s)	Years of service*
Mr M Bane*	Chair of the Board, Nomination and Market Disclosure Committees	7 years 8 months
Ms R Akushie	Chair of the Audit Committee	6 years 3 months
Ms F Davies	Senior Independent Director,** Chair of the Remuneration Committee	7 years 0 months
Ms E Barber	Chair of the Risk Committee	3 years 7 months
Mr M Pugh		3 years 7 months
Mr G Sutherland***		0 years 9 months
Mr K Reid****		9 years 0 months
Mr S Holden****		9 years 7 months

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

\*\* From September 2025

\*\*\* From July 2025

\*\*\*\* Mr K Reid and Mr S Holden retired from the Board during the year to 31 March 2026

## Report of the Directors continued

### Corporate governance

The Corporate Governance Statement on page 78 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 22 July 2026.

### 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 77.

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 78.

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 18;
- ▶ 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 86; 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 December 2025 (being the year end of the InfraRed Group) was £39,298,717.

This was divided into fixed remuneration of £22,867,896 attributable to 157 beneficiaries and variable remuneration of £16,430,821 attributable to 152 beneficiaries. The aggregate total remuneration paid by the Group which contains InfraRed to AIFMD Code Staff in the year was £9,904,171 and the number of senior management and risk takers was 20.

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 2026. InfraRed is also the Operator of ILLP, the Corporate Subsidiary through which HICL holds its investments. The total Operator fees were £26.8m, of which £6.3m remained payable at 31 March 2026.

### Brokers, Administrator and Company Secretary

HICL’s joint corporate brokers at 31 March 2026 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

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of Deloitte as auditor of HICL is to be proposed at the forthcoming Annual General Meeting.

## Substantial interests in share capital

As at 31 March 2026, 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):

Investment Basis £m	Number of shares held	Percentage held
Rathbones Investment Management	202,511,741	10.66%
RBC Brewin Dolphin	122,951,505	6.47%
Cazenove Capital Management	90,386,774	4.76%
Hargreaves Lansdown	79,948,001	4.21%
Trinity Bridge	77,601,247	4.09%
M&G Investments	70,092,454	3.69%
Interactive Investor (EO)	66,510,758	3.50%

There have not been any material changes in major shareholdings since the 31 March 2026.

## 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 70 – Metrics and targets.

## Political contributions

HICL made no political donations during the year (2025: 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 12. The financial position of the Group, its cash flow and liquidity position are described in the Investment Manager's Report on page 18 and the Financial Review on page 38. 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 38 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.

More details on the going concern of the Company are included in Note 2: Material accounting policies.

## Share repurchases

The Company bought back 86,318,766 shares over the year representing 4.4% of the total outstanding at 31 March 2025. The number of shares outstanding at 31 March 2026 is 1,893,352,480. The latest authority to purchase shares for cancellation was granted to the Directors on 23 July 2025.

## 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.

As at 25 May 2025 there are 158,245,581 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.

On behalf of the Board of Directors of HICL

**Mike Bane**

26 May 2026

Registered Office:

Forum 4, Solent Business Park, Parkway South,  
Whiteley, Fareham PO15 7AD

# 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 are required 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.

On behalf of the Board of Directors of HICL

**Mike Bane**

26 May 2026

Registered Office:

Forum 4, Solent Business Park, Parkway South,  
Whiteley, Fareham PO15 7AD

# Financials

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# Independent Auditor’s Report

To the members of HICL Infrastructure Plc

## Report on the audit of the financial statements

### 1. Opinion

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 2026 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- ▶ the income statement;
- ▶ the statement of financial position;
- ▶ the statement of changes in shareholders’ equity;
- ▶ the cash flow statement; and
- ▶ the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (‘ISAs (UK)’) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

<b>Key audit matter</b>	The key audit matter that we identified in the current year was the fair value of the investment portfolio.
<b>Materiality</b>	The materiality that we used in the current year was £30.0 million which was determined on the basis of 1% of the net asset value (“NAV”).
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team and covered all the Company’s operations and investments.

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- ▶ evaluating the going concern assessment prepared by the Investment Manager and reviewed by the Board;
- ▶ assessing the ability of the Company’s investments to generate cash income for the Company and the robustness of those cash flows to key risks;
- ▶ assessing the model used to prepare the forecasts, testing the mathematical accuracy of those forecasts and evaluating the historical accuracy of the forecasts prepared by the Investment Manager;

- ▶ confirming consistency of the going concern cash flow forecast with the fair value of investment cash flow forecasts;
- ▶ assessing the financial position of the Company, including the cash balance, liabilities, and reviewing the refinanced Revolving Credit Facility (RCF) agreement, held via one of the Company's subsidiaries, with a maturity date which is beyond the going concern assessment period;
- ▶ assessing the Directors' liquidity and covenant compliance forecast for the next twelve months from the date of approving these financial statements, including the ability of the Company to meet its obligations under the Investment Management Agreement;
- ▶ assessing the Directors' sensitivity analysis, including the consideration of severe but plausible scenarios; and
- ▶ evaluating the appropriateness of the going concern disclosures included in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance ("Code"), we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 5. Key audit matter

The key audit matter communicated below is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year and included the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This matter had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### 5.1. Fair value of the investment portfolio

**Key audit matter description** At 31 March 2026, the Company held investments totalling £3,037 million (2025: £3,031 million) in unquoted companies. The investments are measured at fair value through profit and loss and are classified as Level 3 within the IFRS 13 *Fair Value Measurement* fair value hierarchy, and their valuation requires significant judgement and estimation.

Given the absence of a liquid market, investments are generally measured using a discounted cash flow ("DCF") methodology (except where a market quote is available). The inherent complexity of the DCF methodology, combined with the number of significant judgements and estimates, means there is a risk that the fair value of the investments could be misstated. Therefore, we determined this to be a key audit matter. The fair value is highly sensitive to certain assumptions used in its determination, requires a significant level of judgement, and could be susceptible to bias or manipulation, accordingly we consider there to be a potential fraud risk.

The key assumptions and estimates used in the determination of the fair value of investments have been summarised as:

- ▶ discount rates – the determination of the appropriate discount rate that is reflective of current market conditions and the specific risks of each investment, including regional reference rates. The level of judgement required in respect of this is heightened by recent market volatility;
- ▶ macroeconomic assumptions, specifically long-term inflation rates; and
- ▶ forecast future cash flows – specific investments contain certain assumptions in the cash flow forecasts that are particularly complex and judgemental.

This is also discussed on page 90 in the Audit Committee report and disclosed in the significant accounting policies as a key source of estimation uncertainty on page 118, and in the portfolio valuation methodology on page 45.

## Independent Auditor's Report continued

To the members of HICL Infrastructure Plc

<b>How the scope of our audit responded to the key audit matter</b>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▶ obtaining an understanding and testing the relevant controls in respect of the valuation process adopted by the Investment Manager and Board, including the incorporation of updates to the valuation models used at 31 March 2026;</li> <li>▶ making inquiries with the Investment Manager's Head of Core Infrastructure Funds, Chief Financial Officer and other partners and personnel to understand the underlying performance of the businesses being valued and how the year-end valuation has been prepared, including key valuation assumptions;</li> <li>▶ disaggregating investments based upon risk, profiles, obtaining an understanding and explanations for movements in the forecast and where applicable, use of third-party evidence to assess key assumptions, with detailed model review procedures on higher risk investments and performing analysis of significant movements on lower risk investments;</li> <li>▶ for investments with certain risk characteristics and regional reference rates, with involvement of our valuation specialists benchmarking the discount rates applied in the valuations. This benchmarking involved comparing the rates to relevant peers and transactions and considering the inherent risk profile of the underlying cash flows for certain investments;</li> <li>▶ evaluating the share purchase agreements for asset divestments during the year in order to determine the impact on the valuation;</li> <li>▶ assessing if the valuation methodology applied by the Company is consistent with the requirements of IFRS 13 Fair Value Measurement;</li> <li>▶ evaluating the inflation rate assumptions included in the forecasts with reference to observable market data and external forecasts;</li> <li>▶ assessing the appropriate application of the assumptions into the valuation model;</li> <li>▶ comparing historical data included in the valuation to audited financial statements to check that forecasts are based on actual results;</li> <li>▶ performing a stand back assessment of whether any adjustment to the fair value of investment was required. This assessment took into consideration the Company's market capitalisation, an analysis of its share price discount to net asset value of peer companies, and the aborted proposed merger with The Renewables Infrastructure Group Limited ("TRIG");</li> <li>▶ involving our tax specialists in assessing the tax treatment of portfolio level reliefs; and</li> <li>▶ evaluating the adequacy of the disclosures made in the financial statements including the sensitivities applied to the valuation.</li> </ul>
<b>Key observations</b>	<p>Based on the audit procedures performed we concluded that the fair value of investments is appropriate.</p>

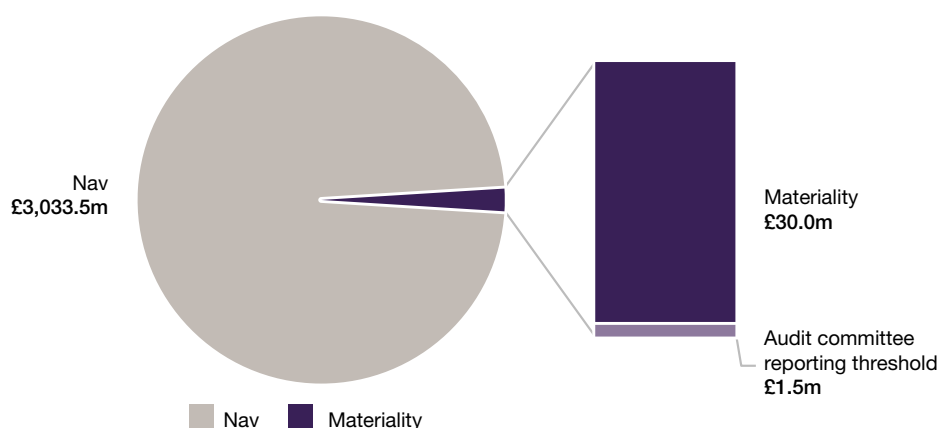
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	£30.0 million (2025: £31.5 million (as used by the previous auditor))
<b>Basis for determining materiality</b>	1% of NAV The previous auditor used 1% of total assets
<b>Rationale for the benchmark applied</b>	We consider NAV to be the key financial statement benchmark used by shareholders of the Company and other users of the financial statements in assessing financial performance.



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 70% of materiality for the 2026 audit (2025: 75% as used by previous auditor). In determining performance materiality, we considered the following factors:

- the quality of the control environment at the Company and Investment Manager;
- this being our first year audit;
- the continuity and competence of the finance team;
- prior period adjustments identified by the predecessor auditor

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.5 million (2025: £1.6 million as used by previous auditor), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

# Independent Auditor's Report continued

To the members of HICL Infrastructure Plc

## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the Company is an investment entity under International Financial Reporting Standard ("IFRS") 10, its subsidiaries are measured at fair value rather than consolidated on a line-by-line basis. Therefore, the Company has been treated as having only one component and all of the audit work was performed directly by the audit engagement team.

### 7.2. Our consideration of the control environment

We have obtained an understanding of the control environment and relevant controls over the financial reporting process, including journal entries and the valuation of investments. We have tested relevant controls over the valuation of investments operating at the Investment Manager as a key service provider to the Company.

We have not taken a control reliance approach in our audit plan.

### 7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Company and its financial statements. The primary area where climate risks could impact the financial statements is in respect of the fair value of investments as the investment portfolio companies face a range of climate change related risks and opportunities.

The Company has considered the impact of climate change when preparing the investment valuations. Our procedures have included assessing the Company's consideration of the impact of climate change in respect of their investments as highlighted in section 5.1 above.

We have also engaged our Environment, Social and Governance ("ESG") specialist to evaluate the appropriateness of the climate related disclosures included in the significant accounting policies in note 2 and have read the Climate-related financial disclosures ("TCFD") on page 64 of the Annual Report to consider whether other climate change disclosures are materially consistent with the financial statements and our knowledge obtained in the audit.

## 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- ▶ the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' and Investment Manager's remuneration, bonus levels and performance targets;
- ▶ results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- ▶ any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- ▶ the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations ;
- ▶ the matters discussed among the audit engagement team and relevant internal specialists, including valuations, ESG and tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the fair value of the investment portfolio.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Association of Investment Companies (AIC) Code of Corporate Governance, and the Alternative Investment Fund Managers Directive (AIFMD) as approved by the Financial Conduct Authority.

### 11.2. Audit response to risks identified

As a result of performing the above, we identified fair value of investment portfolio as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- ▶ reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- ▶ enquiring of management, Directors and the Audit Committee concerning actual and potential litigation and claims;
- ▶ performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- ▶ reading minutes of meetings of those charged with governance; and
- ▶ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# Independent Auditor's Report continued

To the members of HICL Infrastructure Plc

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- ▶ the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on page 101;
- ▶ the directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate as set out on page 61;
- ▶ the directors' statement on fair, balanced and understandable as set out on page 102;
- ▶ the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 53;
- ▶ the section of the annual report that describes the review of effectiveness of risk management and internal control systems as set out on page 52; and
- ▶ the section describing the work of the Audit Committee as set out on page 89.

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 15. Other matters which we are required to address

#### 15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the shareholders on the 23 July 2025 at the Annual General Meeting to audit the financial statements for the year ending 31 March 2026 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year, being the year ended 31 March 2026.

#### 15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### Anthony Matthews FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

26 May 2026

# Income statement

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Investment income		172.0	131.0
Net gain/(loss) on revaluation of investment in Investment Entity Subsidiary		105.5	(81.0)
<b>Total investment income</b>	5	<b>277.5</b>	<b>50.0</b>
Company expenses	6	(10.9)	(4.1)
<b>Profit before tax</b>		<b>266.6</b>	<b>45.9</b>
Tax	8	–	–
<b>Profit for the year</b>	9	<b>266.6</b>	<b>45.9</b>
<b>Earnings per share – basic and diluted (pence)</b>	9	<b>13.8</b>	<b>2.3</b>

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 2026

	Note	31 March 2026 £m	31 March 2025 £m
<b>Non-current assets</b>			
Investment in Investment Entity Subsidiary	12,14	<b>3,037.0</b>	3,031.5
<b>Total non-current assets</b>		<b>3,037.0</b>	<b>3,031.5</b>
<b>Current assets</b>			
Trade and other receivables		<b>0.3</b>	0.3
Cash and cash equivalents		<b>0.9</b>	0.7
<b>Total current assets</b>		<b>1.2</b>	<b>1.0</b>
<b>Total assets</b>		<b>3,038.2</b>	<b>3,032.5</b>
<b>Current liabilities</b>			
Trade and other payables		<b>(4.7)</b>	(1.8)
<b>Total current liabilities</b>		<b>(4.7)</b>	<b>(1.8)</b>
<b>Total liabilities</b>		<b>(4.7)</b>	<b>(1.8)</b>
<b>Net assets</b>		<b>3,033.5</b>	<b>3,030.7</b>
<b>Equity</b>			
Share capital	16	<b>0.2</b>	0.2
Share premium	16	<b>1,213.3</b>	1,213.3
Revenue reserve		<b>1,810.5</b>	1,810.3
Capital reserve		<b>174.5</b>	69.0
Treasury shares reserve	16	<b>(165.0)</b>	(62.1)
<b>Total equity</b>	11	<b>3,033.5</b>	<b>3,030.7</b>
<b>Net assets attributable per Ordinary Share (pence)</b>	11	<b>160.2</b>	<b>153.1</b>

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 26 May 2026, and signed on its behalf by:

**Mike Bane**  
Director

**Rita Akushie**  
Director

# Statement of changes in shareholders' equity

For the year ended 31 March 2026

	Note	Share capital £m	Share premium £m	Revenue reserve <sup>1</sup> £m	Capital reserve <sup>1</sup> £m	Treasury shares reserve <sup>1</sup> £m	Total shareholders' equity £m
Shareholders' equity at 31 March 2025		0.2	1,213.3	1,810.3	69.0	(62.1)	3,030.7
<b>Profit for the year</b>		–	–	161.1	105.5	–	266.6
Shares repurchased		–	–	–	–	(102.9)	(102.9)
Dividends paid	10	–	–	(160.9)	–	–	(160.9)
<b>Shareholders' equity at 31 March 2026</b>		<b>0.2</b>	<b>1,213.3</b>	<b>1,810.5</b>	<b>174.5</b>	<b>(165.0)</b>	<b>3,033.5</b>

## For the year ended 31 March 2025

	Note	Share capital £m	Share premium £m	Revenue reserve <sup>1</sup> £m	Capital reserve <sup>1</sup> £m	Treasury shares reserve <sup>1</sup> £m	Total shareholders' equity £m
Shareholders' equity at 31 March 2024		0.2	1,213.3	1,902.8	96.7	–	3,213.0
<b>Profit/(loss) for the year</b>		–	–	73.6	(27.7)	–	45.9
Shares repurchased		–	–	–	–	(62.1)	(62.1)
Dividends paid	10	–	–	(166.1)	–	–	(166.1)
<b>Shareholders' equity at 31 March 2025</b>		<b>0.2</b>	<b>1,213.3</b>	<b>1,810.3</b>	<b>69.0</b>	<b>(62.1)</b>	<b>3,030.7</b>

<sup>1</sup> Revenue, Capital and Treasury shares reserves are described in accounting policies Note 2 Material accounting policies (equity and reserves)

The accompanying Notes are an integral part of these financial statements.

# Cash flow statement

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Cash flows from operating activities</b>			
Profit before tax	9	266.6	45.9
Adjustments for:			
Total investment income	5	(277.5)	(50.0)
<b>Operating cash flows before movements in working capital</b>		<b>(10.9)</b>	<b>(4.1)</b>
Changes in working capital:			
Increase in payables		0.9	–
<b>Cash flow from operations</b>		<b>(10.0)</b>	<b>(4.1)</b>
Investment income received		172.0	131.0
<b>Net cash flow from operating activities</b>		<b>162.0</b>	<b>126.9</b>
<b>Cash flow from investing activities</b>			
Repayment of investment in subsidiary	12	100.0	100.0
<b>Net cash from investing activities</b>		<b>100.0</b>	<b>100.0</b>
<b>Cash flows from financing activities</b>			
Treasury shares	16	(100.9)	(61.2)
Distributions paid to shareholders	10	(160.9)	(166.1)
<b>Net cash used in financing activities</b>		<b>(261.8)</b>	<b>(227.3)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0.2</b>	<b>(0.4)</b>
Cash and cash equivalents at the beginning of the period		0.7	1.1
<b>Cash and cash equivalents at the end of the period</b>		<b>0.9</b>	<b>0.7</b>

The accompanying Notes are an integral part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2026

## 1. Reporting entity

HICL Infrastructure PLC (the “Company” or “HICL”) is a public limited company incorporated, domiciled and registered in England and Wales in the United Kingdom. The financial statements as at, and for the year ended 31 March 2026, 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”) has a direct subsidiary, Infrastructure Investments LP (“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, Eurozone, North America and New Zealand. The Corporate Group and all subsidiaries in the Group portfolio are the “HICL Group”.

## 2. Material 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 as follows. 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 Investment Manager’s Report starting on page 18. The financial position of the Company, its cash flows, and liquidity position are described from page 38 in the Financial Review. 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 (i) areas of financial risk that could impact funding to the Company; (ii) the Corporate Group’s access to the RCF, via IILP, which in March 2026 was extended out to June 2028, and the LCF; (iii) liquidity considerations on the £150m private placement loan notes; and (iv) 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 for a period of 12 months:

- ▶ increasing tax rate assumptions by 5% for all assets;
- ▶ increasing lifecycle costs by 33%;
- ▶ inflation is 2% per annum lower than the Company’s base case in all future periods;
- ▶ 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 Group’s operational assets highlighting hypothetical operational challenges;
- ▶ combined scenario assuming:
- ▶ 15% reduction in distributions from operational assets; and
- ▶ 50% reduction in final distributions from assets whose concessions end within the viability period.

Judgement is applied in determining when the cash flows from underlying assets are assumed to be received when determining the cash flow forecast, based on the contractual nature or demand assumptions of each asset.

The Directors 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, along with the Company’s indirect access to funding facilities via IILP, support the liquidity of the Company. The Directors also considered the significant proceeds received by the HICL Group, from the disposal activity during the year. 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 a period of at least 12 months from the date of approving these financial statements (the “going concern period”). Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statement. More details on the going concern of the Company are included in Note 2: Material accounting policies

### New and revised standards

In the current year, the Company has applied the following amendment to IFRS Accounting Standards issued by the IASB, which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- ▶ Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability. The Company has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and have not yet been adopted by the Company:

- ▶ Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments (effective date 1 January 2026);
- ▶ Annual Improvements to IFRS Accounting Standards – Volume 11: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows;

## Notes to the financial statements continued

For the year ended 31 March 2026

**2. Material accounting policies continued**

- ▶ Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (effective date 1 January 2026);
- ▶ IFRS 18 Presentation and Disclosure in Financial Statements (effective date 1 January 2027); and
- ▶ IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date 1 January 2027).

The Directors do not expect that the adoption of the standards listed on the previous page will have a material impact on the financial statements of the Group in future periods, except if indicated below:

- ▶ IFRS 18 Presentation and Disclosure in Financial Statements (effective date of 1 January 2027). IFRS 18 introduces a new requirement to:
  - present specified categories and defined subtotals in the statement of profit or loss;
  - provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements; and
  - improve aggregation and disaggregation.

The Directors of the entity anticipate that the application of these amendments may have an impact on the Group’s financial statements in future periods, and work is in progress to determine the full impact in advance of implementation. IFRS 18 does not alter the measurement of financial performance, but impacts how results are presented and structured, aiming to reduce the inconsistency in reported figures.

**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.

**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. 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 subsidiaries of the Company or which are 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.

**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 the absence of, the most advantageous market to which the Company has access at that date.

The fair value of the Company’s investment in Luxco is based on the Net Asset Value of ILLP and the sundry assets and liabilities of Luxco. ILLP’s Net Asset Value is based on the fair value of the underlying investments in its portfolio of infrastructure assets, since ILLP manages these investments and makes purchase and sale decisions based on their fair value.

The fair value of ILLP’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 methods and assumptions used in estimating the fair values of the financial instruments is included in Note 3. ILLP has issued £150m private placement loan notes. These notes are held at amortised cost in ILLP standalone financial statements but held at fair value as part of the investment in Investment Entity Subsidiary in the Company’s financial statements.

**Investment income**

Investment income comprises interest income, dividend income and gains/(losses) on investments, which comprise the change in fair value of the Company’s investment in Luxco. Interest income is recognised in the income statement based on a calculation specified within the financing loan agreement with Luxco, but where the interest calculation is on an effective interest basis. 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 associated with the establishment of the Company or 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 strictly 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 and a Capital reserve respectively. The Directors have exercised their judgement in applying the SORP and a summary of these judgements is 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, and any direct costs, are applied to the Treasury shares reserve. Direct costs include stamp duty and broker costs.

### 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 IFRS 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 as follows.

### Key judgements

#### Investment entities

The Company has applied IFRS 10 Consolidated Financial Statements, IFRS 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, as well as having an exit strategy for investments; 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. For a significant portion of the portfolio, investment exits are expected to align with the remaining concession lives of the underlying assets. In addition, the Company may selectively exit investments earlier as part of its active portfolio rotation strategy;
- ▶ 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.

## Notes to the financial statements continued

For the year ended 31 March 2026

**3. Critical accounting judgements, estimates and assumptions** continued

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.

The Company indirectly holds significant stakes in the majority of its portfolio companies and must exercise judgement in the level of control of the underlying portfolio company that is obtained in order to assess whether the company should be classified as a subsidiary.

**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 holds the investment in ILLP, which in turn holds investments in infrastructure assets, which are held at fair value. The portfolio is well-diversified by sector, geography and underlying risk exposures. The underlying investments are all valued based on a discounted cash flow methodology with the exception of the A13 investment. Management exercise judgement in determining the appropriate assumptions that underpin these valuations.

**Key assumptions**

The Company's financials statements, and in particular the Company's investment in its Investment Entity Subsidiary, are subject to certain macroeconomic assumptions used as part of the portfolio valuation process. The following are the key assumptions applied:

The sensitivity of these key assumptions, on the Company's investment in its Investment Entity Subsidiary, to reasonably possible changes, is disclosed in Note 14 Financial Instruments.

**Discount rates**

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 rates**

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")**

At 31 March 2026, the portfolio had three assets sensitive to GDP, namely LSPH, RMG Roads and M1-A1 Road, down from four in 2025 with the sale of A63 during the year. 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 rates**

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**

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 such as 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.

**Corporation tax rates**

The profits of each portfolio company are subject to corporation tax in the country where the project is located.

**Foreign exchange rates**

The portfolio has exposure to foreign exchange rates.

## 4. Geographical analysis

The tables below analyse income and net assets based on the geographical location of the Company's underlying investments.

Investment income	UK	Eurozone	Rest of the World	Total
<b>31 March 2026</b>	<b>£111.6m</b>	<b>£145.4m</b>	<b>£20.5m</b>	<b>£277.5m</b>
31 March 2025	£58.2m	£4.2m	£(12.4)m	£50.0m

Investment in Investment Entity subsidiaries	UK	Eurozone	Rest of the World	Total
<b>31 March 2026</b>	<b>£1,964.5m</b>	<b>£630.4m</b>	<b>£442.1m</b>	<b>£3,037.0m</b>
31 March 2025	£2,041.7m	£588.7m	£401.1m	£3,031.5m

Investment income from assets in France represent more than 10% of total investment income, driven by the 21% gain on disposal of the A63 Motorway. Apart from UK, assets from all other individual countries were less than 10% of total investment income.

## 5. Total investment income

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Investment income received	172.0	131.0
Net gain/(loss) on revaluation of investment in Investment Entity Subsidiary	105.5	(81.0)
<b>Total</b>	<b>277.5</b>	<b>50.0</b>

## 6. Company expenses

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Fees to Auditor	0.8	0.6
Investment Manager fees (Note 18)	0.1	0.1
Directors' fees (Note 18)	0.6	0.6
Professional fees	9.4	2.8
<b>Total</b>	<b>10.9</b>	<b>4.1</b>

### Information regarding the Group's Auditor

During the year, the Group received the following services from its external Auditor, Deloitte LLP. The table below is prepared in accordance with Companies Act requirements, which is consistent with both IFRS and the Investment Basis.

	Year ended 31 March 2026 £m <sup>1</sup>	Year ended 31 March 2025 £m
<b>Audit services</b>		
Statutory audit		
Company	0.5	0.5
UK Subsidiaries	0.5	0.5
<b>Total audit services</b>	<b>1.0</b>	<b>1.0</b>
<b>Non-audit services</b>		
Other services	0.6	0.2
<b>Total audit and non-audit services</b>	<b>1.6</b>	<b>1.2</b>

Deloitte LLP was the statutory auditor in respect of the 31 March 2026 audit and KPMG LLP was the statutory auditor for the 31 March 2025 audit.

Of the non-audit fees arising in respect of the year ended March 2026 of £0.6m they represent the following matters: £0.18m were audit-related assurance services (reflecting the half-year review and US GAAS audit), £0.02m were other assurance services, £0.35m were reporting accountant and other fees associated with the aborted TRIG transaction, and £0.05m were non-statutory audit services at an overseas subsidiary.

1 Exclusive of VAT. Fees to Auditors per the Income Statement are inclusive of VAT

## Notes to the financial statements continued

For the year ended 31 March 2026

**7. Employees**

The Company had no employees during the year (31 March 2025: Nil).

**8. Income tax**

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Current taxes</b>		
Current year	–	–

The effective rate of corporation tax in the UK for a large company is 25% (2025: 25%). The tax charge in the year was lower than the standard and effective tax rate due to the differences explained below.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Profit before tax</b>		
Profit before tax multiplied by the UK corporation tax rate of 25% (2025: 25%)	<b>66.7</b>	11.5
Effect of:		
Non-deductible net (gain)/loss on revaluation of investment in Investment Entity Subsidiary	<b>(26.4)</b>	20.2
Non-taxable investment income received	<b>(43.0)</b>	(32.8)
Other	<b>2.7</b>	1.1
<b>Total</b>	<b>–</b>	<b>–</b>

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. The carried forward losses were £26.6m (31 March 2025: 15.7m) and the unrecognised deferred tax asset calculated using a tax rate of 25% was £6.6m (31 March 2025: £3.9m).

**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 2026	Year ended 31 March 2025
Profit attributable to equity holders of the Company	<b>£266.6m</b>	£45.9m
Weighted average number of Ordinary Shares in issue, excluding Treasury Shares <sup>1</sup>	<b>1,931.8m</b>	2,014.2m
<b>Total basic and diluted earnings per Ordinary Share</b>	<b>13.8p</b>	<b>2.3p</b>

<sup>1</sup> No new shares were issued in the year (31 March 2025: no new shares issued). In the year, HICL Plc bought back 86,318,766 shares for £102.9m, including all direct costs. These shares are being held as Treasury Shares. At 31 March 2026, the Company had 2,031,488,061 shares in issue, of which 138,135,581 were held as Treasury Shares (31 March 2025: 2,031,488,061)

## 10. Distributions to Company shareholders

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Total distributions paid to Company shareholders in the period:		
Quarterly dividend for 31 March 2025 of 2.07p (31 March 2024: 2.07p) per share	40.7	42.1
Quarterly dividend for 30 June 2025 of 2.08p (30 June 2024: 2.06p) per share	40.5	41.7
Quarterly dividend for 30 September 2025 of 2.09p (30 September 2024: 2.06p) per share	40.0	41.4
Quarterly dividend for 31 December 2025 of 2.09p (31 December 2024: 2.06p) per share	39.7	40.9
	<b>160.9</b>	166.1

### Amounts not recognised as distributions to equity holders during the year:

Quarterly dividend proposed for 31 March 2026 of 2.09p (31 March 2025: 2.07p) per share	39.2	40.9
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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 2026	31 March 2025
Shareholders' equity as at 31 March	£3,033.5m	£3,030.7m
Less: fourth interim dividend	£39.2m	£(40.9)m
	<b>£2,994.3m</b>	£2,989.8m
Number of Ordinary Shares as at 31 March	1,893.4m	1,979.7m
Net assets per Ordinary Share after deducting fourth interim dividend	158.1p	151.0p
Add fourth interim dividend	2.09p	2.07p
<b>Net assets per Ordinary Share at 31 March</b>	<b>160.2p</b>	<b>153.1p</b>

## 12. Investment in Investment Entity Subsidiary

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Total amount of the investment in Luxembourg Corporate Subsidiary</b>		
Opening balance	3,031.5	3,212.5
Gain/(loss) on revaluation of investment (Note 5)	105.5	(81.0)
Decrease to investment in the year <sup>1</sup>	(100.0)	(100.0)
<b>Carrying amount at period end</b>	<b>3,037.0</b>	3,031.5

<sup>1</sup> Decrease in investment 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. 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, based on distributions received by IILP, and where interest income is based on a calculation specified within the financing loan agreement with Luxco, but where the interest calculation is on an effective interest basis.

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 2026. 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.

## Notes to the financial statements continued

For the year ended 31 March 2026

**12. Investment in Investment Entity Subsidiary** continued

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%<sup>1</sup> (31 March 2025: 7.0% to 9.8%<sup>1</sup>). The weighted average discount rate at 31 March 2026 was 8.5% (31 March 2025: 8.4%).

The fair values of the Group's financial assets and liabilities not held at fair are not materially different from their carrying values. This includes the £150m private placement loan notes issued by ILLP, which is held at amortised cost in ILLP's standalone financial statements but held at fair value as part of the investment in Investment Entity Subsidiary in the Company's financial statements.

In general, the terms of senior funding arrangements may restrict the ability of portfolio companies to make distributions.

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**

- ▶ On 17 February 2026, the Company, via its Corporate Subsidiary ILLP, made an incremental acquisition in Affinity Water for £49.9m.
- ▶ On 20 March 2026, the Company agreed to make an incremental acquisition in Cross London Trains for £51.8m. This transaction completed after year end on 20 May 2026.

**Disposals**

The Company, via its Corporate Subsidiary ILLP, disposed of:

- ▶ its full interest in five UK PPP assets, plus a 50% share of both Southmead Hospital and Pinderfields & Pontefract Hospitals, for a total consideration of £218.7m (the "APG transaction"), of which £14.0m of proceeds were deferred and are expected to be received in June 2026; and
- ▶ its investment in the A63 Motorway for proceeds of €360.1m.

**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 2026 £m	31 March 2025 £m
<b>Financial assets</b>		
Investments in Investment Entity Subsidiary	<b>3,037.0</b>	3,031.5
<b>Financial assets at fair value through profit or loss</b>	<b>3,037.0</b>	<b>3,031.5</b>
Trade and other receivables	<b>0.3</b>	0.3
Cash and cash equivalents	<b>0.9</b>	0.7
<b>Financial assets – amortised cost</b>	<b>1.2</b>	<b>1.0</b>
<b>Financial liabilities – other financial liabilities</b>		
Trade and other payables	<b>(4.7)</b>	<b>(1.8)</b>
<b>Financial liabilities</b>	<b>(4.7)</b>	<b>(1.8)</b>

The Directors are of the opinion that the carrying values of all financial instruments are approximately equal to their fair values.

<sup>1</sup> Excludes discount rate of A13 as listed bond

### 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); and
- ▶ Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	31 March 2026 Total £m
<b>Investment in Investment Entity Subsidiary (Note 12)</b>	–	–	<b>3,037.0</b>	<b>3,037.0</b>

	Level 1 £m	Level 2 £m	Level 3 £m	31 March 2025 Total £m
<b>Investment in Investment Entity Subsidiary (Note 12)</b>	–	–	3,031.5	3,031.5

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 HICL'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 HICL's investment in Luxco is based on Luxco's holding in ILLP that is held at fair value	3,037.0 (31 March 2025: 3,031.5)	A 5% sensitivity on closing NAV chosen due to historical volatility	151.9 (31 March 2025: 151.6)

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 assumptions are discussed in Note 3 critical accounting, judgements, estimates and assumptions.

### Sensitivities

The Directors have considered changes in macroeconomic assumptions in the underlying assets for which the Company holds an interest via its Company Subsidiary ILLP. The sensitivity has the same impact on both net assets and total investment income. See also the Valuation of the portfolio section on page 45.

Sensitivities	-0.5% p.a. change	Investment at fair value through profit or loss	+0.5% p.a. change
<b>Discount rates</b>			
<b>31 March 2026</b>	<b>£140.6m</b>	<b>£3,037.0m</b>	<b>£(128.1)m</b>
31 March 2025	£161.9m	£3,031.5m	£(147.8)m
<b>Inflation rates</b>			
<b>31 March 2026</b>	<b>£(118.5)m</b>	<b>£3,037.0m</b>	<b>£140.2m</b>
31 March 2025	£(132.4)m	£3,031.5m	£150.2m
<b>GDP</b>			
<b>31 March 2026</b>	<b>£(19.4)m</b>	<b>£3,037.0m</b>	<b>£20.6m</b>
31 March 2025	£(56.5)m	£3,031.5m	£41.8m

## Notes to the financial statements continued

For the year ended 31 March 2026

## 14. Financial instruments continued

	-1% p.a. change	Investment at fair value through profit or loss	+1% p.a. change
<b>Cash deposit rates</b>			
<b>31 March 2026</b>	<b>£(35.8)m</b>	<b>£3,037.0m</b>	<b>£35.5m</b>
31 March 2025	£(43.1)m	£3,031.5m	£42.8m
<b>Debt interest rates</b>			
<b>31 March 2026</b>	<b>£11.2m</b>	<b>£3,037.0m</b>	<b>£(12.2)m</b>
31 March 2025	£12.7m	£3,031.5m	£(12.9)m
	-5% p.a. change	Investment at fair value through profit or loss	+5% p.a. change
<b>Tax</b>			
<b>31 March 2026</b>	<b>£86.5m</b>	<b>£3,037.0m</b>	<b>£(85.7)m</b>
31 March 2025	£105.6m	£3,031.5m	£(105.5)m
<b>FX rates</b>			
<b>31 March 2026</b>	<b>£(19.1)m</b>	<b>£3,037.0m</b>	<b>£19.1m</b>
31 March 2025	£(17.9)m	£3,031.5m	£17.9m
<b>Lifecycle Risk</b>			
<b>31 March 2026</b>	<b>£22.3m</b>	<b>£3,037.0m</b>	<b>£(26.1)m</b>
31 March 2025	£28.8m	£3,031.5m	£(34.8)m

The sensitivity assumes that the changes are for all future periods. The increase is consistent with that shown by the Company's listed infrastructure peers and this allows for comparisons to be made. A higher sensitivity is not considered necessary as the mix of the portfolio means that the sensitivity is linear and it is possible to estimate the impact if percentage changes are in multiples of this sensitivity. Excluding the inverse relationship between inflation and discount rates, there are no other significant interrelationships between the unobservable inputs.

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 Group's multi-currency £400m facility is held by its Corporate Subsidiary, IILP. In May 2025, the RCF was extended by a year out to 30 June 2027, and in March 2026, it was extended by a further year to 30 June 2028. The RCF was undrawn as at 31 March 2026.

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% (5.77% after hedging).

## 16. Share capital and reserves

Ordinary Shares	31 March 2026 m	31 March 2025 m
Authorised and issued at the beginning of the year	1,979.7	2,031.5
Shares repurchased and held as treasury shares	(86.3)	(51.8)
<b>Authorised and issued at the end of the year – fully paid</b>	<b>1,893.4</b>	<b>1,979.7</b>

As at 31 March 2026, 138,135,581 shares, purchased for £165.0m including direct costs, were held as Treasury Shares following their repurchase. Of this, £2.0m was held in trade and other payables as at 31 March 2026, and which was settled in early April. The holders of the 1,893,352,480 Ordinary Shares in issue at 31 March 2026 (31 March 2025: 1,979,671,246) 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 20,110,000 shares were repurchased up until the date of the signing of the financial statements, with 1,873,242,480 Ordinary Shares, excluding treasury shares, in issue as at 25 May 2026.

## 16. Share capital and reserves continued

No new share issuances occurred during the year ended 31 March 2026 or the year ended 31 March 2025.

Share capital	31 March 2026 £m	31 March 2025 £m
Opening balance	0.2	0.2
<b>Balance at the end of the year</b>	<b>0.2</b>	<b>0.2</b>
Share premium	31 March 2026 £m	31 March 2025 £m
Opening balance	1,213.3	1,213.3
<b>Balance at the end of the year</b>	<b>1,213.3</b>	<b>1,213.3</b>

### 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 Material accounting policies (equity and reserve).

## 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 it holds through ILLP as disclosed below. The Corporate Group, via ILLP, owns a portfolio of investments, predominantly in the subordinated loanstock 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 is monitored through regular financial and operational performance reports.

### Market risk

Returns from HICL'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 2026, the proportion of the portfolio considered sensitive to GDP has reduced to 6% (31 March 2025: 13%). With the disposal of the A63 during the year, and the ending of concessions on RMG Roads and M1-A1 Road, one asset remains sensitive to GDP, namely LSPH. At times of higher economic activity, there will be greater traffic volumes using this railway, generating increased revenues for the projects than compared to periods of lower economic activity and, therefore, we assess this as a GDP sensitive investment.

### 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. 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. Interest on the loan is determined based on the financing loan agreement between the Company and Luxco, but where the interest calculation is on an effective interest basis, and is settled as required by distributions received from project assets into ILLP. 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 invests are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation 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 loanstock 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 on page 123.

### 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 ILLP level, as well as the use of Euro, Canadian dollar, US dollar, New Zealand dollar and other currency-denominated borrowings. At 31 March 2026, the Corporate Group, via ILLP, hedged its currency exposure through Euro, Canadian dollar, New Zealand 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 on page 124.

## Notes to the financial statements continued

For the year ended 31 March 2026

**17. Financial risk management** continued**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**

All liquidity for the Company and Luxco is provided by IILP. The ability of this Corporate Group to manage its liquidity risk is supported by distributions from the project assets received into IILP, plus IILP's access to funding facilities, with the £400m RCF undrawn as at 31 March 2026. Asset disposals are used to fund the Company's share repurchases, with significant disposal proceeds available as at 31 March 2026 due to the APG and A63 disposals. The 150m private placement loan notes, issued by IILP, are not due for repayment until 2033 and 2035.

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.

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	More than 5 years £m
<b>31 March 2026</b>				
Trade and other payables	4.7	–	–	–
<b>Total</b>	<b>4.7</b>	<b>–</b>	<b>–</b>	<b>–</b>
	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	More than 5 years £m
<b>31 March 2025</b>				
Trade and other payables	1.8	–	–	–
<b>Total</b>	<b>1.8</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 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, HICL. The Investment Management Agreement may be terminated by either party to the agreement, being HICL or InfraRed, giving three years' written notice 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 p.a., 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 2025: £0.1m), (disclosed as Investment Manager fees in Note 6).

InfraRed is also the Operator of IILP, the Corporate Subsidiary through which HICL 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, HICL 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 HICL, in both cases for nominal consideration. The Directors consider the value of the option to be insignificant.

InfraRed is the Investment Manager of the new fund that is holding the portfolio of UK PPP assets sold to APG. APG is not a related party.

In the quarter to 30 June 2025, in aggregate, InfraRed and the General Partner were entitled to fees and/or profit share equal to: 1.1% p.a. of the adjusted Gross Asset Value of all investments of HICL up to £750m, 1.0% p.a. for the incremental value in excess of £750m up to £1,500m, 0.9% for the incremental value in excess of £1,500m, 0.8% for the incremental value in excess of £2,250m and 0.65% for the incremental value in excess of £3,000m.

From 1 July 2025 onwards, the basis for the management fee (the "Fee Basis Value") was amended to the average of the Company's most recent previously published NAV, and the daily average closing market capitalisation of the Company (capped so the base fee payable will be no higher than under the previous GAV fee arrangement). InfraRed and the General Partner continue to be entitled to fees and/or profit share equal as follows: 1.1% p.a. of the Fee Basis Value of all investments of HICL up to £750m, 1.0% p.a. for the incremental value in excess of £750m up to £1,500m, 0.9% for the incremental value in excess of £1,500m, 0.8% for the incremental value in excess of £2,250m and 0.65% for the incremental value in excess of £3,000m.

The total Operator fees were £26.8m (31 March 2025: £30.6m), of which £6.3m remained payable by IILP at 31 March 2026 (31 March 2025: £7.5m).

InfraRed is 100% owned by Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life"). 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 2026, £50.0m remained outstanding and £1.0m of interest had been accrued. Total interest paid to Sun Life in the year was £2.9m (31 March 2025: £2.9m).

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £0.6m for the year ended 31 March 2026 (31 March 2025: £0.6m) (see Note 6). One Director also receives annual fees of £9.0k (31 March 2025: £9.0k) for serving as Director of the Luxembourg subsidiary. Further detail is included in the Directors' Remuneration Report on page 95.

All of the above transactions were undertaken on an arm's length basis.

## 19. Guarantees and other commitments

As at 31 March 2026, the Company, via a Corporate Subsidiary, had £117.4m commitments for future project investments (31 March 2025: 112.9m). During the year, there was an increase of £51.8m in commitments relating to Cross London Trains that was settled on 20 May 2026, offset by the £49.9m commitment into Affinity Water that was settled on 17 February 2026.

## 20. Events after balance sheet date

On 20 May 2026, the Company declared an interim dividend of 2.09p per share for the quarter ending 31 March 2026. The total dividend of £39.2m, payable by 30 June 2026, is based on a record date of 29 May 2026 and the number of shares at that time being 1,873,242,480 (shares in issue excluding treasury shares as at 25 May 2026), subject to any additional share buybacks up to this date.

Between the balance sheet date and 25 May 2026, 20,110,000 shares were repurchased as part of the share buyback programme, for the amount of £25.2m including all direct fees.

On 20 May 2026, the incremental acquisition of £51.8m into Cross London Trains was completed.

## Notes to the financial statements continued

For the year ended 31 March 2026

**21. Related undertakings**

Below is a list of the Company's subsidiaries and other investments – incorporated in the United Kingdom unless otherwise stated, including disclosure of those directly held. The companies set out below 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), as described in Note 3 on page 117 above.

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Academy Services (Norwich) Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Academy Services (Norwich) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Academy Services (Oldham) Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Academy Services (Oldham) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Academy Services (Sheffield) Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Academy Services (Sheffield) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Adagia B.V.	Strawinskylaan 1021, 1077 XX, Amsterdam, The Netherlands	100%	100%	N/A	N/A	N/A
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	N/A	N/A
Addiewell Prison Ltd	No. 62 Market Street, Aberdeen, Scotland AB11 5PJ	67%	67%	N/A	N/A	N/A
Affinity Water Capital Funds Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	31 March 2025	(0.)	177.4
Affinity Water East Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	31 March 2025	2.9	64.5
Affinity Water Finance (2004) Plc	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	N/A	N/A	N/A
Affinity Water Finance plc	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	N/A	N/A	N/A
Affinity Water Holdco Finance Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	31 March 2025	(1.1)	279.5
Affinity Water Holdings Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	31 March 2025	0.0	291.7
Affinity Water Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	N/A	N/A	N/A
Affinity Water Pension Trustees Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	N/A	N/A	N/A
Affinity Water Southeast Limited	The Hub, Tamblin Way Hatfield, Hertfordshire AL10 9EZ	33%	33%	31 March 2025	2.6	66.2
AGP (2) Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
AGP Holdings (1) Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
Albion Healthcare (Doncaster) Holdings Limited	Third Floor Broad Quay House Prince Street, Bristol BS1 4DJ	50%	50%	N/A	N/A	N/A
Albion Healthcare (Doncaster) Limited	Third Floor Broad Quay House Prince Street, Bristol BS1 4DJ	50%	50%	N/A	N/A	N/A

		Shareholding			Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25				
Albion Healthcare (Oxford) Holdings Limited	Third Floor Broad Quay House Prince Street, Bristol BS1 4DJ	25%	25%		N/A	N/A	N/A
Albion Healthcare (Oxford) Limited	Third Floor Broad Quay House Prince Street, Bristol BS1 4DJ	25%	25%		N/A	N/A	N/A
Altitude Infra	Tour Trinity 1 B Place De La Defense Courbevoie, 92400	6%	6%	31 December 2024	(25.5)	1082.7	
Altitude Infrastructure Construction	Tour Trinity 1 B Place De La Defense Courbevoie, 92400	6%	6%	31 December 2024	15.6	-38.5	
Altitude Infrastructure Exploitation	Tour Trinity 1 B Place De La Defense Courbevoie, 92400	6%	6%	N/A	N/A	N/A	
Altitude Infrastructure THD	Tour Trinity 1 B Place De La Defense Courbevoie, 92400	3%	3%	31 December 2024	(109.2)	(88.8)	
Amalie Infrastructure Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A	
Amalie PFI (UK) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A	
Annes Gate Property Plc	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A	
Ashburton Services (Holdings) Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	100%	100%	N/A	N/A	N/A	
Ashburton Services Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	100%	100%	N/A	N/A	N/A	
Aspire Defence Finance Plc	Aspire Business Centre, Ordnance Road, Tidworth, England SP9 7QD	12%	12%	N/A	N/A	N/A	
Aspire Defence Holdings Limited	Aspire Business Centre, Ordnance Road, Tidworth, England SP9 7QD	12%	12%	N/A	N/A	N/A	
Aspire Defence Limited	Aspire Business Centre, Ordnance Road, Tidworth, England SP9 7QD	12%	12%	N/A	N/A	N/A	
Atlandes S.A. (SOLD 25/03/2026)	15 avenue Léonard de Vinci 33600 PESSAC, France	14%	14%	N/A	N/A	N/A	
Axiom Education (Perth & Kinross) Holdings Limited	Blake House, 3 Frayswater Place, Cowley, Uxbridge, Middlesex UB8 2AD, United Kingdom	100%	100%	N/A	N/A	N/A	
Axiom Education (Perth & Kinross) Limited	Blake House, 3 Frayswater Place, Cowley, Uxbridge, Middlesex UB8 2AD, United Kingdom	100%	100%	N/A	N/A	N/A	
BAAK Blankenburg-Verbinding B.V. (Project Co)	Ringwade 71, 3439 LM Nieuwegein, The Netherlands	70%	70%	31 December 2023	13.4	42.1	
Bangor And Nendrum Schools Services Holdings Limited	c/o Cleaver Fulton Rankin 50 Bedford Street, Belfast BT2 7FW	20%	20%	N/A	N/A	N/A	
Bangor And Nendrum Schools Services Limited	c/o Cleaver Fulton Rankin 50 Bedford Street, Belfast BT2 7FW	20%	20%	N/A	N/A	N/A	
Bee Invest 1	1 Avenue Eugène Freyssinet 78280 Guyancourt	85%	85%	N/A	N/A	N/A	
Betjeman Holdings Jvco Limited	5th Floor Kings Place, 90 York Way, London N1 9AG	22%	22%	31 March 2025	1.2	336.4	
Betjeman Holdings Limited	5th Floor Kings Place, 90 York Way, London N1 9AG	22%	22%	N/A	N/A	N/A	
Betjeman Holdings Midco Limited	5th Floor Kings Place, 90 York Way, London N1 9AG	22%	22%	31 March 2025	2.0	335.5	

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Blue Light Holdings Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Blue3 (Gloucestershire Fire) (Holdings) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Blue3 (Gloucestershire Fire) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
BNC IXAS SPC Holding B.V.	Herikerbergweg 292, 1101CT, The Netherlands	100%	100%	N/A	N/A	N/A
BNC Pi2 Holding B.V.	Europalaan 40, 3526KS Utrecht The Netherlands	100%	100%	N/A	N/A	N/A
Boldon School (Holdings) Limited	8th Floor 6 Kean Street London, London WC2B 4AS	100%	100%	N/A	N/A	N/A
Boldon School Limited	8th Floor, 6 Kean Street, London, London WC2B 4AS	100%	100%	N/A	N/A	N/A
Brentwood Healthcare Partnership Holding Limited	8th Floor, 6 Kean Street, London, London WC2B 4AS	75%	75%	N/A	N/A	N/A
Brentwood Healthcare Partnership Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
By Education (Barking) Holdings Limited	Quardant House, Floor 6 4 Thomas More Square, London, United Kingdom E1W 1YW	100%	100%	N/A	N/A	N/A
By Education (Barking) Limited	Quardant House, Floor 6 4 Thomas More Square, London, United Kingdom E1W 1YW	100%	100%	N/A	N/A	N/A
ByCentral Holdings Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
ByCentral Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
ByWest (Holdings) Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
ByWest Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	100%	100%	N/A	N/A	N/A
CAE Aircrew Training Services Plc	Mshatf, RAF Benson, Wallingford, Oxfordshire OX10 6AA	22%	22%	N/A	N/A	N/A
Central Blackpool PCC Holding Company Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Central Blackpool PCC Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Children's Ark Partnerships Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Children's Ark Partnerships Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Claymore Roads (Holdings) Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	50%	50%	N/A	N/A	N/A
Claymore Roads Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	50%	50%	N/A	N/A	N/A
Connect M1-A1 Holdings Limited	Q14 Quorum Business Park, Benton Lane, Newcastle upon Tyne, United Kingdom NE12 8BU	30%	30%	N/A	N/A	N/A

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Connect M1-A1 Limited	Q14 Quorum Business Park, Benton Lane, Newcastle upon Tyne, United Kingdom NE12 8BU	30%	30%	N/A	N/A	N/A
Consort Healthcare (Birmingham) Funding Plc	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, Lancashire PR2 2YP England	30%	30%	N/A	N/A	N/A
Consort Healthcare (Birmingham) Holdings Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, Lancashire PR2 2YP England	30%	30%	N/A	N/A	N/A
Consort Healthcare (Birmingham) Intermediate Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, Lancashire PR2 2YP England	30%	30%	N/A	N/A	N/A
Consort Healthcare (Birmingham) Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, Lancashire PR2 2YP England	30%	30%	N/A	N/A	N/A
Consort Healthcare (Blackburn) Funding Plc	8 White Oak Square Swanley, Kent BR8 7AG	100%	100%	N/A	N/A	N/A
Consort Healthcare (Blackburn) Holdings Limited	8 White Oak Square Swanley, BR8 7AG	100%	100%	N/A	N/A	N/A
Consort Healthcare (Blackburn) Intermediate Limited	8 White Oak Square Swanley, Kent BR8 7AG	100%	100%	N/A	N/A	N/A
Consort Healthcare (Blackburn) Limited	8 White Oak Square Swanley, Kent BR8 7AG	100%	100%	N/A	N/A	N/A
Consort Healthcare (Mid Yorkshire) Funding Plc	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Consort Healthcare (Mid Yorkshire) Holdings Limited	E14 0JW	50%	50%	N/A	N/A	N/A
Consort Healthcare (Mid Yorkshire) Intermediate Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Consort Healthcare (Mid Yorkshire) Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Consort Healthcare (Salford) Holdings Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Consort Healthcare (Salford) Intermediate Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Consort Healthcare (Salford) PLC	8 White Oak Square, London Road Swanley, Kent BR8 7AG	50%	50%	N/A	N/A	N/A
Criterion Healthcare Holdings Limited	c/o Equitix Management Services Ltd, 2nd Floor, Toronto Square Toronto Street, Leeds, United Kingdom LS1 2HJ	37%	37%	N/A	N/A	N/A
Criterion Healthcare Plc	c/o Equitix Management Services Ltd, 2nd Floor, Toronto Square Toronto Street, Leeds, United Kingdom LS1 2HJ	37%	37%	N/A	N/A	N/A
Cross London Trains Finance Limited	8 White Oak Square, London Road Swanley, BR8 7AG	6%	6%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Cross London Trains Holdco 2 Limited	8 White Oak Square, London Road Swanley, BR8 7AG	6%	6%	N/A	N/A	N/A
Cross London Trains Holdco Limited	8 White Oak Square, London Road Swanley, BR8 7AG	6%	6%	N/A	N/A	N/A
Cross London Trains Limited	8 White Oak Square, London Road Swanley, BR8 7AG	6%	6%	N/A	N/A	N/A
Cross Texas Transmission, LLC	251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA	46%	46%	31 December 2023	26.8	472.3
CSES (Dorset) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
CSM PPP Services (Holdings) Limited	Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland	76%	76%	N/A	N/A	N/A
CSM PPP Services Limited	Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2, Ireland	76%	76%	N/A	N/A	N/A
CTRL (UK) Limited	5th Floor, Kings Place 90 York Way, London, England N1 9AG, United Kingdom	22%	22%	N/A	N/A	N/A
CVS Leasing Limited	Mshatf, RAF Benson Wallingford, Oxfordshire OX10 6AA	87%	87%	N/A	N/A	N/A
D3 – Societe de la deviation de Troissereux	21 Rue Hippolyte Bayard, Pae Du Haut-Ville, 60000, Beauvais, France	90%	90%	N/A	N/A	N/A
Daiwater Investment Limited	The Hub, Tamblin Way, Hatfield, Hertfordshire AL10 9EZ, England	37%	33%	31 March 2025	0.0	757.2
Derby School Solutions (Holdings) Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
Derby School Solutions Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
Diamond Transmission Partners BBE (Holdings) Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	50%	50%	N/A	N/A	N/A
Diamond Transmission Partners BBE Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	50%	50%	N/A	N/A	N/A
Diamond Transmission Partners Galloper (Holdings) Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	51%	51%	N/A	N/A	N/A
Diamond Transmission Partners Galloper Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	51%	51%	N/A	N/A	N/A
Diamond Transmission Partners Hornsea Two (Holdings) Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	38%	38%	N/A	N/A	N/A
Diamond Transmission Partners Hornsea Two Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	38%	38%	N/A	N/A	N/A
Diamond Transmission Partners RB (Holdings) Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	51%	51%	31 March 2025	(0.2)	31.1

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Diamond Transmission Partners RB Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	51%	51%	31 March 2025	0.0	31.1
Diamond Transmission Partners Walney Extension (Holdings) Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	40%	40%	N/A	N/A	N/A
Diamond Transmission Partners Walney Extension Limited	Mid City Place, 71 High Holborn, London, United Kingdom WC1V 6BA	40%	40%	N/A	N/A	N/A
Directroute (Tuam) Holdings Limited	M17/M18 Operations Centre Furzypark, Athenry, Co. Galway	100%	100%	N/A	N/A	N/A
Directroute (Tuam) Limited	M17/M18 Operations Centre Furzypark, Athenry, Co. Galway	100%	100%	N/A	N/A	N/A
Dorset Emergency Services PPP (Holdings) Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston PR2 2YP	100%	100%	N/A	N/A	N/A
Ealing Care Alliance (Holdings) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	63%	63%	N/A	N/A	N/A
Ealing Care Alliance Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	63%	63%	N/A	N/A	N/A
Ealing Schools Partnerships Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Ealing Schools Partnerships Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Eastbury Park (Holdings) Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	50%	50%	31 December 2024	0.0	42.7
Eastbury Park Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	50%	50%	N/A	N/A	N/A
Emblem Schools (Holdings) Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	30%	30%	N/A	N/A	N/A
Emblem Schools Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	30%	30%	N/A	N/A	N/A
Enterprise Civic Buildings (Holdings) Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Enterprise Civic Buildings Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Enterprise Education Conwy Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	90%	90%	N/A	N/A	N/A
Enterprise Education Holdings Conwy Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	90%	90%	N/A	N/A	N/A
Enterprise Healthcare Holdings Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Enterprise Healthcare Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Falkirk Schools Gateway HC Limited	Exchange Tower, 19 Canning Street Edinburgh EH3 8EH	30%	30%	N/A	N/A	N/A
Falkirk Schools Gateway Limited	Exchange Tower, 19 Canning Street Edinburgh EH3 8EH	30%	30%	N/A	N/A	N/A
FCC (East Ayrshire) Holdings Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	23%	23%	N/A	N/A	N/A
FCC (East Ayrshire) Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	23%	23%	N/A	N/A	N/A
Fibre Business Infrastructure 2 Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	2.8	35.3
Fortysouth GP Limited	Level 1, 46 Sale Street, Auckland Central, Auckland	40%	40%	N/A	N/A	N/A
Fortysouth Group LP	Level 1, 46 Sale Street, Auckland Central, Auckland	40%	40%	N/A	N/A	N/A
Fortysouth Hold LP	Level 1, 46 Sale Street, Auckland Central, Auckland	40%	40%	31 March 2025	(20.5)	(28.2)
Fortysouth Limited	Level 1, 46 Sale Street, Auckland Central, Auckland	40%	40%	31 March 2025	(0.2)	462.0
Fortysouth Towers Limited	Level 1, 46 Sale Street, Auckland Central, Auckland	40%	40%	N/A	N/A	N/A
Galvani BidCo Limited	8 White Oak Square, London Road Swanley BR8 7AG	19%	19%	N/A	N/A	N/A
Galvani JVCo Limited	8 White Oak Square, London Road Swanley BR8 7AG	19%	19%	N/A	N/A	N/A
Galvani MidCo Limited	8 White Oak Square, London Road Swanley BR8 7AG	19%	19%	N/A	N/A	N/A
GGB inBalans BV	Location no. 000026016591 Strawinskylaan, Amsterdam, 10211077XX, Netherlands	85%	85%	N/A	N/A	N/A
GGB inBalans Investco B.V	Suikersilo-West 9, 1165 MP Halfweg, the Netherlands	100%	100%	N/A	N/A	N/A
Glasgow Healthcare Facilities (Holdings) Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	25%	25%	N/A	N/A	N/A
Glasgow Healthcare Facilities Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland	25%	25%	N/A	N/A	N/A
Great Basin Investment, LLC	251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA	45%	45%	N/A	N/A	N/A
Great Basin Transmission Holdings, LLC	251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA	45%	45%	N/A	N/A	N/A

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Great Basin Transmission South, LLC	251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA	45%	45%	31 December 2023	8.8	(56.7)
Green Timbers GP Limited	301-1321 Blanshard Street Victoria, BC, V8W 0B6	100%	100%	N/A	N/A	N/A
Green Timbers Holdings Limited	301-1321 Blanshard Street Victoria, BC, V8W 0B6	100%	100%	N/A	N/A	N/A
Green Timbers Limited Partnership	301-1321 Blanshard Street Victoria, BC, V8W 0B6	100%	100%	N/A	N/A	N/A
H & D Support Services (Holdings) Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
H & D Support Services Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
Hadfield Healthcare Partnerships Holding Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Hadfield Healthcare Partnerships Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
HDM Schools Solutions (Holdings) Limited	c/o Dla Piper Scotland Llp Fao Stuart McMillan, Collins House, Rutland Square, Edinburgh EH1 2AA, Scotland	75%	75%	N/A	N/A	N/A
HDM Schools Solutions Ltd.	c/o Dla Piper Scotland Llp Fao Stuart McMillan, Collins House, Rutland Square, Edinburgh EH1 2AA, Scotland	75%	75%	N/A	N/A	N/A
Healthcare Centres PPP Holdings Ltd	Suite 54 Morrison Chambers, 32 Nassau Street, Dublin 2	60%	60%	N/A	N/A	N/A
Healthcare Centres PPP Ltd	Suite 54 Morrison Chambers, 32 Nassau Street, Dublin 2	60%	60%	N/A	N/A	N/A
Helix Acquisition Limited	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A
Helix Bufferco Limited	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A
Helix Holdings Limited	13 Castle Street St Helier, Jersey JE2 3BT	22%	22%	N/A	N/A	N/A
Helix Midco Limited	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A
HICL Infrastructure (Canada) Inc.	301-1321 Blanshard Street Victoria, BC, V8W 0B6	100%	100%	N/A	N/A	N/A
HICL Infrastructure 2 SARL	42 Rue de la Vallée 2661 Luxembourg	100%	100%	31 March 2025	166.7	1,267.4
HICL Infrastructure 3 SARL	42 Rue de la Vallée 2661 Luxembourg	100%	100%	N/A	N/A	N/A
HICL Infrastructure Green Timbers Inc.	301-1321 Blanshard Street Victoria, BC, V8W 0B6	100%	100%	N/A	N/A	N/A
High Speed One (HS1) Limited	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A
High Speed Rail Finance (1) PLC	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A
High Speed Rail Finance PLC	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Highway Management (Scotland) Holding Limited	Part First Floor, 1 Grenfell Road Maidenhead, Berkshire SL6 1HN	50%	50%	N/A	N/A	N/A
Highway Management (Scotland) Limited	Part First Floor, 1 Grenfell Road Maidenhead, Berkshire SL6 1HN	50%	50%	N/A	N/A	N/A
Highway Management M80 Investment Limited	Part First Floor, 1 Grenfell Road Maidenhead, Berkshire SL6 1HN	50%	50%	N/A	N/A	N/A
Holdfast Training Services Limited	Building 29, HQ RSME Brompton Barracks, Chatham, Kent, England ME4 4UG	100%	100%	N/A	N/A	N/A
HS1 Limited	5th Floor, Kings Place, 90 York Way, London, England N1 9AG	22%	22%	31 March 2025	121.7	612.1
Information Resources (Oldham) Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Information Resources (Oldham) Investment Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Information Resources (Oldham) Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
InfraRed Towers Investments Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	8.7	131.8
Infraspeed (Holdings) BV	Taurusavenue 155 2132 LS Hoofddorp The Netherlands	43%	43%	N/A	N/A	N/A
Infraspeed BV	Taurusavenue 155 2132 LS Hoofddorp The Netherlands	43%	43%	N/A	N/A	N/A
Infrastructure Central Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(0.6)	261.5
Infrastructure Investments (A63) Holdings Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2024	14.0	208.1
Infrastructure Investments (Affinity) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	0.8	303.1
Infrastructure Investments (Australia) LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	3 March 2025	–	127.5
Infrastructure Investments (Bond) Holdings LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Bond) LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Colorado) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	25.0	212.3
Infrastructure Investments (Defence) Holdings Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	0.5	58.7
Infrastructure Investments (Defence) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(14.0)	44.1
Infrastructure Investments (Germany) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Health) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Hsl Zuid) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	5.9	61.8

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Infrastructure Investments (No 7) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (No 8) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Portal) GP Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Portal) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (Portal) LP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(3.0)	50.5
Infrastructure Investments (Portsmouth) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(1.3)	61.3
Infrastructure Investments (Roads) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments (TNT) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(13.9)	48.8
Infrastructure Investments Betjeman (Holdco) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments Betjeman Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments Galvani Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(10.4)	43.7
Infrastructure Investments Group Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	42.8	1,538.9
Infrastructure Investments Holdings Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(28.6)	274.7
Infrastructure Investments LP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	34.2	3,212.2
Infrastructure Investments OFTO 1 Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments OFTO 2 Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments PPP OFTO Holdings LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	6.2	118.0
Infrastructure Investments PPP OFTO LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	(1.4)	145.5
Infrastructure Investments PPP OFTO MidCo LLP	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	–	118.8
Infrastructure Investments Roads Management Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Infrastructure Investments TNT (US) LLC	Level 7, One Bartholomew Close Barts Square, London EC1A 7BL United Kingdom	100%	100%	31 March 2025	(23.2)	23.8
Ivywood Colleges Holdings Limited	7 Queens Road, Belfast, Northern Ireland BT3 9DT	75%	75%	N/A	N/A	N/A
Ivywood Colleges Limited	7 Queens Road, Belfast, Northern Ireland BT3 9DT	75%	75%	N/A	N/A	N/A
Ivywood Colleges Parking Limited	7 Queens Road, Belfast, Northern Ireland BT3 9DT	75%	75%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
IXAS Zuid Oost B.V	Langbroekdreef 18, 1108 EB, Amsterdam, The Netherlands	25%	25%	N/A	N/A	N/A
Kajima Darlington Schools Holding Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima Darlington Schools Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima Haverstock Holding Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima Haverstock Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima Newcastle Libraries Holding Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima Newcastle Libraries Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima North Tyneside Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kajima North Tyneside Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Kent Education Partnership (Holdings) Limited	Part First Floor, 1 Grenfell Road Maidenhead, Berkshire SL6 1HN	50%	50%	N/A	N/A	N/A
Kent Education Partnership Limited	Part First Floor, 1 Grenfell Road Maidenhead, Berkshire SL6 1HN	50%	50%	N/A	N/A	N/A
Kluster	1 Avenue Eugène Freyssinet, 78280 Guyancourt, France	85%	85%	N/A	N/A	N/A
Liaison Infrastructure Routière Investissement	91, rue du Faubourg Saint-Honoré, 75008 Paris, France	100%	100%	N/A	N/A	N/A
Mahi Tahi Towers Investments Pty Limited	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	N/A	N/A
Manchester Housing (MP Subdebt) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Manchester Housing (Topco) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Manchester School Services Holdings Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	76%	76%	N/A	N/A	N/A
Manchester School Services Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	76%	76%	N/A	N/A	N/A
Metier Healthcare Limited	4 Estates Yard, Wellhouse Lane Barnet, Hertfordshire EN5 3DG	100%	100%	N/A	N/A	N/A
Metier Holdings Limited	4 Estates Yard, Wellhouse Lane Barnet, Hertfordshire EN5 3DG	100%	100%	N/A	N/A	N/A
Motorway Infrastructure SAS	92 avenue de Wagram, 75017 Paris, France	10%	10%	31 December 2024	34.1	0.1
New Intermediate Care Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
New Schools Investment Company Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Newham Learning Partnership (Hold Co) Limited	Third Floor Broad Quay House Prince Street, Bristol, United Kingdom BS1 4DJ	80%	80%	N/A	N/A	N/A
Newham Learning Partnership (Project Co) Limited	Third Floor Broad Quay House Prince Street, Bristol, United Kingdom BS1 4DJ	80%	80%	N/A	N/A	N/A
Newham Transformation Partnership Limited	Third Floor Broad Quay House Prince Street, Bristol, United Kingdom BS1 4DJ	80%	80%	N/A	N/A	N/A
Newport School Solutions (Holdings) Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
Newport School Solutions Limited	8th Floor, 6 Kean Street, London, Hertfordshire WC2B 4AS	100%	100%	N/A	N/A	N/A
Newton Abbot Health Holdings Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Newton Abbot Health Limited	Unit 18 Riverway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
NORDIE 2 LIMITED	Level 7, One Bartholomew Close Barts Square, London EC1A 7BL United Kingdom	30%	30%	31 December 2024	29.0	168.2
Nordie France SAS	92 Avenue De Wagram Paris, Paris 75017 France	30%	30%	31 December 2023	(4.6)	103.6
NORDIE LIMITED	Level 7, One Bartholomew Close Barts Square, London EC1A 7BL United Kingdom	100%	100%	31 December 2024	8.3	116.5
Northwest Connect General Partnership	301-1321 Blanshard St., Victoria, BC, V8W0B6	50%	50%	N/A	N/A	N/A
Northwest Connect Holdings Inc.	301-1321 Blanshard St., Victoria, BC, V8W0B6	50%	50%	N/A	N/A	N/A
Northwest Connect Inc.	301-1321 Blanshard St., Victoria, BC, V8W0B6	50%	50%	N/A	N/A	N/A
Northwest Connect Investment Inc.	301-1321 Blanshard St., Victoria, BC, V8W0B6	50%	50%	N/A	N/A	N/A
Ochre Solutions (Holdings) Limited	Third Floor, Broad Quay House Prince Street, Bristol BS1 4DJ	40%	40%	N/A	N/A	N/A
Ochre Solutions Limited	Third Floor, Broad Quay House Prince Street, Bristol BS1 4DJ	40%	40%	N/A	N/A	N/A
Paradigm (Sheffield BSF) Holdings Limited	Third Floor, Broad Quay House Prince Street, Bristol BS1 4DJ	54%	54%	N/A	N/A	N/A
Paradigm (Sheffield BSF) Limited	Third Floor, Broad Quay House Prince Street, Bristol BS1 4DJ	54%	54%	N/A	N/A	N/A
PFF (Dorset) Limited	Unit 18 Riversway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Pi2 B.V.	Europalaan 40, 3526KS Utrecht The Netherlands	100%	100%	N/A	N/A	N/A
Pi2 Holding B.V.	Europalaan 40, 3526KS Utrecht The Netherlands	100%	100%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Platon Saclay S.A.S	1 Avenue Eugène Freyssinet 78280 Guyancourt	85%	85%	N/A	N/A	N/A
PPP Services (North Ayrshire) Holdings Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite Saltire Court, 20 Castle Terrace Edinburgh EH1 2EN, Scotland	23%	23%	N/A	N/A	N/A
PPP Services (North Ayrshire) Limited	c/o Infrastructure Managers Limited 2nd Floor Drum Suite Saltire Court, 20 Castle Terrace Edinburgh EH1 2EN, Scotland	23%	23%	N/A	N/A	N/A
Prisma 21 S.A.S	1 Avenue Eugène Freyssinet, 78280 Guyancourt, France	85%	85%	N/A	N/A	N/A
Prospect Healthcare (Hinchingsbrooke) Holdings Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	75%	75%	N/A	N/A	N/A
Prospect Healthcare (Hinchingsbrooke) Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	75%	75%	N/A	N/A	N/A
Ravensbourne Health Services (Holdings) Limited	8th Floor, 6 Kean Street London, England WC2B 4AS	100%	100%	N/A	N/A	N/A
Ravensbourne Health Services Limited	8th Floor, 6 Kean Street London, England WC2B 4AS	100%	100%	N/A	N/A	N/A
Redwood Partnership Ventures 2 Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	31 December 2024	2.5	83.6
Redwood Partnership Ventures Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Renaissance Miles Platting Holding Company Limited	3rd Floor Suite 6c, Sevendale House 5-7 Dale Street, Manchester M1 1JB United Kingdom	50%	50%	N/A	N/A	N/A
Renaissance Miles Platting Limited	3rd Floor Suite 6c, Sevendale House 5-7 Dale Street, Manchester M1 1JB United Kingdom	50%	50%	N/A	N/A	N/A
Road Infrastructure (Ireland) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	31 March 2025	4.9	7.5
Road Management Consolidated plc	8th Floor, 6 Kean Street London, England WC2B 4AS	58%	58%	N/A	N/A	N/A
Road Management Group Limited	8th Floor, 6 Kean Street London WC2B 4AS	58%	58%	N/A	N/A	N/A
Road Management Limited	8th Floor, 6 Kean Street London WC2B 4AS	58%	58%	N/A	N/A	N/A
Road Management Services	43 Orchard Place, London E14 0JW England	42%	42%	N/A	N/A	N/A
Road Management Services (Gloucester) Limited	8th Floor, 6 Kean Street London WC2B 4AS	58%	58%	N/A	N/A	N/A
Road Management Services (Peterborough) Limited	8th Floor, 6 Kean Street London WC2B 4AS	58%	58%	N/A	N/A	N/A
RSP (Holdings) Limited	272 Bath Street Glasgow G2 4JR	30%	30%	N/A	N/A	N/A
S&W TLP (Hold Co One) Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	80%	80%	N/A	N/A	N/A

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
S&W TLP (Hold Co Two) Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	80%	80%	N/A	N/A	N/A
S&W TLP (Project Co One) Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	50%	50%	N/A	N/A	N/A
S&W TLP (Project Co Two) Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	80%	80%	N/A	N/A	N/A
S&W TLP (PSP One) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
S&W TLP (PSP Two) Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
S&W TLP (PSP THREE) LIMITED	Level 7, One Bartholomew Close Barts Square, London EC1A 7BL United Kingdom	100%	100%	N/A	N/A	N/A
S&W TLP Education Partnership Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	80%	80%	N/A	N/A	N/A
Salford Schools Solutions Holdco Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	50%	50%	N/A	N/A	N/A
Salford Schools Solutions Limited	3rd Floor Suite 6c Sevendale House, 5-7 Dale Street Manchester M1 1JB	50%	50%	N/A	N/A	N/A
Schools Capital Limited	8th Floor, 6 Kean Street London WC2B 4AS	51%	51%	N/A	N/A	N/A
Schools Public/Private Partnership (Ireland) Limited	Suite 54 Morrison Chambers 32 Nassau Street, Dublin 2	50%	50%	N/A	N/A	N/A
Services Support (Cleveland) Holdings Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	100%	100%	N/A	N/A	N/A
Services Support (Cleveland) Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	100%	100%	N/A	N/A	N/A
Services Support (Gravesend) Holdings Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	73%	73%	N/A	N/A	N/A
Services Support (Gravesend) Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	73%	73%	N/A	N/A	N/A
Services Support (Manchester) Holdings Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	73%	73%	N/A	N/A	N/A
Services Support (Manchester) Limited	8 White Oak Square, London Road Swanley, Kent BR8 7AG	73%	73%	N/A	N/A	N/A
Sheff Schools TopCo Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	75%	75%	N/A	N/A	N/A
Sheffield LEP Limited	Third Floor, Broad Quay House Prince Street, Bristol, United Kingdom BS1 4DJ	50%	50%	N/A	N/A	N/A
Sheppey Route (Holdings) Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	50%	50%	N/A	N/A	N/A
Sheppey Route Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	50%	50%	N/A	N/A	N/A

## Notes to the financial statements continued

For the year ended 31 March 2026

## 21. Related undertakings continued

		Shareholding		Year end	Profit / (Loss) £m	Aggregate Capital & Reserves £m
		31-Mar-26	31-Mar-25			
Sussex Custodial Services (Holdings) Limited	Unit 18 Riversway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Sussex Custodial Services Limited	Unit 18 Riversway Business Village Navigation Way, Ashton-on-Ribble Preston, England PR2 2YP	100%	100%	N/A	N/A	N/A
Texas Nevada Transmission, LLC	251 Little Falls Drive, Wilmington, New Castle, DE, 19808, USA	46%	46%	31 December 2024	29.4	465.2
The Hospital Company (Southmead) Holdings Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	63%	63%	N/A	N/A	N/A
The Hospital Company (Southmead) Limited	8 White Oak Square, London Road Swanley, England BR8 7AG	63%	63%	N/A	N/A	N/A
The Renfrewshire Schools Partnership Limited	272 Bath Street, Glasgow, Scotland G2 4JR	30%	30%	N/A	N/A	N/A
Trans Park Highway Finance Inc	301-1321 Blanshard Street Victoria, BC, V8W 0B6, Canada	50%	50%	N/A	N/A	N/A
Trans Park Highway General Partnership	301-1321 Blanshard Street Victoria, BC, V8W 0B6, Canada	50%	50%	N/A	N/A	N/A
Trans Park Highway Holding Inc.	301-1321 Blanshard Street Victoria, BC, V8W 0B6, Canada	50%	50%	N/A	N/A	N/A
Trans Park Highway Inc.	301-1321 Blanshard Street Victoria, BC, V8W 0B6, Canada	50%	50%	N/A	N/A	N/A
Trans Park Highway Investment Inc.	301-1321 Blanshard Street Victoria, BC, V8W 0B6, Canada	50%	50%	N/A	N/A	N/A
TW Accommodation Services (Holdings) Limited	8th Floor, 6 Kean Street, London, United Kingdom WC2B 4AS	100%	100%	N/A	N/A	N/A
TW Accommodation Services Limited	8th Floor, 6 Kean Street, London, London WC2B 4AS	100%	100%	N/A	N/A	N/A
UK GDN Investments HoldCo Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
UK GDN Investments Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
UK GDN Investments TopCo Limited	Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL	100%	100%	N/A	N/A	N/A
Via Erste Beteiligungsgesellschaft mbH	Franz-Ehrlich-Str. 5 12489, Berlin, Germany	100%	100%	N/A	N/A	N/A
Via Mühlhausen GmbH & Co. KG	Vor dem Riedtor 7, 99998 Mühlhausen, Germany	50%	50%	N/A	N/A	N/A
Willcare (MIM) Limited	128 Buckingham Palace Road London, SW1W 9SA	100%	100%	N/A	N/A	N/A
Willcare Holdings Limited	128 Buckingham Palace Road London, SW1W 9SA	100%	100%	N/A	N/A	N/A
Wooldale Partnerships Holdings Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A
Wooldale Partnerships Limited	10 St. Giles Square, London, United Kingdom WC2H 8AP	50%	50%	N/A	N/A	N/A

Note: HICL Infrastructure 2 SARL is a direct shareholding of the Company. All other entities are indirectly held by the Company. 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 as denoted by "N/A" in the above table.

## 22. US GAAP Disclosure

### Reconciliation to US GAAP

On 8 January 2026, InfraRed became SEC registered to support its ongoing global strategy. HICL is accordingly in scope of the resulting SEC custody rules in relation to financial reporting. As the Company reports under IFRS, a reconciliation of the income statement and statement of financial position under US Generally Accepted Accounting Principles ("US GAAP") has been performed for the year ending 31 March 2026. No material differences have been identified between IFRS and US GAAP for the Company Financial Statements for the year ending 31 March 2026.

A reconciliation of IFRS versus US GAAP for the year ending 31 March 2026:

<b>Net Income</b>	
Net income as showing in the financial statements	£266.6m
Items having the effect of increasing reporting income	Nil
Items having the effect of decreasing reporting income	Nil
Net income according to generally accepted accounting principles in the United States	£266.6m
<b>Equity</b>	
Equity as showing in the financial statements	£3,033.5m
Items having the effect of increasing reported equity	Nil
Items having the effect of decreasing reported equity	Nil
Equity according to generally accepted accounting principles in the United States	£3,033.5m

A reconciliation of IFRS versus US GAAP for the year ending 31 March 2025:

<b>Net Income</b>	
Net income as showing in the financial statements	£45.9m
Items having the effect of increasing reporting income	Nil
Items having the effect of decreasing reporting income	Nil
Net income according to generally accepted accounting principles in the United States	£45.9m
<b>Equity</b>	
Equity as showing in the financial statements	£3,030.7m
Items having the effect of increasing reported equity	Nil
Items having the effect of decreasing reported equity	Nil
Equity according to generally accepted accounting principles in the United States	£3,030.7m

There are no material differences under US GAAP identified to the cash flow statement or the calculation of EPS in either period.

Deloitte provide a separate audit opinion on page 144 below.

# Independent Auditor's Report – US GAAP Disclosure

For the year ended 31 March 2026

## Independent Auditor's Report

The Board of Directors  
HICL Infrastructure Plc  
One Bartholomew Close  
Barts Square  
London  
EC1A 7BL

### Opinion

We have audited the financial statements of HICL Infrastructure Plc (the "Company"), which comprise the statement of financial position as of March 31, 2026, and the related income statement, the statement of changes in shareholders' equity, the cash flow statement for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with UK-adopted international accounting standards ("IFRS").

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Predecessor Auditor's Opinion on 2025 Financial Statements

The financial statements of the Company as of and for the year ended March 31, 2025 were audited by other auditors whose report, dated May 20, 2025, expressed an unmodified opinion on those statements in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ▶ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte LLP  
London, United Kingdom

26 May 2026

# Appendix 1: SFDR Periodic Disclosures (Unaudited)

Product name: HICL Infrastructure PLC

Legal entity identifier: 213800BVXR1E5L7PEV94

## Environmental and / or social characteristics

### 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.

### Did this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> <b>It made sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> <b>It made sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> <b>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</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> <b>It promoted E/S characteristics, but did not make any sustainable investments</b>

### 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 Foundations, 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 contribute 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").

The Manager takes an active approach to long-term sustainability which is based on a foundation of robust sustainability principles. During the reporting 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.

## Appendix 1: SFDR Disclosures continued

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**How did the sustainability indicators perform?**

HICL has used the following sustainability indicators to measure the attainment of the E/S characteristics, among others:

- ▶ **Environmental:** Implementation of responsible environmental management measures, consideration of climate risks and Scope 1, 2, 3 emissions; and
- ▶ **Social:** Community initiatives and voluntary contributions, health and safety policies and performance.

(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 on pages 34 to 37 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 71 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 pages 34 to 27 and 70.

**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.

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 2026**.

Asset allocation describes the share of investments in specific assets.

## 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, of 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.

## 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 2026
Affinity Water	UK	Electricity & Water	13.6%
Fortysouth	New Zealand	Communications	8.0%
Texas Nevada Transmission	USA	Electricity & Water	6.1%
London St. Pancras High Speed	UK	Transport	5.5%
Cross London Trains	UK	Transport	4.8%
Altitude Infra	UK	Communication	3.8%
Royal School of Military Engineering	UK	Accommodation	3.5%
Blankenburg Tunnel	Netherlands	Transport	3.3%
Home Office	UK	Accommodation	3.1%
Birmingham Hospitals	UK	Health	3.0%
<b>31 March 2026 largest ten investments</b>			<b>54.7%</b>

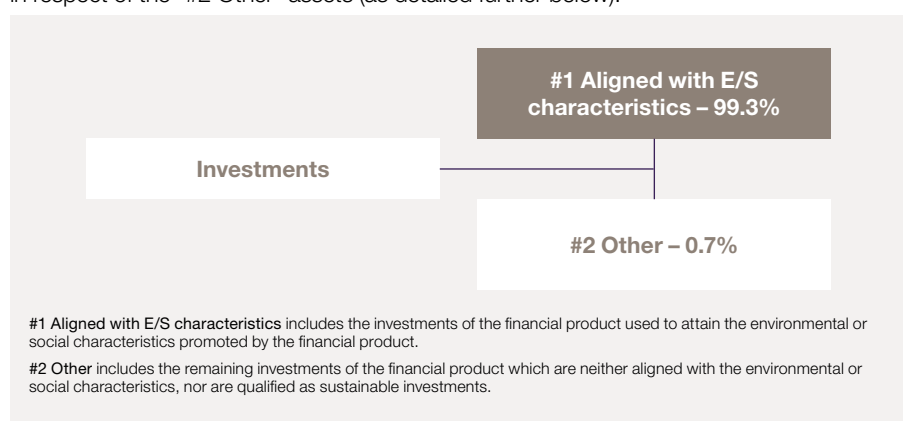
## What was the proportion of sustainability-related investments?

N/A

## 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).



## 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.

# Appendix 1: SFDR Disclosures continued

## 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.

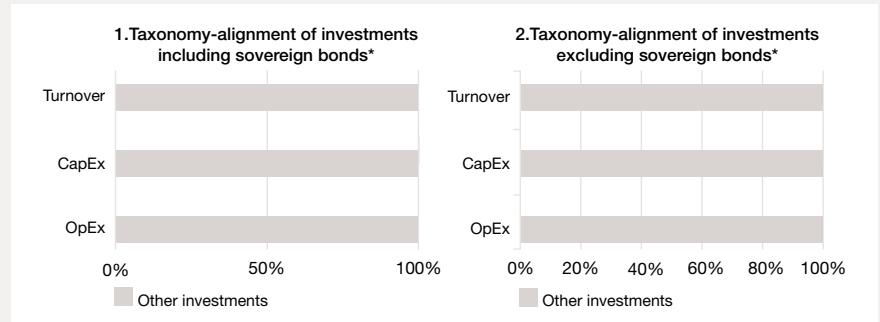
Taxonomy-aligned activities are expressed as a share of:

- ▶ **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.

## Did the financial product invest in fossil gas and / or nuclear energy related activities complying with the EU Taxonomy?<sup>2</sup>

<input type="checkbox"/> <b>Yes</b> (specify below, and details in the graphs of the box)	<input type="checkbox"/> <b>No</b>
<input type="checkbox"/> <b>In fossil gas</b>	
<input type="checkbox"/> <b>In nuclear energy</b>	

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.

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 respect 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?

InfraRed undertook a range of actions during the period to support the delivery of the environmental and social characteristics set out above. These actions reflect the Company’s approach to responsible asset stewardship across its portfolio. Further detail is provided in HICL’s 2026 Sustainability Report.

#### Social outcomes

HICL’s assets provide essential services and contribute to local communities through both day-to-day operations and targeted initiatives. During the period, the Company continued to support initiatives aimed at enhancing user experience and strengthening community engagement across its assets.

For example, a number of more substantive initiatives have been progressed at asset level where HICL’s portfolio companies have greater operational influence. This includes ongoing investment and operational programmes at regulated assets such as Affinity Water, where initiatives are being delivered to improve resource efficiency, enhance environmental outcomes and support affordability for end users, including through demand-management measures, leakage reduction and targeted infrastructure investment.

Alongside these asset-specific programmes, HICL continues to support the identification and, where appropriate, replication of targeted initiatives across its broader portfolio through InfraRed’s engagement processes. These may include measures designed to enhance service accessibility within healthcare environments and initiatives addressing local community needs, delivered in collaboration with clients, service providers and other stakeholders.

Such initiatives are typically delivered in collaboration with clients, service providers and local stakeholders, and are intended to complement the intrinsic social benefits provided by HICL’s assets.

## Appendix 1: SFDR Disclosures continued

### Environmental initiatives

During the period, the Investment Manager continued to engage with portfolio companies on climate-related matters, environmental management and resource efficiency.

This included ongoing progress in areas such as decarbonisation, improving the efficiency of resource use and enhancing asset-level resilience to climate- and nature-related risks.

In line with this approach, a high proportion of the portfolio has implemented environmental management measures covering relevant risks and impacts, supported through ongoing asset management and governance processes.

At asset level, initiatives undertaken during the year illustrate how resource efficiency and environmental considerations are addressed in practice. For example, selected assets have implemented measures to reduce waste generation and improve on-site resource use, including the introduction of food waste recycling solutions and broader initiatives aimed at reducing consumption of energy, water and materials. These actions can contribute to operational efficiency and cost management, while supporting environmental outcomes over time.

Across the portfolio, such initiatives are typically developed and delivered by portfolio companies, with oversight from the Investment Manager, and reflect a proportionate approach aligned to the characteristics of each asset.

### 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 45, 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

- ▶ The Infrastructure Moment: Investing in the Expanding Foundations of Modern Society, McKinsey & Company (2025)
- ▶ Capital at Work: Growing the World Through Infrastructure Finance, BNY Mellon Investment Management Institute (2026)
- ▶ Bridging the Infrastructure Funding Gap: Attracting private capital to deliver the UK infrastructure strategy and exporting innovative financing solutions
- ▶ TheCityUK & Freshfields (April 2026)
- ▶ Infrastructure Is No Longer an Option: At the Center of Geopolitics, Technology, and Economic Regime Change (Infrastructure Outlook 2026), KKR Infrastructure (March 2026)
- ▶ Infrastructure Fundraising Report 2025, With Intelligence (by S&P Global), April 2026

### Page 9

- ▶ NHS centres to be built using private finance in England, Financial Times (2025)
- ▶ Rethinking public–private partnerships to bridge the infrastructure gap, Centre for Economic Policy Research (CEPR) – VoxEU Column (2025)
- ▶ The Infrastructure Moment: Investing in the Expanding Foundations of Modern Society, McKinsey & Company (2025)
- ▶ UK Wireless Infrastructure Strategy, UK Department for Science, Innovation and Technology (2023)
- ▶ Gigabit Infrastructure Act, European Commission – Shaping Europe’s Digital Future (2024)
- ▶ Infrastructure Funding Progress Update – Winter 2025, U.S. Department of Energy, Office of the Under Secretary for Infrastructure (2025)
- ▶ Electricity 2026 – Executive Summary, International Energy Agency (IEA) (2026)
- ▶ EU invests €2.8 billion in 94 transport projects to boost sustainable and connected mobility across Europe, European Commission, Directorate-General for Mobility and Transport (2025)
- ▶ <https://www.uschamber.com/infrastructure/energy-funding-in-the-infrastructure-investment-and-jobs-act>

### Page 10

- ▶ The Infrastructure Moment: Investing in the Expanding Foundations of Modern Society, McKinsey & Company (2025)

# Glossary

Item	Definition
<b>Acquisition Strategy</b>	This identifies the scope for current acquisitions; further details can be found in HICL's Business Model section of this report
<b>AIPs</b>	Approved Investment Parameters
<b>AIF</b>	Alternative Investment Fund
<b>AIFM</b>	Alternative Investment Fund Manager
<b>AIFMD</b>	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
<b>AIC</b>	The Association of Investment Companies is a UK trade association for the closed-ended investment company industry
<b>AIC Code</b>	The 2019 AIC Code of Corporate Governance
<b>AMP8</b>	The UK water industry regulatory period from 2025 to 2030
<b>Corporate assets</b>	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
<b>Corporate Group</b>	Refers to HICL and its Corporate Subsidiaries
<b>Corporate Subsidiaries</b>	HICL Infrastructure 2 S.à.r.l. and Infrastructure Investments LP
<b>Demand-based assets</b>	Infrastructure assets with revenues linked to the usage of the underlying assets
<b>Directors' Valuation</b>	Fair market valuation of HICL's investments and commitments at the balance sheet date, plus the disposal proceeds held outside of the Corporate Group. Further details can be found in the Valuation of the Portfolio section of the report
<b>ESG</b>	Environmental, Social and Governance
<b>EPS</b>	Earnings per share
<b>FATCA</b>	The Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act
<b>FCA</b>	UK Financial Conduct Authority
<b>FM</b>	Facilities Management
<b>Growth Assets</b>	The assets in HICL's portfolio which are expected to generate increasing earnings over time as they invest in their capital bases
<b>HICL</b>	HICL Infrastructure Company Limited prior to 31 March 2019 and HICL Infrastructure PLC from 1 April 2019
<b>IFRS Basis</b>	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
<b>InfraRed</b>	InfraRed Capital Partners and its Group, more details of which can be found at <a href="http://www.ircp.com">www.ircp.com</a>
<b>Investment Manager</b>	InfraRed Capital Partners Limited acting in its capacity as Investment Manager to HICL pursuant to the Investment Advisory Agreement
<b>Investment Basis</b>	Pro forma financial information on the basis that HICL consolidates the results of the Corporate Subsidiaries
<b>Investment Policy</b>	HICL's Investment Policy has not materially changed since IPO and can be found on the website at <a href="http://www.hicl.com/about-us/strategy-investment-policy/">/www.hicl.com/about-us/strategy-investment-policy/</a>

## Glossary continued

Item	Definition
<b>IPO</b>	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
<b>Lifecycle</b>	Concerns the replacement of material parts of an asset to maintain it over its concession life
<b>Market capitalisation</b>	A measure of the size of a company calculated by multiplying the number of shares in issue by the price of the shares
<b>NAV</b>	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
<b>Net zero</b>	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
<b>Ofwat</b>	The UK Water Services Regulation Authority
<b>Ongoing charges</b>	A measure of the regular, recurring costs of running an investment company, expressed as a percentage of NAV
<b>Operating company</b>	A company that owns and operates infrastructure assets
<b>Partnership</b>	Infrastructure Investments LP
<b>Portfolio company</b>	Companies that own or operate infrastructure assets, in which HICL has an investment
<b>PPP project</b>	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
<b>PR19</b>	Ofwat's final methodology for the 2019 Price Review, covering the regulatory period from 2020 to 2025 ("AMP7")
<b>PR24</b>	Ofwat's proposed methodology for the 2024 Price Review, covering the regulatory period from 2025 to 2030 ("AMP8")
<b>PRI</b>	Principles for Responsible Investment
<b>Project company</b>	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
<b>Regulated assets</b>	Infrastructure assets with monopolistic characteristics and which are subject to regulatory oversight
<b>Revolving Credit Facility</b>	An acquisition facility provided by lenders, held via a Corporate Subsidiary and expiring in June 2026. See the Financial Review section of the report
<b>RIDDOR</b>	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
<b>Total Shareholder Return</b>	Return based on interim dividends paid plus movement in the period, divided by opening NAV per share
<b>UN SDGs</b>	United Nations Sustainable Development Goals

# Directors and Advisers

## Directors

Mike Bane (Chair)  
Rita Akushie  
Liz Barber  
Frances Davies  
Martin Pugh  
Graham Sutherland

## Registered Office

One Bartholomew Close  
Barts Square  
London  
EC1A 7BL

## Registrar

MUFG Corporate Markets  
51 Lime Street  
London  
EC3M 7DQ

## Company Secretary and Administrator

Aztec Financial Services (UK)  
Limited  
Forum 4, Solent Business Park  
Parkway South  
Whiteley  
Fareham  
PO15 7AD

## Investment Manager and Operator

InfraRed Capital  
Partners Limited  
One Bartholomew Close  
Barts Square  
London  
EC1A 7BL  
+44 (0)20 7484 1800

## Auditor

Deloitte LLP  
1 New Street Square  
1 Little New St  
London  
EC4A 3JR

## Financial PR

Brunswick Group Advisory Ltd  
16 Lincoln's Inn Fields  
London  
WC2A 3ED

## Joint Corporate Brokers

Investec Bank plc  
30 Gresham Street  
London  
EC2V 7QP  
  
RBC Capital Markets  
100 Bishopsgate  
London  
EC2N 4AA

## Directors and Advisers continued

### 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 2026

### Market capitalisation

£2.2bn as at 31 March 2026

### 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<sup>1</sup>

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](http://www.hicl.com)

### ISIN and SEDOL

ISIN: GB00BJLP1Y77 SEDOL: BJLP1Y7

### Website

[www.hicl.com](http://www.hicl.com)

<sup>1</sup> 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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**Find out more**

[hicl.com](http://hicl.com)

**Registered address**

HICL Infrastructure PLC

Registered number 11738373

Level 7, One Bartholomew Close

Barts Square

London EC1A 7BL