

18 August 2025

HICL Infrastructure PLC

"HICL" or "the Company" and, together with its subsidiaries, "the Group", the London-listed infrastructure investment company managed by InfraRed Capital Partners Limited ("InfraRed" or "the Investment Manager").

Interim Update Statement

The Board of HICL is issuing this Interim Update Statement, which relates to the period from 1 April 2025 to 15 August 2025.

Mike Bane, Chair of HICL said:

"The Board is pleased with HICL's operational performance during the period and with today's announcement of the targeted disposal of seven assets. Disposals over the last 24 months now amount to c. £725m. Portfolio cash generation remains in line with expectations, supporting our confidence in meeting our dividend guidance for the financial years to 31 March 2026 and 2027. The quality and resilience of HICL's portfolio reinforces our confidence in advancing HICL's strategy with clarity and conviction."

Key Highlights

- Portfolio sale of seven UK PPP assets in line with HICL's 31 March 2025 valuation, comprising 50% of HICL's investments in Southmead Hospital and Pinderfields and Pontefract Hospitals, the entire equity interest in four UK LIFT projects and in Edinburgh Schools. These disposals enhance HICL's strategic portfolio construction and further evidence the Company's robust NAV.
- Solid operational performance across the portfolio, with HICL's yield investments continuing to underpin cash generation, in line with expectations during the period. Growth assets progressed capital expenditure in accordance with their business plans, supporting both earnings and longer-term cashflows.
- The Company remains on track to deliver its covered target dividend of 8.35p per share for the financial year to 31 March 2026 and the Board reiterates its dividend target of 8.50p for the year ending 31 March 2027.

Portfolio sale

- As announced today, HICL has entered into an agreement to dispose of 50% of its investments in Southmead Hospital and Pinderfields and Pontefract Hospitals and the entire equity interest in four UK LIFT projects and Edinburgh Schools to APG, the largest Dutch pension services provider.
- The total consideration for the transaction is c. £225m, which includes cash distributions received by HICL since 1 April 2025 and is in line with the Company's last audited valuation of the assets as at 31 March 2025. The majority of the consideration will be received on completion, with a small non-contingent deferred element of £14m due by 30 June 2026 with the potential to bring this forward. Following completion of the transaction, HICL's exposure to healthcare assets will reduce from 22% to 16% of gross portfolio value.
- Completion is expected by 31 December 2025, comfortably ahead of the Board's previously stated target of at least £200m of divestments by 31 March 2026. In line with previous disclosure, proceeds will be used to fund HICL's share buyback programme, to fully repay the balance on the Company's Revolving Credit Facility ("RCF"), and to fund existing investment commitments of c. £110m.

- HICL has now announced £725m of disposals in the last 24 months at consistently strong valuations either in line with or above NAV. These disposals strengthen long-term portfolio construction, demonstrate the robustness of the Company's net asset value, and build on InfraRed's extensive track record of selective portfolio rotation.

Capital Allocation Update

- As at 15 August 2025, the Company has repurchased a total of 89,467,218 shares under its expanded £150m share buyback programme. This has generated 1.8p of NAV accretion for shareholders since the buyback programme commenced in May 2024.
- As at 15 August 2025, the total number of shares with voting rights in HICL, excluding treasury shares, is 1,942,020,843.
- The Company has drawn £30m from its RCF to fund share buybacks as a bridge to the receipt of disposal proceeds. In line with previous guidance, the Company allocated up to £50m of RCF capacity to fund buybacks, where the share price discount to NAV is greater than 15% at the time of drawing.
- Portfolio cash generation remains consistent with the 1.1x targeted dividend cover for the financial year to 31 March 2026. This is predominantly supported by HICL's yield assets, but also reflects increasing cash generation from growth assets.

Portfolio Performance and Valuation

- Overall, the portfolio delivered a robust performance, consistent with the Company's expectations and underpinned by predictable cashflows from yield assets and disciplined execution across growth assets.
- Affinity Water (10.8% of portfolio value as at 31 March 2025) delivered solid operational performance over the period despite the warm and dry weather. HICL's £50m equity investment and the resumption of dividends are both expected to occur during the financial year ending 31 March 2026. The Cunliffe Review of the UK water sector was released on 21 July and included a number of recommendations, including a streamlining of the regulatory regime. The Company welcomes the conclusions of the review and will continue to monitor its implications for Affinity Water over the coming years.
- Texas Nevada Transmission (5.1% of portfolio value as at 31 March 2025) agreed a regulatory settlement in June 2025 with the Public Utility Commission of Texas in relation to Cross Texas Transmission. The allowed return on equity is in line with HICL's assumptions, with the overall outcome expected to result in a modest increase in valuation.
- At London St. Pancras High Speed (4.9% of portfolio value as at 31 March 2025), the Office of Rail and Road's final decision regarding available capacity at the Temple Mills Depot is expected in autumn 2025. This decision is a key enabler for access by new international operators, and the management team continued to progress discussions with several interested parties during the period.
- Inflation for the period since 31 March 2025 tracked ahead of the assumptions used in the Company's 31 March 2025 valuation for the UK and North America, with other jurisdictions broadly neutral. If inflation for the remainder of the financial year were to match the Company's assumption, it would result in a positive impact on NAV per share of c. 1.4p.
- Since 31 March 2025, long term government bond yields across HICL's countries of operation have remained largely stable, except in the US and Canada with increases of c. 20bps and c. 50bps respectively. If current levels persist across the portfolio, the equity risk premium across the portfolio would reduce marginally. The Company will continue to consider the adequacy of the equity risk premium relative to the prior reporting date of 31 March 2025.
- If the increase in risk-free rates in the US and Canada were to be reflected in the valuation as at 30 September 2025 through increased discount rates, it would result in a modest NAV reduction of c. 0.5p per share. The Board will continue to evaluate this position as further macroeconomic data becomes

available, alongside relevant transaction data for these regions.

- The Company's successful disposal of seven UK assets, in line with their 31 March 2025 valuation, provides further market validation for the discount rates applied to HICL's UK portfolio. The Investment Manager will consider this evidence alongside prevailing macroeconomic data, including movements in risk free rates, when preparing the 30 September 2025 valuation.

Market and Outlook

- With the Investment Manager having exceeded the £200m targeted asset disposals, the Board will consider the deployment of excess proceeds in line with its disciplined capital allocation framework. This will include consideration of selective acquisition activity alongside further share buybacks. Looking forward, the Company's solid balance sheet and liquidity position will allow it to respond nimbly to attractive investment opportunities that are consistent with the Company's strategy.
- In June, the UK Government published its Comprehensive Spending Review and 10 Year Infrastructure Strategy which together lay out the investment budget and ambitions for attracting private investment into the UK infrastructure sector over the coming decade. This may present investment opportunities for HICL, which will be evaluated on their merits and with reference to the Company's capital allocation framework. Both HICL and its Investment Manager will continue to engage with the UK Government as it consults with various stakeholders.
- Looking forward, the Company is well positioned to progress its strategy. Free cash generation continues to trend upwards, underpinned by stable investment performance and a portfolio that is well insulated from macroeconomic volatility. Successful disposal activity and sound capital allocation have provided significant financial flexibility while enhancing long-term portfolio construction. With supportive infrastructure market conditions and policy tailwinds, the Company is well placed to continue building a high-quality portfolio that supports long-term earnings and sustainable dividend growth.

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HICL Infrastructure PLC

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HICL Infrastructure PLC ("HICL") is a long-term investor in infrastructure assets which are predominantly operational and yielding steady returns. It was the first infrastructure investment company to be listed on the London Stock Exchange.

With a current portfolio of over 100 infrastructure investments, HICL is seeking further suitable opportunities in core infrastructure, which are inherently positioned at the lower end of the risk spectrum.

Further details can be found on the HICL website www.hicl.com.

Investment Manager (InfraRed Capital Partners)

The Investment Manager to HICL is InfraRed Capital Partners Limited ("InfraRed") which has successfully invested in infrastructure projects since 1997. InfraRed is a leading international investment manager, operating worldwide from offices in London, New York, Seoul, Madrid and Sydney and managing equity capital in multiple private and listed funds, primarily for institutional investors across the globe. InfraRed is authorised and regulated by the Financial Conduct Authority.

The infrastructure investment team at InfraRed consists of over 100 investment 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.

InfraRed implements best-in-class practices to underpin asset management and investment decisions, promotes ethical behaviour and has established community engagement initiatives to support good causes in the wider community. InfraRed is a signatory of the Principles of Responsible Investment.

Further details can be found on InfraRed's website www.ircp.com.

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