INTERNATIONAL PUBLIC PARTNERSHIPS

2022

Half-yearly Financial Report for the six months to 30 June 2022

OUR PURPOSE IS TO INVEST RESPONSIBLY IN SOCIAL AND PUBLIC INFRASTRUCTURE THAT DELIVERS LONG-TERM BENEFITS FOR ALL STAKEHOLDERS.

We aim to provide our investors with stable, long-term, inflation-linked returns, based on growing dividends and the potential for capital appreciation.

We expect to achieve this by investing in a diversified portfolio of infrastructure assets and businesses which, through our active management, meets societal and environmental needs both now and into the future.

COMPANY FACTS

– London Stock Exchange trading code: INPP.L
– Member of the FTSE 250 and FTSE All-Share indices
– £3.1 billion market capitalisation at 30 June 2022
– 1,911 million shares in issue at 30 June 2022
– Eligible for ISA/PEPs and SIPPs
– Guernsey incorporated company
– International Public Partnerships Limited (the 'Company', 'INPP', the 'Group' (where including consolidated entities)) shares are excluded from the Financial Conduct Authority's ('FCA') restrictions, which apply to non-mainstream investment products, and can be recommended by independent financial advisers to their clients

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GLOSSARY

Certain words and terms used throughout this Half-yearly Financial Report are defined in the glossary on pages 65 to 67. Where alternative performance measures ('APMs') are used, these are identified by being marked with an * and further information on the measure can be found in the glossary.

COVER IMAGE

Thames Tideway Tunnel, UK, Photo credit: Tideway.

RESPONSIBLE INVESTMENT

In support of its purpose, the Company is committed to responsible investment that is beneficial to its shareholders, communities, society and wider stakeholders. The Company believes that the financial performance of its investments is linked to environmental and social success and, as such, the Company considers issues that have the potential to impact the performance of its investments, both now and in the future.

The Company draws on several frameworks and benchmarks to provide direction. These frameworks are reviewed on an annual basis to ensure that the Company remains at the forefront of sustainable investment, operations and reporting. The Company has categorised itself as an 'Article 8' financial product, which was communicated in the Company's prospectus, published in April 2022. The Company has also published a website disclosure in accordance with the Level 1 requirements of the EU Sustainable Finance Disclosure Regulation ('SFDR').

The Company's Investment Adviser, Amber Infrastructure Limited ('Amber') is a signatory of the UN-backed Principles for Responsible Investment ('PRI').

Signatory of:

PRI Principles for Responsible Investment

The Company supports the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alignment with the UN Sustainable Development Goals ('SDGs') is a key part of the Company's approach to environmental, social and governance ('ESG') integration. The Company contributes towards the SDGs in two main ways: the positive impact investments have on sustainable development and our aim to manage investments sustainably.

THE GLOBAL GOALS For Sustainable Development
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Company has taken steps to strengthen the alignment of its investment activity with the objectives of the Paris Agreement and is a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

WWW.INTERNATIONALPUBLICPARTNERSHIPS.COM

International Public Partnerships Limited registered number: 45241

HALF-YEAR FINANCIAL HIGHLIGHTS

WE AIM TO PROVIDE OUR INVESTORS WITH STABLE, LONG-TERM, INFLATION-LINKED RETURNS, BASED ON GROWING DIVIDENDS AND THE POTENTIAL FOR CAPITAL APPRECIATION

DIVIDENDS

3.87p

H1 2022 dividend per share[1]

7.74p

2022 full-year dividend target per share[2]

7.93p

2023 full-year dividend target per share[2]

c.2.5%

H1 2022 dividend growth

1.2x

H1 2022 cash dividend cover[3]
(H1 2021: 1.3x)

NET ASSET VALUE ('NAV')[4]

£3.0bn

NAV at 30 June 2022[4]
(31 December 2021: £2.5bn)

157.3p

NAV per share at 30 June 2022[4]
(31 December 2021: 148.2p)

18.9%

Increase in NAV for the six months to 30 June 2022
(31 December 2021: 6.1%)

6.1%

Increase in NAV per share for the six months to 30 June 2022
(31 December 2021: 0.7%)

PORTFOLIO ACTIVITY

£56.1m

Cash investments and new commitments made during H1 2022
(31 December 2021: £252.7m)[5]

INFLATION-LINKAGE

0.7%

Portfolio inflation-linkage at 30 June 2022[6]
(31 December 2021: 0.7%)

TOTAL SHAREHOLDER RETURN ('TSR')

238.3%

TSR since Initial Public Offering ('IPO')[7]

8.1% p.a.

Annualised TSR since IPO[7]

PROFIT

£219.2m

H1 2022 profit before tax
(H1 2021: £27.2m)

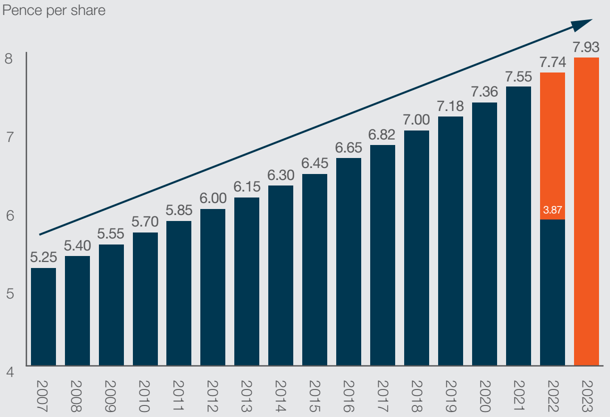
1 The forecast date for payment of the dividend relating to the six months to 30 June 2022 is 18 November 2022.
2 Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future.
3 Cash dividend payments to investors are paid from net operating cash flow before capital activity* as detailed on pages 24 to 25.
4 The methodology used to determine the NAV is described in detail on pages 26 to 33.
5 As at 31 December 2021, this includes cash investments made only.
6 Calculated by running a 'plus 1.0%' inflation sensitivity for each investment and solving each investment's discount rate to return the original valuation. The inflation-linked return is the increase in the portfolio weighted average discount rate.
7 Since inception in November 2006. Source: Bloomberg. Share price appreciation plus dividends assumed to be reinvested.

COMPANY OVERVIEW

CONSISTENT AND SUSTAINED RETURNS

INPP Dividend Payments

Pence per share



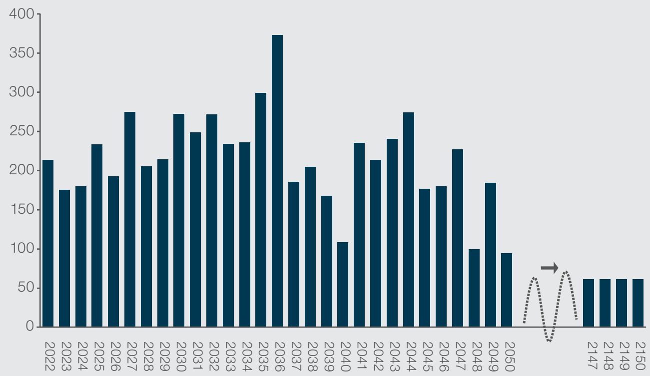
■ Actual ■ Forecast

The H1 2022 dividend of 3.87 pence per share will be declared immediately following the announcement of the 2022 Half-Year results and is expected to be paid in November 2022.

PREDICTABLE PORTFOLIO PERFORMANCE

Projected Investment Receipts

Investment Receipts (£m)



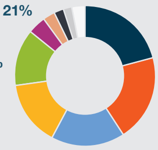
This chart is not intended to provide any future profit forecast. Cash flows shown are projections based on the current individual asset financial models and may vary in future. Only investments committed as at 30 June 2022 are included.

LOW RISK AND DIVERSIFIED PORTFOLIO

Sector Breakdown

142 investments in infrastructure investment and businesses across a variety of sectors[1]

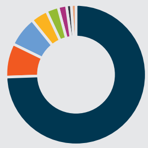
- Energy Transmission **21%**
- Transport **20%**
- Education **17%**
- Gas Distribution **15%**
- Waste Water **13%**
- Health **4%**
- Military Housing **3%**
- Digital **2%**
- Courts **2%**
- Other **3%**



Geographic Split

Invested in selected global regions that meet INPP's specific risk and return requirements

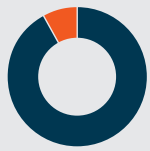
- UK **76%**
- Australia **8%**
- Belgium **7%**
- Germany **4%**
- US **3%**
- Canada **2%**
- Ireland **<1%**
- Denmark **<1%**



Investment Type

Investments across the capital structure, taking into account appropriate risk-return profiles

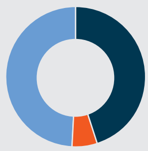
- Risk Capital[2] **92%**
- Senior Debt **8%**



Investment Ownership

Preference to hold majority stakes

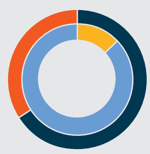
- 100% **45%**
- 50–100% **6%**
- <50% **49%**



Mode of Acquisition/ Investment Status

Early stage investment gives first mover advantage and maximises capital growth opportunities

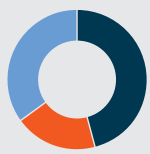
- Construction **13%**
- Operational **87%**
- Early Stage Investor[3] **66%**
- Later Stage Investor[4] **34%**



Investment Life

Weighted average portfolio life of 37 years[5]

- <20 years **46%**
- 20–30 years **19%**
- >30 years **35%**



1 The majority of projects and businesses benefit from availability-based or regulated revenues.
2 Risk Capital includes both investment and business level equity and subordinated shareholder debt.
3 Early Stage Investor – investments developed or originated by the Investment Adviser or predecessor team in primary or early phase investments.
4 Later Stage Investor – investments acquired from a third party investor in the secondary market.
5 Includes non-concession entities which have potentially a perpetual life but assumed to have finite lives for this illustration.

INTERNATIONAL PUBLIC PARTNERSHIPS INVESTS IN HIGH-QUALITY INFRASTRUCTURE ASSETS AND BUSINESSES THAT ARE SUSTAINABLE OVER THE LONG TERM

We have a long-standing relationship with Amber, the Company's Investment Adviser

Amber has sourced and managed the Company's assets since IPO in 2006

Amber is a specialist international infrastructure investment manager and one of the largest independent teams in the sector with over 160 employees internationally. It is a leading investment originator, asset and fund manager with a strong track record

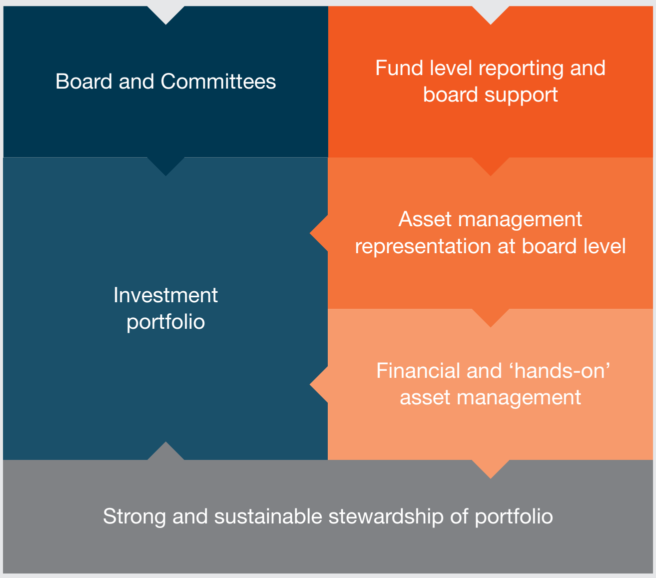
Amber applies an active asset management approach to the underlying investments to support environmental and social characteristics of its investments

The Company has a first right of refusal over qualifying infrastructure investments identified by Amber and for US investments, by Amber's long-term investor, US Group, Hunt Companies LLC ('Hunt')

Relationship with the Investment Adviser

INTERNATIONAL PUBLIC PARTNERSHIPS

AMBER INFRASTRUCTURE GROUP



Our Strengths

Long-term alignment of interests between the Company, Amber and other key suppliers

Amber has physical presence in all of the major countries in which we invest, which provides local insights and relationships

A vertically integrated model with direct relationships with public sector authorities

Experienced team in all aspects of infrastructure development, investment and management

Active approach to investment stewardship, which is the cornerstone of successful investment

Consideration and integration of material ESG risks and opportunities throughout the investment lifecycle

Active engagement with all key stakeholders

Strong independent Board (six of the seven Directors are independent) with a diversity of experience and strong corporate governance

See more about the Investment Adviser on pages 18 to 23

See more about Corporate Governance on page 10

BUSINESS MODEL
DELIVERING LONG-TERM BENEFITS

OUR PURPOSE

OUR PURPOSE IS TO INVEST RESPONSIBLY IN SOCIAL AND PUBLIC INFRASTRUCTURE THAT DELIVERS LONG-TERM BENEFITS FOR ALL STAKEHOLDERS.

We aim to provide our investors with stable, long-term, inflation-linked returns, based on growing dividends and the potential for capital appreciation.

We expect to achieve this by investing in a diversified portfolio of infrastructure assets and businesses which, through our active management, meets societal and environmental needs both now and into the future.

WHAT WE DO

SOURCE

The Company operates a rigorous framework of governance, incorporating a streamlined screening, diligence and execution process. This includes substantive input from the Company's Investment Adviser and, as appropriate, external advisers, with the Company's Board providing robust challenge and scrutiny

INVEST

We seek new investments through our extensive relationships, knowledge and insights to:

- Enhance long-term, inflation-linked cash flows*
- Provide opportunities to create long-term value and enhance returns
- Ensure ESG is core to the investment process

VALUE-FOCUSED PORTFOLIO DEVELOPMENT

- We seek a portfolio of investments with no or low exposure to market demand risks and for which financial, macroeconomic, regulatory, ESG and country risks are well understood and manageable
- The Investment Adviser has a strong investment team that originates opportunities in line with the Company's investment strategy
- We continually monitor opportunities to enhance the Company's existing investments
- The Company draws on the Investment Adviser's award-winning sustainability programme, 'Amber Horizons', to inform areas for future investment

For more see pages 14 to 16

EFFICIENT FINANCIAL MANAGEMENT

CONTINUOUS RISK MANAGEMENT

RESPONSIBLE INVESTMENT

VALUE CREATION

OPTIMISE
Using the Investment Adviser's highly experienced in-house asset management team, we seek to actively manage the Company's investments, balancing risk and return, and using detailed research and analysis to optimise the Company's financial and ESG performance

DELIVER
Together with our Investment Adviser's active asset management of our investments, we aim to deliver strong ongoing asset performance for stakeholders and achieve target returns from the portfolio for investors

ACTIVE ASSET MANAGEMENT
- The Investment Adviser has an in-house asset management team dedicated to managing the Company's investments
- Where possible, through the Investment Adviser, we manage the day-to-day activities of each of our investments internally
- We carry out extensive monitoring, including asset level board and management meetings which occur on a quarterly basis
- The Company works with public sector clients, partners and service providers to ensure investments are being managed both responsibly and efficiently to deliver the required outputs
- We focus on investment stewardship across the portfolio and recognise the broader value created from our investments

For more see pages 18 to 23

- Efficient financial management of investment cash flows and working capital
- Maintaining cash covered dividends
- Ensuring cost-effective operations

For more see pages 24 to 25

- Robust risk analysis during investment origination ensures strong portfolio development
- Integrated risk management throughout the investment cycle to support strategic objectives
- Ongoing risk assessment and mitigation supports successful ongoing asset performance

- Integrated ESG considerations across the investment lifecycle
- Robust ESG objectives to build resilience and drive environmental and social progress
- Upholding high standards of business integrity and governance

For more see pages 34 to 43

INVESTOR RETURNS
Continuing to deliver consistent financial returns for investors through dividend growth* and inflation-linked returns* from underlying cash flows and providing opportunities for capital appreciation

PUBLIC SECTOR AND OTHER CLIENTS
Providing responsible investment in infrastructure to support the delivery of essential public services and broader societal objectives (e.g. supporting the path to net zero). Our ability to deliver services and maintain relationships with our clients and other key stakeholders is vital for the long-term prosperity of each investment

COMMUNITIES
Delivering sustainable social infrastructure for the benefit of local communities. The Company's investments provide vital public assets which strengthen communities, and seek to provide additional benefits for local economies, for example via job creation

SUPPLIERS AND THEIR EMPLOYEES
The performance of our service providers, supply chain and their employees is crucial for the long-term success of our investments. The Company promotes a progressive approach to:
- Corporate social responsibility
- Safe, healthy, inclusive workplaces
- Opportunities for professional development
- Staff engagement

OBJECTIVES AND PERFORMANCE

INVESTOR RETURNS

Delivering long-term, inflation-linked returns to investors

Target an annual dividend increase of 2.5%

c.2.5%

Dividend increase achieved for H1 2022 (H1 2021: 2.7%)

Target a long-term total return of at least 7.0% per annum

7.9% p.a.

IRR achieved since IPO to 30 June 2022[1] (31 December 2021: 7.7% p.a.)

Inflation-linked returns on a portfolio basis

0.7%

Inflation-linked returns on a portfolio basis at 30 June 2022 (31 December 2021: 0.7%)

1 Calculated by reference to the November 2006 IPO issue price of 100p and reflecting NAV* appreciation plus dividends paid.
2 Please refer to page 37 for additional ESG KPIs that are linked to the Company's approach to asset management.

STRATEGIC PRIORITIES

VALUE-FOCUSED PORTFOLIO DEVELOPMENT

Originate investments with stable, long-term cash flows and potential growth attributes, whilst maintaining a balanced portfolio of assets

ACTIVE ASSET MANAGEMENT

Managing strong ongoing asset performance

RESPONSIBLE INVESTMENT

Management of material ESG factors[2]

EFFICIENT FINANCIAL MANAGEMENT

Making efficient use of the Company's finances and working capital

THE VALUE WE PROVIDE TO OUR INVESTORS IS MONITORED USING OUR KEY PERFORMANCE INDICATORS ('KPIS'). THE DELIVERY OF VALUE TO BOTH INVESTORS AND OUR WIDER STAKEHOLDERS IS ACHIEVED BY CAREFULLY MONITORING OUR PERFORMANCE AGAINST RELATED STRATEGIC PRIORITIES

New investments meet at least three of six attributes:

1. Stable, long-term returns
2. Inflation-linked investor cash flows
3. Early stage investor
4. Investment secured through preferential access
5. Other capital enhancement attributes
6. Positive SDG contribution

100.0%

of the investments made in H1 2022 met at least three of the six attributes (H1 2021: 100%)

Strong ongoing asset performance as demonstrated by:

100.0%

Forecast portfolio distributions received for H1 2022[3] (H1 2021: 100%)

0.1%

Asset performance deductions achieved against a target of <3% during H1 2022 (H1 2021: 0.1%)

99.8%

Asset availability achieved against a target of >98% during H1 2022 (H1 2021: 99.7%)

Robust integration of ESG into investment lifecycle

A+

The Company's Investment Adviser's score for the UN-backed PRI 2020 assessment for both the Strategy and Governance and the Infrastructure modules[4]

Positive SDG contribution for new investments

100.0%

Percentage of investments in the period that positively support targets outlined by the SDGs[5]

Cash covered dividends*

1.2x

Dividends fully cash covered* for H1 2022 (H1 2021: 1.3x)

Competitive ongoing charges

1.09%

Ongoing charges ratio for H1 2022 (H1 2021: 1.25%)

3 Measured by comparing forecast portfolio distributions against actual portfolio distributions received. In the current year, actual portfolio distributions exceeded forecast.
4 In its first year of participation, the Company's Investment Adviser achieved A+ in the UN-backed PRI 2020 assessment for both the Strategy and Governance and the Infrastructure modules.
5 The Company aims to manage and monitor any potential adverse impacts as outlined on page 37.

CHAIR'S LETTER

MIKE GERRARD
CHAIR

> *"INPP has continued to deliver strong financial and operational performance, with its portfolio of over 140 infrastructure projects and businesses demonstrating resilience in an uncertain macroeconomic environment."*

DEAR SHAREHOLDERS,

I am pleased to report another successful six-month period for the Company to 30 June 2022. INPP has continued to deliver strong financial and operational performance, with its portfolio of over 140 infrastructure projects and businesses demonstrating resilience in an uncertain macroeconomic environment.

There have been a number of notable highlights during the period, including:

- Delivering a TSR since IPO in November 2006 to 30 June 2022 of 238.3% or 8.1% on an annualised basis[1];
- The successful completion of a significantly oversubscribed £325 million capital raising, exceeding the initial target of £250 million, demonstrating strong support from both existing and new shareholders;
- Over £56 million of new investments and commitments;
- Continued strong inflation linkage (0.7%)[2]; and
- Enhanced ESG considerations including the Company being classified as an Article 8 financial product under SFDR.

The portfolio continues to exhibit resilient cash flows and the Company remains confident that its business model and investment objectives remain attractive for its investors.

OPERATIONAL AND FINANCIAL UPDATE

CONSISTENT AND PREDICTABLE RETURNS

Over the six months to 30 June 2022, NAV per share increased by 9.1 pence to 157.3 pence (31 December 2021: 148.2 pence), with the NAV increasing to £3.0 billion. The Company reported a profit for the six months to 30 June 2022 of £219.2 million (30 June 2021: £27.2 million) which reflects the increase in the fair value of the Company's investments over the period driven by, among other factors, the updated near-term inflation assumptions and the revaluation of the Company's investment in Tideway (more information on these changes can be found on page 17).

I am pleased to also announce that the Company has achieved cash dividend cover of 1.2x[3], while delivering further dividend growth. As a result of the Company's performance, the Board has declared a dividend of 3.87 pence per share[4] for the six months to 30 June 2022, in line with its stated dividend target of 7.74 pence per share[5] for the 2022 financial year. This represents c.2.5% growth on the prior corresponding period and is consistent with the c.2.5% average annual dividend growth that has been delivered since the Company's inception. The dividend will be paid on 18 November 2022. The Board is also pleased to reaffirm its dividend target for 2022 of 7.74 pence per share and reaffirm its guidance of 7.93 pence per share for 2023.

INVESTMENT ACTIVITY

Since the beginning of 2022, the Company has made new investments and investment commitments of £56.1 million covering the transport, digital, education and waste water sectors.

1 Since inception in November 2006. Source: Bloomberg. Share price appreciation plus dividends assumed to be reinvested.
2 Calculated by running a 'plus 1.0%' inflation sensitivity for each investment and solving each investment's discount rate to return the original valuation. The inflation-linked return is the increase in the portfolio weighted average discount rate. Please refer to pages 30 to 31 for further detail.
3 Cash dividend payments to investors are paid from net operating cash flow before capital activity as detailed on pages 24 to 25.
4 The forecast date for payment of the dividend relating to the six months to 30 June 2022 is 18 November 2022.
5 Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future.
6 An additional €0.5 million was drawn post-period end in July 2022.

During the period, the Company conditionally agreed to acquire a further shareholding in Tideway, the London waste water project, increasing its stake to approximately 18% through the investment of approximately £42 million of additional capital. At the time of writing, we expect this investment to complete on or around the publication date of this report. We are very pleased to make this additional investment in Tideway. The project is seen by the Company as financially attractive and, moreover, its positive impact on the environment and strong engagement with local communities, are closely aligned with the Company's own values as a responsible investor.

In addition, the Company has announced that financial close had been reached on Stage 3 of the Gold Coast Light Rail project where it will make an additional investment totalling c.£7.1 million. The Company's existing investment into Stages 1 and 2 of the project has seen over 60 million passenger trips, with combined tram and bus usage increasing 43% across the Gold Coast transport network since the light rail project opened in 2014, making an important contribution to reduced reliance on car transport.

Further investments totalling £7.0 million were made during the period, including in a UK public-private partnership ('PPP') portfolio, Diabolo Rail Link ('Diabolo') and National Digital Infrastructure Fund ('NDIF') which the Company committed to in July 2017. More information on these investments is available on pages 15 to 16.

Post-period end, minority interests in four Lancashire Building Schools for Future ('BSF') projects were successfully sold, with £8.5 million being realised, and aligned with the carrying value on the disposal date.

While the sales values were relatively minor in the context of the overall portfolio, it was nevertheless a reassuring demonstration of the continued quality of the portfolio. As part of its active asset management approach and through the lens of its divestment policy, the Company regularly reviews its portfolio and, in these cases, determined that a sale was in the best interests of the Company.

As previously reported, the Company is preferred bidder on two more offshore transmission projects ('OFTOs') - Moray East and East Anglia One - which will be the tenth and eleventh OFTO projects in the Company's portfolio. These projects are progressing well and continue to be in line with the Company's investment objectives, with availability-based revenue streams, protected downside and inflation-linkage. The Company's current OFTO portfolio has the capacity to transmit enough renewable electricity to power c.2.1 million homes, in support of the UK's transition to net zero. This will increase to 3.7 million once the two preferred bidder OFTOs have been acquired. Please see more information on the Company's investment activity on pages 15 to 16.

Following the successful capital raise, proceeds were partially utilised to repay the drawn balance on the Corporate Debt Facility ('CDF'), and the remaining capital is earmarked to support the current pipeline.

PORTFOLIO OVERVIEW

The priority for the Company's Investment Adviser, Amber Infrastructure, is meeting or exceeding the Company's investment performance objectives, and creating value for investors and communities. Its active asset management approach has been fundamental to the Company's successful performance since IPO in 2006. It is this performance that has enabled the Company to build a reputation for delivering transparent, responsible stewardship of public infrastructure assets that support essential services.

The following sets out some key updates over the six months to 30 June 2022.

The Company continues to monitor the energy regulator, Ofgem's, further consultation on the OFTO regime that will apply once the contracted revenue period comes to an end.

In July 2021, Ofgem released its first decision document, the contents of which were consistent with our expectations and, in June 2022, Ofgem released a second consultation document regarding the potential regulatory developments underpinning an extension of the OFTO revenue stream. The Investment Adviser continues to be actively engaged with all relevant industry stakeholders. All parties recognise that the life extension of renewable energy assets (including offshore transmission assets owned by the Company) is required to meet the UK net zero emissions targets. The consultation is the second in a proposed multi-part consultation on the end of tender revenue process and focuses on the regulatory financial arrangements. Ofgem expects to publish summaries of the non-confidential feedback and any updates on the issues covered in a further publication in Autumn 2022. We will seek to keep investors informed of forthcoming developments.

The Company's Investment Adviser continues to monitor Diabolo, the strategic rail transportation asset linking Brussels Airport with Belgium's national rail network, as it recovers from the reduction in demand as a result of Covid-19 restrictions. Further to the €24.0 million committed to the project in December 2020, €6.7 million remains available to protect Diabolo's liquidity position and ensure compliance with its debt covenants. Of the €24.0 million, €17.3 million has been drawn to date, of which €5.0 million[6] was drawn during the period. The extent and timing of any further cash injections is dependent upon the trajectory of the recovery in passenger numbers, which at the end of June were approximately c.85% of pre-Covid levels.

The latest traffic forecast report for Diabolo assumes a return of pre-Covid levels by 2024. Discussions are continuing with Infrabel, the Belgian rail network owner, over the implementation of a passenger fare adjustment which could partially mitigate the impact of lower passenger numbers.

CHAIR'S LETTER
CONTINUED

Cadent continues to actively support the UK Government in meeting its net zero target, by working on various initiatives to enable the transition to cleaner fuels, including being shortlisted by Ofgem to develop the UK's first ever 'hydrogen village', which is discussed further on page 40. Whilst Cadent is largely insulated from changes in gas prices and the associated energy price caps, aside from where the changes can cause timing differences in certain cash flows, the Company continues to closely monitor the implications of changes in gas prices and other developments within the sector.

INVESTMENT STEWARDSHIP AND ESG

The Company considers sustainability and ESG integration to be fundamental parts of its approach to investment risk management, investment origination and value creation. During the period, the Company chose to categorise itself as an Article 8 financial product, following an internal assessment of the application of the SFDR.

In line with this new commitment, the Company's Investment Adviser is further refining its ESG data collection policies and processes to support enhanced disclosures under SFDR and TCFD. The aim of this will be to provide investors, and other key stakeholders, with more granular information about the Company's ESG risks and opportunities.

The Company's Investment Adviser continues to engage with its public sector partners and key suppliers to ensure that the projects and businesses in which the Company invests remain available and operational to deliver for the communities which they serve, to the greatest extent possible, whilst protecting the health and safety of staff and users. For those investments measured by both availability and performance standards, for the six months to 30 June 2022, the availability of those assets was 99.8% (30 June 2021: 99.7%) and there were performance deductions of no more than 0.1% (31 December 2021: 0.1%).

Both of these measures represent outperformance relative to the Company's targets and are a testament to the Investment Adviser's active asset management approach.

The social considerations implicit in ESG are as important as the environmental considerations, recognising that there can be much overlap between the two. A good example of this would be the Investment Adviser's activities at one of the Company's social accommodation investments, where it is working with a specialist agent to donate equipment no longer required to good causes. Through this one initiative, over £194,000 of in-kind donations have been made to 10 charities, over 45 tonnes of waste has been diverted from landfill, and over 61 tonnes of greenhouse gas emissions have been avoided. Please refer to the Responsible Investment section on pages 34 to 43 for more information.

CORPORATE GOVERNANCE

At the Annual General Meeting ('AGM') in May, Claire Whittet retired from the Board having completed nine years of service for the Company, during which time she held various roles including Senior Independent Director and Chair of the Management Engagement Commitment. I and my fellow Directors, past and present, would like to thank Claire for her commitment and highly valued contribution to the success of the Company during these years.

As a result of her retirement and the importance of ongoing Board rotation, the following changes in Board responsibilities took place during the period:

- Meriel Lenfestey was appointed Chair of the Management Engagement Committee;
- John Le Poidevin was appointed to the role of Senior Independent Director; and
- Stephanie Coxon was appointed Chair of the Nomination and Remuneration Committee, replacing Julia Bond who remains Chair of the ESG Committee.

In addition, the Company's Board of Directors continue to actively engage with the Company's portfolio companies and during the period carried out a Cadent site visit as well as meeting with Cadent colleagues.

CURRENT ENVIRONMENT AND OUTLOOK

The outlook for infrastructure investment remains strong, and I am pleased to observe continued positive macro fundamentals that support the Company's portfolio. Whilst the Company continues to manage and mitigate risk, the portfolio has further demonstrated its resilience in the current macroeconomic environment. The result of the Company's capital raising activities during the period is a strong indication of the attractiveness of the Company's investment case and we were encouraged by the support from new and existing investor groups.

The Company maintains a high-quality pipeline of future investment opportunities. Through the Investment Adviser, we are committed to ensuring new and existing investments remain focused on the key characteristics required to meet the Company's investment criteria, including yields that are attractive relative to asset risk profile, the likelihood of long-term stable cash flows, high barriers to entry to competition, strong ESG credentials and opportunities to enhance the value of individual investments and the portfolio overall.

There continues to be a need for infrastructure investment across the countries in which the Company invests. Governments internationally have acknowledged the key role infrastructure spending will play in driving economic recovery, the creation of jobs and our ability to address key challenges such as climate change. The sectors in which the Company invests continue to drive the transition towards climate goals, for example in energy transition, digital connectivity and social infrastructure.

The Company is also well positioned to take advantage of any future opportunities that may emerge. As at the current date, the Company's £250 million revolving credit facility was undrawn in cash terms, with £16.4 million committed in respect of letters of credit to support our investment pipeline. The proceeds of the capital raise, completed during the period, can be used to support our current pipeline.

This year has seen rapidly increasing energy prices, growing concerns about energy security and resurgent general inflation across the geographies in which the Company invests, much of which can be traced back to the war in Ukraine and, in the case of inflation, also to the ongoing fall-out from the Covid-19 pandemic and the associated global recovery.

Whilst the Company is well positioned to mitigate these risks, it is not insulated from their effects especially as it relates to the staff of our projects and investee businesses, their supply chains, users of these infrastructure assets and their wider stakeholders. At such a time, the importance of social aspects of our commitment to ESG best practices, as described above, is clear. For more information please see the current market and future opportunities section of this report on pages 16 to 17.

I and my fellow Directors thank you for your continued support.

MIKE GERRARD
CHAIR
7 September 2022

TOP 10 INVESTMENTS

NAME OF INVESTMENT	LOCATION		SECTOR	STATUS AT 30 JUNE 2022
CADENT	UK		Gas distribution	Operational
Cadent owns four of the UK's eight regional gas distribution networks ('GDNs') and in aggregate provides gas to approximately 11 million homes and businesses.				
TIDEWAY	UK		Waste water	Under construction
Tideway is the trading name of the company that was awarded the licence to design, build, finance, commission and maintain a new 25km 'super-sewer' under the River Thames.				
DIABOLO	Belgium		Transport	Operational
Diabolo integrates Brussels Airport with the national rail network allowing passengers to access high-speed trains, such as Amsterdam-Brussels-Paris and NS International trains.				
ANGEL TRAINS	UK		Transport	Operational
Angel Trains is a rolling stock leasing company which owns more than 4,000 vehicles. Angel Trains has invested over £5 billion in new rolling stock and refurbishment since 1994, and is the second largest investor in the industry after Network Rail.				
LINCS OFTO	UK		Energy transmission	Operational
The project connects the 270MW Lincs offshore wind farm, located 8km off the east coast of England, to the National Grid. The transmission assets comprise the onshore and offshore substations and under-sea cables, 100km in length.				
ORMONDE OFTO	UK		Energy transmission	Operational
The project connects the 150MW Ormonde offshore wind farm, located 10km off the Cumbrian coast, to the National Grid. The transmission assets comprise the onshore and offshore substations and under-sea cables, 41km in length.				
RELIANCE RAIL	Australia		Transport	Operational
Reliance Rail is responsible for financing, designing, delivering and ongoing maintenance of 78 next-generation, electrified, 'Waratah' train sets serving Sydney in New South Wales, Australia.				
BeNEX	Germany		Transport	Operational
BeNEX is both a rolling stock leasing company as well as an investor in train operating companies ('TOCs'), providing approximately 42 million train km of annual rail transport.				
US MILITARY HOUSING[3]	US		Military housing	Operational
Two tranches of mezzanine debt underpinned by security over seven operational PPP military housing projects, relating to a total of 19 operational military bases in the US and comprising c.21,800 individual housing units.				
BEATRICE OFTO	UK		Energy transmission	Operational
The project connects the 588MW Beatrice offshore wind farm, located 13.5km off the Caithness coastline of Scotland, to the National Grid. The transmission assets comprise the onshore and offshore substations, 20km of onshore export cables and 70km of offshore export cables.				

More detail on significant movements in the Company's portfolio for the six months to 30 June 2022 can be found on pages 14 to 16 of the Operating Review.

1 Risk Capital includes both project level equity and subordinated shareholder debt.
2 Upon completion of the Company's further investment in Tideway, which was announced in June 2022, the Risk Capital will increase to approximately 18%.
3 Includes two tranches of mezzanine debt into US military housing.

THE COMPANY'S TOP 10 INVESTMENTS BY FAIR VALUE AT 30 JUNE 2022 ARE SUMMARISED BELOW. A COMPLETE LISTING OF THE COMPANY'S INVESTMENTS IS AVAILABLE ON THE COMPANY'S WEBSITE (WWW.INTERNATIONALPUBLICPARTNERSHIPS.COM).

% HOLDING AT 30 JUNE 2022[1]	% INVESTMENT FAIR VALUE 30 JUNE 2022	% INVESTMENT FAIR VALUE 31 DECEMBER 2021	PRIMARY SDG SUPPORTED	
7% Risk Capital	15.1%	15.5%	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
16% Risk Capital[2]	13.0%	9.1%	6 CLEAN WATER AND SANITATION	
100% Risk Capital	7.3%	7.0%	11 SUSTAINABLE CITIES AND COMMUNITIES	
10% Risk Capital	6.7%	7.1%	11 SUSTAINABLE CITIES AND COMMUNITIES	
100% Risk Capital	6.6%	6.9%	7 AFFORDABLE AND CLEAN ENERGY	
100% Risk Capital and 100% senior debt	3.9%	4.2%	7 AFFORDABLE AND CLEAN ENERGY	
33% Risk Capital	3.2%	3.7%	11 SUSTAINABLE CITIES AND COMMUNITIES	
100% Risk Capital	2.8%	2.8%	11 SUSTAINABLE CITIES AND COMMUNITIES	
100% Risk Capital	2.6%	2.5%	11 SUSTAINABLE CITIES AND COMMUNITIES	
100% Risk Capital	1.8%	2.0%	7 AFFORDABLE AND CLEAN ENERGY	

OPERATING REVIEW

VALUE-FOCUSED PORTFOLIO DEVELOPMENT

New investments that meet the Company's Investment Policy are made after assessing their risk and return profile relative to the existing portfolio. In particular, we seek investments that complement the existing portfolio through enhancing long-term, inflation-linked cash flows and/or to provide the opportunity for higher capital growth. The Board regularly reviews the overall composition of the portfolio to ensure it continues to remain aligned with the Company's investment objectives and ensure it is achieving a broad balance of risk in the Company's portfolio.

Desirable key attributes for the portfolio include:

1. Long-term, stable returns
2. Inflation-linked investor cash flows
3. Early stage investor (e.g. the Company is an early stage investor in a new opportunity developed by our Investment Adviser)
4. Investment secured through preferential access (e.g. sourced through pre-emptive rights or through the activities of our Investment Adviser)
5. Other capital enhancement attributes (e.g. potential for additional capital growth through 'de-risking' or the potential for residual/terminal value growth)
6. Positive SDG contribution

During the six months to 30 June 2022, the Company invested or made investment commitments up to £56.1 million (30 June 2021: £22.3 million). These opportunities were sourced by the Investment Adviser through existing commitments or increasing its interest in existing investments. These origination approaches avoid bidding in the competitive secondary market and are preferred routes to market for the Company. Details of investment activity for the six months to 30 June 2022, and post-period end, are provided below.

The investments made by the Company during the period, meet or exceed the Company's performance indicator of having at least three of the required six key investment attributes. Please refer to the key performance indicators on pages 6 to 7. Further details for each of these transactions are provided below.

Performance against strategic priority KPIs

100%

of investments made in H1 2022 met at least three of the six attributes (31 December 2021: 100%)

INVESTMENTS MADE DURING THE SIX MONTHS TO 30 JUNE 2022	LOCATION	KEY ATTRIBUTES 1	2	3	4	5	6	OPERATIONAL STATUS	INVESTMENT	INVESTMENT DATE
UK PPP Portfolio[1]	UK	✓	✓		✓		✓	Operational	£1.5 million	June 2022
Diabolo	Belgium		✓	✓			✓	Operational	£4.3 million[2, 3]	June 2022
NDIF	UK			✓	✓	✓	✓	Operational	£1.2 million	Various
									£7.0 million	

INVESTMENT COMMITMENTS MADE DURING THE SIX MONTHS TO 30 JUNE 2022	LOCATION	KEY ATTRIBUTES 1	2	3	4	5	6	OPERATIONAL STATUS	INVESTMENT	INVESTMENT DATE
Gold Coast Light Rail – Stage 3	Australia	✓	✓	✓	✓		✓	In construction	£7.1 million[2]	March 2022
Tideway[4]	UK	✓	✓	✓	✓	✓	✓	In construction	c.£42.0 million	June 2022
									c.£49.1 million	

1 Portfolio includes interests in Durham BSF and Nottingham BSF Phase 1 and Phase 2.
2 GBP translated value of investment.
3 A further £0.4 million (€0.5 million) was drawn in July 2022, post-period end. In addition, a contingent commitment of £5.8 million (€6.7 million) is available, if required.
4 This investment is expected to complete on or around the publication date of this report.

INVESTMENTS MADE DURING THE PERIOD

UK PPP PORTFOLIO, UK

As previously reported, in December 2021, the Company acquired a small portfolio of UK PPP investments, including initial interests in Townlands Community Hospital in Henley, Eltham Community Hospital and minority interests in BSF projects. Of those, STaG 1 and 2 were acquired in December 2021 with the remainder to be acquired in 2022. In June 2022, the Company acquired an additional 8% of Durham BSF and an additional 18% of Nottingham BSF phase 1 and phase 2, taking the Company's ownership in each of those three schemes to 100%. These investments totalled c.£1.5 million. The portfolio was accretive to the Company's returns and provides education facilities to over 3,880 pupils.

Primary SDG Supported

4 QUALITY EDUCATION

DIABOLO, BELGIUM

Diabolo is a rail infrastructure investment which integrates Brussels Airport with Belgium's national rail network. The majority of the revenues generated by Diabolo are linked to passenger use of either the rail link itself or the wider Belgian rail network. Accordingly, Diabolo has been impacted by the restrictions on international travel and national lockdowns implemented in Belgium as a result of the Covid-19 pandemic and we see the timing of the recovery of Diabolo as directly linked to the resumption of pre-pandemic levels of use of Brussels Airport.

As previously disclosed, the Company committed a further €24.0 million to the Diabolo project in December 2020, and up to €6.7 million remains available to protect Diabolo's liquidity position and ensure compliance with its debt covenants and, based on current analysis, this is considered to be adequate. Of the €24 million, €17.3 million has been drawn to date, of which €5.0 million[1] was drawn during the period.

The extent and timing of any further cash injections is dependent upon the trajectory of the recovery in passenger numbers, which at the end of June 2022 were at approximately c.85% of pre-Covid levels.

Primary SDG Supported

11 SUSTAINABLE CITIES AND COMMUNITIES

DIGITAL INFRASTRUCTURE, UK

In July 2017, the Company agreed to invest up to £45 million in UK digital infrastructure alongside the UK Government, through NDIF. During the period, an additional £1.2 million was approved for investment into one of NDIF's existing investments, toob. toob is a UK full fibre broadband provider delivering broadband to homes, businesses, public service and community groups in the South of England.

The Company's commitment to digital infrastructure will contribute to transition the UK to full-fibre at a time when reliance on digital infrastructure and connectivity continue to be of the utmost importance. There has been increased recognition that digital infrastructure is becoming a more defensive asset class as the critical nature of digital connectivity services has been amplified by the number of people that are working from home.

Primary SDG Supported

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INVESTMENT COMMITMENTS MADE DURING THE PERIOD

GOLD COAST LIGHT RAIL – STAGE 3, AUSTRALIA

In March 2022, the Company reached financial close on Stage 3 of the Gold Coast Light Rail project. Under the terms of the acquisition the Company will make an investment totalling approximately A$12.5 million (c.£7.1 million at current exchange rates) in addition to the Company's existing 30% interest. The project extends the existing Gold Coast Light Rail network (known as G:link) a further 6.7km south from Broadbeach to Burleigh Heads. It will include eight new stations, five additional light rail trams, new bus and light rail connections at Burleigh and Miami, and an upgrade of existing depot and stabling facilities. Queensland's only light rail system will have a route 27km long from Helensvale to Burleigh Heads, stopping at 27 stations and serviced by 23 trams, at completion of Stage 3 in 2025. This further investment follows the success of Stages 1 and 2, in which the Company is invested. Over 60 million passenger trips have taken place to date and one of the many benefits of the rail system has been an overall increase in public transport use on the Gold Coast with a 43% uplift for combined tram and bus use since light rail opened in 2014.

Primary SDG Supported

11 SUSTAINABLE CITIES AND COMMUNITIES

1 An additional €0.5 million was drawn post-period end in July 2022.

OPERATING REVIEW
CONTINUED

TIDEWAY, UK

In June 2022, the Company conditionally agreed to acquire a further shareholding in Tideway. The investment opportunity arose as a consequence of another existing investor having to dispose of its stake, due to the maturing of an underlying investment fund. The investment, which is expected to complete on or around the publication date of this report, would result in the Company increasing its stake in Tideway to approximately 18% and deploying approximately £42 million of additional capital. The remainder of the stake is being acquired by the other continuing investors in Tideway. Tideway continues to be a successful investment for the Company and will provide several significant environmental and social benefits once operational. Please see more information on page 20.

Primary SDG Supported

CURRENT MARKET ENVIRONMENT AND FUTURE OPPORTUNITIES

The portfolio has continued to demonstrate its resilience in the current macroeconomic environment. The year to date has seen rapidly increasing energy prices, growing concerns about energy security and growing inflation across the geographies in which the Company invests, much of which can be traced back to the war in Ukraine and, in the case of inflation, also a result of the Covid-19 pandemic and the global recovery therefrom. Whilst the Company has shown resilience, it continues to manage and mitigate risk, whilst carefully monitoring the implications of a higher inflationary environment and interest rates reaching the highest level, since early 2009.

The nature of the Company's investments in long-term public and social infrastructure assets and related businesses, provides its investors with a stream of relatively predictable and long-term cash flows; and whilst the duration of this high inflationary period remains uncertain, we take comfort from the strong inflation-linked returns of the Company's income streams (0.7%) and its mitigated exposure to demand risks within the portfolio. Whilst the Company is well positioned to mitigate these risks, it is not insulated from their effects on our projects and investee businesses, their supply chains, users of these infrastructure assets, their staff and their wider stakeholders.

The need for infrastructure investment across the geographies in which the Company invests remains strong and investor appetite remains high for the type of infrastructure assets the Company invests in. This was demonstrated by both the volume and pricing of transactions in the market and further supported by the completion of the Company's capital raise, which was significantly oversubscribed, indicating strong support from both existing and new shareholders.

Governments internationally have acknowledged the key role infrastructure spending will play in driving economic recovery, the creation of jobs and our ability to address key challenges such as climate change. Developments in sustainable finance legislation, including the EU's Taxonomy Regulation, will further guide investment towards sustainable economic activities, including infrastructure that supports the transition to net zero. Initiatives in the geographies where the Company invests support this, including in the UK, Europe, the US and Australia, for instance:

- The UK Infrastructure Bank Bill was introduced in May 2022, to establish a bank which supports the UK reaching its net zero targets and that will have £22 billion of capital resources; the UK Infrastructure Bank will also draw private sector finance to invest into sectors the Company targets, including energy, water, waste, transport and digital;
- The European Commission has announced a number of initiatives, under the Connecting Europe Facility, including the EU committing to invest €5.4 billion in sustainable, safe and efficient transport infrastructure;
- The US Bipartisan Infrastructure Law has been secured and the Biden-Harris Administration has announced over $110 billion to rebuild roads and bridges, modernise ports and airports, replace lead pipes to deliver clean water and expand high-speed internet. The US has a poor infrastructure rating and will require state and local governments, as well as alternative procurement models such as Progressive Development, which leverages the expertise of the private sector, in order to deliver this goal; and
- Australia has announced an additional A$18 billion for infrastructure projects across the country, and the federal government's rolling ten-year infrastructure investment has increased investments from A$110 billion to over A$120 billion to help drive economic recovery following Covid-19.

The Company maintains a high-quality pipeline of future investment opportunities. Through the Investment Adviser, we are committed to ensuring new and existing investments remain focused on the key characteristics required to meet the Company's investment criteria, including yields that are attractive relative to asset risk profile, the likelihood of long-term stable cash flows, high barriers to entry, strong ESG credentials and opportunities to enhance the value of investments.

OPERATING REVIEW
CURRENT PIPELINE

The Company's performance does not depend upon additional investments to deliver current projected returns. Further investment opportunities will be judged by their anticipated contribution to overall portfolio returns relative to risk. Selected commitments and future opportunities that may be considered for investment in due course, as identified by the Investment Adviser, are outlined below.

KNOWN/COMMITTED OPPORTUNITIES	LOCATION	ESTIMATED INVESTMENT[1]	EXPECTED INVESTMENT PERIOD	INVESTMENT STATUS
DIABOLO	Belgium	Up to £5.8 million[2]	26 years	A further contingent commitment available, if required
GOLD COAST LIGHT RAIL - STAGE 3	Australia	£7.1 million	5 years	Investment commitment made. Expected to be funded in 2025
UK PPP PORTFOLIO	UK	Up to £1.7 million	12–13 years	Investment expected over the course of 2022
TIDEWAY[3]	UK	c.£42.0 million	120 years	Conditionally agreed to acquire a further shareholding
MORAY EAST OFTO	UK	Up to £75 million	24 years	Preferred bidder. Investment expected Q4 2022/Q1 2023
EAST ANGLIA ONE OFTO	UK	Up to £90 million	21.5 years	Preferred bidder. Investment expected Q4 2022
FLINDERS UNIVERSITY HEALTH AND MEDICAL RESEARCH BUILDING ('HMRB')	Australia	£9.8 million	25 years	Investment commitment made. Expected to be funded in 2024

1 Represents the current commitment or preferred bidder positions that meet the Company's investment criteria. There is no certainty that potential opportunities will translate into actual investments for the Company.
2 The Company has to date invested €17.3 million of funding since making a contingent commitment of €24 million and a further €6.7 million (£5.8 million) is available, if required.
3 This investment is expected to complete on or around the publication date of this report.

The Company has a longer-term pipeline of investments and has identified over 30 opportunities across the UK, Europe, North America and Australia. Future areas of investment may include:

KEY AREAS OF FOCUS	SOCIAL INFRASTRUCTURE	REGULATED UTILITIES	TRANSPORT AND MOBILITY	OTHER ESSENTIAL INFRASTRUCTURE
EXAMPLE INVESTMENTS	– Education – Health – Justice – Other social accommodation	– OFTOs – Distribution and transmission – Direct procurement	– Government-backed transport including: – Light rail – Regional rail	– Digital connectivity – Energy management

OPERATING REVIEW
CONTINUED

ACTIVE ASSET MANAGEMENT

The Company's Investment Adviser has a highly experienced, well-resourced, dedicated team of over 45 asset managers globally, as part of the wider pool of over 160 infrastructure professionals with a presence across 13 countries within the UK, Europe, Australia and North America. The Company's Investment Adviser operates a full-service approach to infrastructure, and this includes day-to-day asset management, oversight and optimisation of the Company's investments. The Investment Adviser's priority is to meet or exceed asset performance, creating value for investors and the communities in which the investments are based. This approach has been fundamental to the Company's performance since IPO in 2006. It is this performance that has enabled the Company to build a reputation of delivering transparent, responsible and sustainable stewardship of public and social infrastructure assets that support essential services.

OPERATIONAL PERFORMANCE

The Company's Investment Adviser adopts a hands-on approach to monitoring asset performance, utilising robust internal processes and the expertise of a dedicated global asset management team based in the geographies in which the Company invests. Whilst the Investment Adviser's involvement varies depending on each investment type, each investment is actively managed to optimise performance. During H1 2022, 100% of forecast investment portfolio receipts were received (H1 2021: 100.0%)[1].

The Company has a weighted average investment life of c.37 years and for those assets where it is applicable, the Company's Investment Adviser actively monitors investments within the portfolio to ensure that conditions for the hand-back of investments are met on completion of the project contract, or at the end of the expected investment holding period.

Performance against strategic priority KPIs

100%
Forecast distributions received[1]

99.8%
Asset availability achieved against a target of >98%

Infrastructure projects and businesses inherently involve health and safety risk both during construction and whilst operational. The health and safety of the clients, delivery partners, employees and members of the public who come into contact with our assets are of the utmost importance to the Company, and we accord the highest priority to health and safety. The Company's accident frequency rate for occupational accidents that resulted in lost time was low at 0.34 per 100,000 hours worked as at 30 June 2022[2] (30 June 2021: 0.34 per 100,000 hours worked). Health and safety data is reported and evaluated on a quarterly basis, and includes hours worked, minor injuries, near misses, critical incidents and the number of lost time injuries which occurred as a result of work activities.

PPP PROJECTS

PPP projects account for 39%[3] of the Company's portfolio (by investment at fair value), and the Company's Investment Adviser has extensive experience in this sector, having been responsible for the development of the majority of the PPP projects in the Company's portfolio. Key deliverables for the Company include ensuring that the facilities are available for their intended use, that areas are safe and secure, and that the performance standards set out in the underlying agreements are achieved. The Company's Investment Adviser works closely with its partners to ensure these standards are met. For those investments, measured by both availability and performance, for the six months to 30 June 2022 the availability of those assets was 99.8% (30 June 2021: 99.7%) and across all projects there were performance deductions of 0.1% (30 June 2021: 0.1%), both exceeding the Company's targets.

In addition, the Company's public sector clients commissioned and funded over 528 contract variations during the period, resulting in over £7.0 million of additional project work conducted on behalf of the commissioning bodies. The completed changes during the period ranged from cleaning regimes to supporting operational assets throughout the pandemic within the education and healthcare facilities, to the delivery of significant transport facility upgrades.

1 Measured by comparing forecast portfolio distributions against actual portfolio distributions received.
2 This includes UK social accommodation (where the Investment Adviser provides oversight of the management services), BSF minority, NDIF, Cadent, Tideway and all investments in Germany, Australia and Canada.
3 This includes availability-based PPPs, Diabolo and US Military Housing.

Diabolo

Diabolo is a rail infrastructure investment which integrates Brussels Airport with Belgium's national rail network. The majority of the revenues generated by Diabolo are linked to passenger use of either the rail link itself or the wider Belgian rail network. Accordingly, Diabolo has been impacted by the restrictions on international travel and national lockdowns implemented in Belgium as a result of the Covid-19 pandemic and we see the timing of the recovery of Diabolo as directly linked to the resumption of pre-pandemic levels of use of Brussels Airport.

As previously disclosed, the Company committed a further €24.0 million to Diabolo in December 2020, up to €6.7 million remains available to protect Diabolo's liquidity position and ensure compliance with its debt covenants and, based on current analysis, this is considered to be adequate. The extent and timing of any further cash injections is dependent upon the trajectory of the recovery in passenger numbers, which at the end of June were approximately c.85% of pre-Covid levels.

The latest traffic forecast report for Diabolo assumes a return of pre-Covid levels by 2024. Discussions are continuing with Infrabel, the Belgian rail network owner, over the implementation of a passenger fare adjustment which could partially mitigate the impact of lower passenger numbers.

More positively, the duration of our investment, with the concession not expiring until 2047, the high levels of historic passenger use, continued high levels of operational performance, the positive and engaged relationship with the Belgian railway authorities and our ability to influence revenues through the passenger fare adjustment mechanism, all give us confidence for the future recovery and performance of this investment.

REGULATED INVESTMENTS

The Company invests in a number of regulated investments, including OFTOs, Cadent and Tideway. The Company owns 100% of each of its OFTO investments and whilst the Company does not hold majority positions in Cadent or Tideway, the Company engages through its Investment Adviser's board director positions and membership of committees. The Company's Investment Adviser actively works with respective boards to maintain alignment and focus on strategic goals to drive financial and operational best practice and ensure effective risk management.

OFTOs

In June 2022, Ofgem released a second consultation document regarding the potential regulatory developments underpinning an extension of the OFTO revenue stream. The Investment Adviser continues to be actively engaged with all relevant industry stakeholders. All parties recognise that the life extension of renewable energy assets (including offshore transmission assets owned by the Company) is required to meet the UK net zero emissions targets. The consultation is the second in a proposed multi-part consultation on the end of tender revenue process and focuses on the regulatory financial arrangements. In particular, it seeks stakeholders' views on the use of competition to determine future OFTO licensees and revenues, the valuation of OFTO assets and future period revenue incentive design. Ofgem expects to publish summaries of the non-confidential feedback and any updates on the issues covered in a further publication in Autumn 2022. The Investment Adviser will seek to keep investors informed of forthcoming developments.

OPERATING REVIEW
CONTINUED

Tideway

Tideway is building a 25km 'super sewer' under the River Thames to create a healthier environment for London by cleaning up the city's greatest natural asset. During the period, Tideway reached the end of the primary tunnelling phase which was a key milestone for the project and over half of the secondary lining had been completed by the end of the period. Overall construction works were 80% complete at the end of June 2022 with the focus now principally on completion of the secondary lining as well as the system commissioning phase. The estimated cost of the project is currently £4.3 billion representing a 2% increase since costs were last reported but importantly, the cost to Thames Water customers remains well within the initial estimate provided at the outset of the project.

The amendments to Tideway's licence that were agreed with the regulator in order to mitigate the impact of both Covid-19 related cost overruns and the Financing Cost Adjustment Mechanism came into effect in March 2022. These amendments provide greater certainty for the business and have been reflected within the forecast cash flows.

As announced in June 2022, the Company has conditionally agreed to acquire a further shareholding in Tideway, and is expected to complete on or around the publication date of this report. This opportunity arose as a consequence of another existing investor, DIF Capital Partners, having to dispose of its stake as an underlying investment fund is approaching the end of its life. The additional stake is being acquired together with the other continuing investors in Tideway. The investment will result in the Company increasing its stake in Tideway to approximately 18% and deploying approximately £42 million of additional capital.

Cadent

Cadent is the UK's largest gas distribution network, serving 11 million homes and businesses, and is the Company's largest investment by fair value, representing 15.1% of the Company's portfolio by fair value. Cadent continues to actively support the UK Government in meeting its net zero target by working on various initiatives to enable the transition to cleaner fuels. During the period, Cadent's proposal to convert 2,000 homes in Ellesmere Port, Whitby, from natural gas to hydrogen, was shortlisted by Ofgem to be the UK's first ever 'hydrogen village'. If Ellesmere Port is confirmed as the preferred location, the 2,000 homes will be supplied with hydrogen for heating and cooking fuel from 2025.

Whilst Cadent is largely insulated from changes in gas prices and the associated energy price caps, aside from where the changes can cause timing differences in certain cash flows, the Company continues to closely monitor the implications of changes in gas prices and other developments in the sector.

OTHER OPERATING BUSINESSES

The Company invests in a number of operating businesses including BeNEX, Angel Trains and digital infrastructure businesses. The Investment Adviser holds a board position on each of its operating businesses and uses these positions to influence and strengthen company policies and procedures; for example, enhancing ESG credentials, ensuring health and safety is the top priority, as well as protecting value and mitigating operational risk.

BeNEX

BeNEX generates revenues through the contractual leasing of its rolling stock to TOCs as well as through its investments in TOCs themselves. Only a minority of BeNEX's annual revenues (currently less than 20%) are linked to passenger numbers and therefore whilst Germany, like many other countries, continued to see a reduction in the number of people using public transport during H1 2022 as a result of Covid-19, the financial impact on BeNEX was limited.

In addition, BeNEX continues to receive compensation from the Federal Government and/or the relevant Federal State for the vast majority of revenues lost as a result of the disruption caused by Covid-19. By the end of H1 2022, passenger numbers observed by the TOCs in which BeNEX is invested were broadly back to pre-pandemic levels.

Angel Trains

Angel Trains generates the majority of its revenues from the contractual leasing of its rolling stock to TOCs and therefore its revenues have continued to be largely unaffected by Covid-19. Unlike the TOCs, Angel Trains is not involved in or directly impacted by any of the disputes underpinning the industrial action that occurred during the period but will continue to monitor the situation and support TOCs where possible.

During the period, Angel Trains successfully acquired the Readypower Group – a specialist rail and infrastructure services provider that supplies specialised on and off-track plant equipment as well as other maintenance and operating services to the UK rail sector. Readypower plays a crucial role in the maintenance and modernisation of the UK rail network and is supporting various infrastructure improvement projects across the UK. The acquisition is evidence of Angel Trains' wider commitment to investing in and supporting the UK rail industry.

Digital Infrastructure

The Company's Investment Adviser continues to actively monitor the four businesses in which the Company is invested (via NDIF), including Community Fibre, Airband, NextGenAccess and toob. During H1 2022, these businesses have continued to capitalise on the increased consumer and business demand for high bandwidth full fibre connectivity, gaining momentum and market share in their respective markets. Full fibre roll-out continues to ramp up for several businesses in which NDIF is invested, with strong progress being made in scaling their fibre deployment and commercialisation capabilities.

OPERATING REVIEW
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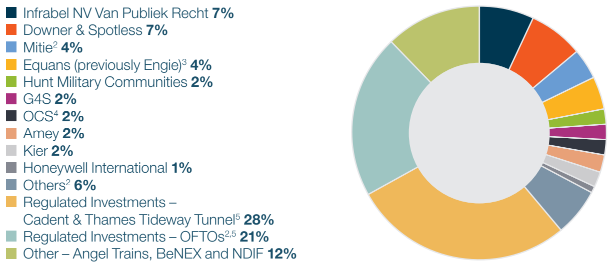
COUNTERPARTY RISK

Counterparty risk exists to some extent across all investments; however, the risk is particularly significant when considered in relation to PPPs which have a long-term fixed-price contract with a facilities management provider. The Company has a diverse exposure to service providers across its portfolio and the Investment Adviser's asset management team ensures counterparty risk is actively managed and mitigated. The chart below illustrates the Company's service providers (by investment fair value), highlighting the diversification across the portfolio.

During the period, all of the Company's facilities have remained operational and available for use, with no disruptions to normal service delivery, aside from the Royal Melbourne Showgrounds. This site, up until Q2 2022, had been used as a testing and vaccination centre, but is currently temporarily closed upon instruction from the public sector client. Events are expected to resume during Q3 2022.

In response to the challenges posed by Covid-19, and more recently rising inflation and interest rates, the Company's Investment Adviser has continued to monitor each counterparty at an increased frequency to ensure that any issues are identified as soon as possible such that, where necessary, corrective actions can be undertaken in a timely manner.

INPP Service Providers[1]



1 Based on percentage of Investments at Fair Value as at 30 June 2022.
2 These include both Risk Capital and senior debt investments. Of the amount shown, senior debt represents the following: Mitie (0.5%), Others (1.4%) and OFTOs (5.9%).
3 Equans are the subject of a potential buyout by Bouygues. INPP currently has limited counterparty exposure to Bouygues (0.01% of NAV) who only deliver FM services to minority BSF investment. If the transaction proceeds it will not materially increase INPP's subcontractor concentration risk.
4 Post quarter end it was announced that OCS is expected to be acquired by Clayton Dubilier and Rice and continue to monitor this.
5 These Risk Capital investments operate with no significant exposure to any one service provider or delivery partner.

Two of the Company's counterparties (Equans and OCS) are, separately, the subject of acquisitions. The proposed transactions demonstrate that the UK facilities management sector continues to be attractive. While it is anticipated that the completion of these transactions should not affect the day-to-day operation of the assets, the Company's Investment Adviser will closely monitor the affected facilities during and after the transition period to mitigate the risk of any disruptions.

The Investment Adviser takes a holistic approach to monitoring counterparty risk. A key aspect of the Investment Adviser's risk management activities is a focus on the early identification of signs that a counterparty is encountering problems through regular contract performance monitoring and internal performance benchmarking of contracts, in-depth reviews of counterparty financial and market data, information available in the trade press and drawing upon the Investment Adviser's contacts in the industry for other non-public information. Through contingency planning and identifying any increased counterparty risk early, it allows for corrective measures identified in the contingency plans to be taken early, mitigating potential losses to the Company. Those measures may include working more closely with the contractor to support it in its efforts to improve contract performance or, ultimately, the implementation of the full contingency plan designed to facilitate the replacement of that contractor.

Ultimately, the Company's desire is to see its service providers succeed and to deliver a high-quality service and the Investment Adviser makes all efforts to ensure this is achieved. However, where a subcontractor does fail, the Investment Adviser has the necessary processes and procedures in place to mitigate and manage the risk to the Company.

PROJECTS UNDER CONSTRUCTION

The Investment Adviser's asset management team has extensive experience and possesses the key skillsets needed to successfully deliver projects through construction and throughout the operational phase. The Company has a strong track record of delivering construction projects safely, on time, to budget and to a high-quality by understanding the project environment and the potential risks that may occur. The team works closely with the contractors, technical advisers and management companies, where applicable, throughout the construction in order to deliver the expected project performance and create value for investors and communities. As at 30 June 2022, there were three investments under construction; Tideway, HMRB and Gold Coast Light Rail – Stage 3.

During the six months to 30 June 2022, Tideway made good progress on the construction of the tunnel and the associated infrastructure. Overall construction works were 80% complete at the end of the period and, in April 2022, Tideway reached the end of its tunnelling phase which was a key milestone for the project. More than 90% of the excavated soil removed during the tunnelling phase was transported from site by barge to disposal and beneficial reuse sites, keeping lorries off the road and hence providing substantial environmental and health and safety benefits. The tunnel now constructed runs 25km from east to west London and handover of operations to Thames Water is expected to occur in March 2025 following the completion of the secondary lining and system commissioning.

The HMRB is the flagship development of the Flinders Village project, an integrated health and education precinct development at Flinders University's Bedford Park campus, in Australia. The HMRB will co-locate research, clinical and technological platforms to further the University's longstanding contributions to the health, education and medical sectors. The building of the HMRB commenced in December 2021 and is expected to complete in 2024.

Gold Coast Light Rail – Stage 3 reached financial close during the period. The project extends the existing Gold Coast Light Rail network a further 6.7km south from Broadbeach to Burleigh Heads. It will include eight new stations, five additional light rail trams, new bus and light rail connections at Burleigh and Miami, and an upgrade of existing depot and stabling facilities. Completion is expected in 2025.

The Company has three projects under construction as at 30 June 2022, as set out in the table below.

ASSET	LOCATION	CONSTRUCTION COMPLETION DATE	DEFECTS COMPLETION DATE	STATUS AT PERIOD END	% INVESTMENTS AT FAIR VALUE
Tideway	UK	2025[1]	2028	Behind original schedule[2]	13.0%
HMRB	Australia	2024	N/A[3]	On schedule	0.0%[4]
Gold Coast Light Rail – Stage 3	Australia	2025	2027	On schedule	0.0%[4]

1 Scheduled handover date.
2 Handover is currently scheduled for March 2025, which is 12 months later than the original schedule. The delay can largely be attributed to the impact of Covid-19.
3 This is not applicable as the authority is assuming all risk associated with the construction work that is being undertaken.
4 The Company's investment is only due to be made following construction completion. The valuation of the commitment is currently immaterial.

OPERATING REVIEW

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EFFICIENT FINANCIAL MANAGEMENT

The Company aims to manage its finances efficiently, to provide the financial flexibility to pursue new investment opportunities, whilst minimising levels of unutilised cash holdings. Efficient financial management is achieved through actively monitoring cash held and generated from operations, ensuring cash covered dividends and managed levels of corporate costs. This is supported by appropriate hedging strategies and prudent use of the CDF.

Performance against strategic priority KPIs

1.2x
Dividends fully cash covered
(H1 2021: 1.3x)

1.09%
Ongoing charges ratio
(H1 2021: 1.25%)

During the period, the Company achieved its objective to generate dividends paid to investors through its operating cash flows. Cash dividends paid in the period of £62.0 million (H1 2021: £55.2 million), were 1.2 times (H1 2021: 1.3 times) covered by the Company's net operating cash flows before capital activity*. Cash receipts from investments were £91.4 million (H1 2021: £87.1 million), reflecting the continued good operational performance of the portfolio. The Company expects the current higher levels of inflation to contribute to an increase in cash flows from investments. However, there is typically a delay before the impact of changes in inflation is seen in these cash flows, owing to the timing of the indexation mechanisms within the contracts held by the portfolio companies as well as the distribution schedules adopted by such portfolio companies.

Corporate costs were effectively managed during the period and ongoing charges were 1.09% for the six-month period ended 30 June 2022 (H1 2021: 1.25%), a decrease in part due to the increase in average NAV over the period. Corporate costs include management fees of £13.7 million for the period to 30 June 2022 (H1 2021: £13.0 million).

As outlined on page 48 of the financial statements, IFRS profit before tax of £219.2 million was reported (H1 2021: £27.2 million). The increase in profit in the year is principally reflective of the unrealised fair value gain on the portfolio in the year.

The Company's cash balance as at 30 June 2022 was £224.7 million, an increase on the year-end balance at 31 December 2021 of £168.6 million underpinned by strong portfolio performance and proceeds from capital raising. As detailed in note 12 of the financial statements, as well as on page 14 of the Operating Review earlier in this report, £7.0 million of new capital was invested during the period (H1 2021: £22.3 million). Proceeds of capital raisings in the period net of issue costs were £320.2m (H1 2021: £nil). Proceeds were used in part to pay down the cash drawn balance on the Company's CDF, with the remaining amount to be deployed in the Company's investment pipeline (see page 17).

At 30 June 2022, the Company's CDF was nil cash drawn (31 December 2021: £156.2 million cash drawn), with £16.4 million drawn under letter of credit (31 December 2021: £9.3 million drawn under letter of credit). Net financing costs paid were £1.8 million, (H1 2021: £3.3 million) reflecting the level of utilisation of the Company's CDF during the period. The facility is structured to support the Company's near-term pipeline, with £250 million available on a fully committed basis, with a flexible 'accordion' component which will, subject to lender approval, allow for a future extension by an additional £150 million. The facility is available for drawdown until March 2024. The banking group for the facility consists of National Australia Bank, the Royal Bank of Scotland International, Sumitomo Mitsui Banking Corporation and Barclays Bank.

SUMMARY OF CASH FLOWS

Summary of Consolidated Cash Flow	**Six months to 30 June 2022 £ million**	Six months to 30 June 2021 £ million	Year to 31 December 2021 £ million
Opening cash balance	**56.1**	44.3	44.3
Cash from investments	**91.4**	87.1	167.9
Corporate costs (for ongoing charges ratio)	**(15.1)**	(14.7)	(28.5)
Net financing costs	**(1.8)**	(3.3)	(4.8)
Net operating cash flows before capital activity[1]	**74.5**	69.1	134.6
Cost of new investments	**(7.0)**	(22.3)	(252.7)
Investment transaction costs	**(0.9)**	(0.1)	(3.0)
Net movement of CDF	**(156.2)**	17.6	117.8
Proceeds of capital raisings (net of costs)	**320.2**	–	133.6
Dividends paid	**(62.0)**	(55.2)	(118.5)
Closing cash balance	**224.7**	53.4	56.1
Cash dividend cover	**1.2x**	1.3x	1.1x

1 Net operating cash flows before capital activity as disclosed above of c.£74.5 million (30 June 2021: c.£69.1 million) include net repayments from Investments at Fair Value through profit or loss of c.£25.2 million (30 June 2021: c.£30.8 million), and finance costs paid of c.£1.8 million (30 June 2021: c.£3.3 million) and exclude investment transaction costs of c.£0.9 million (30 June 2021: c.£0.1 million) when compared to net cash inflows from operations of c.£49.1 million (30 June 2021: c.£41.9 million) as disclosed in the consolidated cash flow statement on page 51 of the financial statements.

CASH FLOWS ASSOCIATED WITH ONGOING CHARGES RATIO

Corporate Costs	**Six months to 30 June 2022 £ million**	Six months to 30 June 2021 £ million	Year to 31 December 2021 £ million
Management fees	**(13.7)**	(13.0)	(25.7)
Audit fees	**(0.2)**	(0.4)	(1.0)[1]
Directors' fees	**(0.2)**	(0.2)	(0.4)
Other running costs	**(1.0)**	(1.1)	(1.4)
Corporate costs	**(15.1)**	(14.7)	(28.5)

Ongoing Charges Ratio	**Six months to 30 June 2022 £ million**	Six months to 30 June 2021 £ million	Year to 31 December 2021 £ million
Annualised Ongoing Charges[1]	**(30.2)**	(29.4)	(28.5)
Average NAV[2]	**2,767.5**	2,351.0	2,423.2
Ongoing Charges	**(1.09%)**	(1.25%)	(1.18%)

1 The ongoing charges ratio was prepared in accordance with the Association of Investment Companies' ('AIC') recommended methodology, noting this excludes non-recurring costs.
2 Average of published NAVs for the relevant period.

OPERATING REVIEW
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INVESTOR RETURNS

DIVIDEND GROWTH
The Company targets predictable and, where possible, growing dividends. During the period, the Company paid a dividend of 3.77 pence per share in respect of the six months ended 31 December 2021. This brought the total dividends paid in respect of 2021 to 7.55 pence per share, consistent with forward guidance provided previously. As illustrated in the chart on page 2, the Company has delivered a c.2.5% average annual dividend increase since the IPO. The Company is currently maintaining its previously announced dividend targets of 7.74 pence and 7.93 pence per share in respect of 2022 and 2023, respectively[1].

TOTAL SHAREHOLDER RETURN ('TSR')
The Company's annualised TSR since the IPO to 30 June 2022 was 8.1%[2]. This compares to the annualised FTSE All-Share index TSR over the same period of 5.1%. The total return based on the NAV appreciation plus dividends paid since the IPO to 30 June 2022 is 7.9%[3] on an annualised basis compared to the Company's long-term target of 7.0%[3].

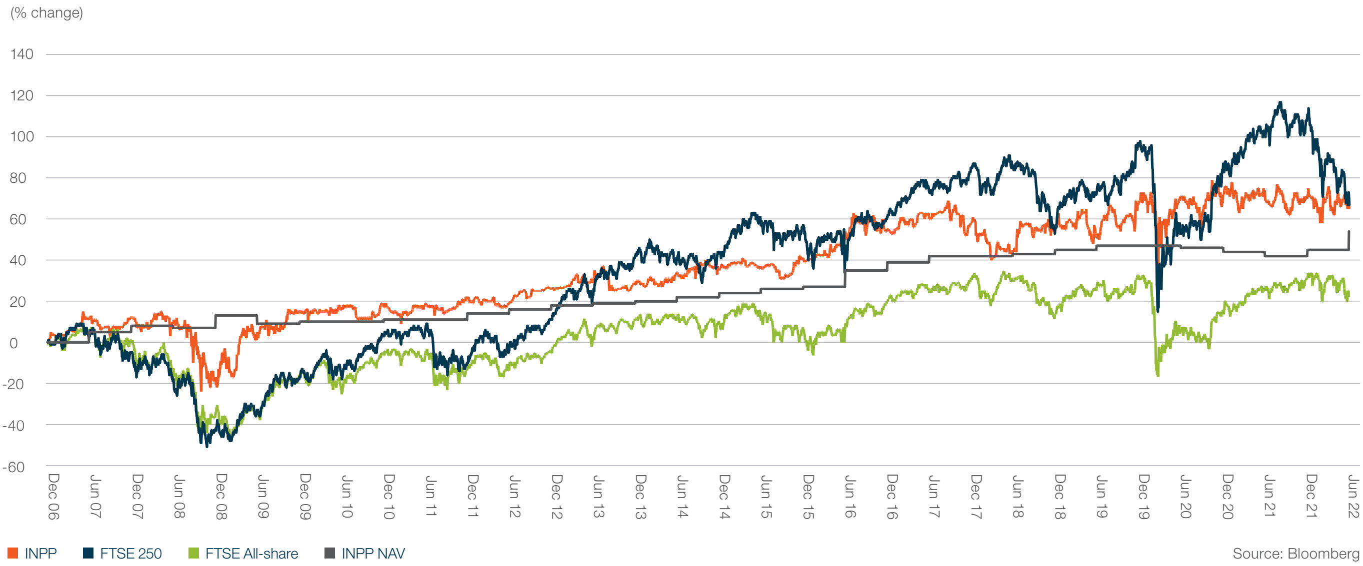
Performance against strategic priority

7.9% p.a.

IRR achieved since IPO[3]
(31 December 2021: 7.7%)

As shown in the share price performance graph below, the Company has historically exhibited relatively low levels of correlation with the market. Whilst the correlation in 2020 increased owing to the impacts of Covid-19 on economies and financial markets worldwide, it has since reduced to pre-pandemic levels. For reference, the correlation with the FTSE All-Share index was 0.27 over the 12 months to 30 June 2022 which compares to 0.18 over the 12 months to 30 June 2019 (being the most recent comparable 12-month period prior to the outbreak of Covid-19).

Share Price Performance



INFLATION-LINKED CASH FLOWS
In an environment where investors are focused on achieving long-term real rates of return on their investments, inflation protection is an important consideration for the Company. At 30 June 2022, the majority of assets in the portfolio had some degree of inflation-linkage and, in aggregate, the weighted average return of the portfolio (before fund-level costs) would be expected to increase by 0.7% per annum in response to a 1.00% per annum increase in all of the assumed inflation rates[4].

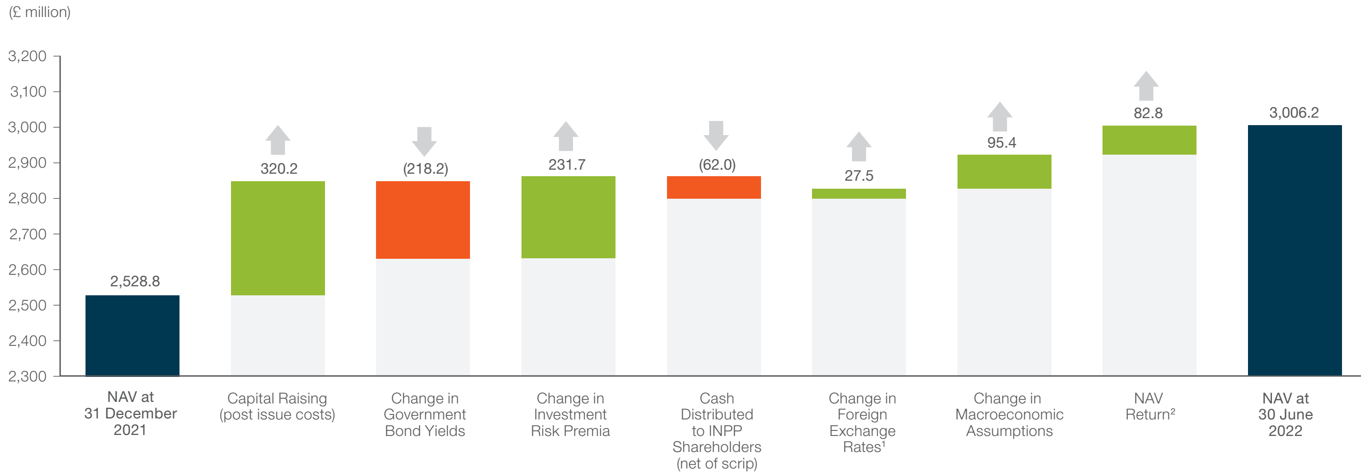
1 Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future.
2 Since inception in November 2006. Source: Bloomberg. Share price appreciation plus dividends assumed to be reinvested.
3 Calculated by reference to the November 2006 IPO issue price of 100 pence and reflecting NAV appreciation plus dividends paid.
4 Calculated by running a 'plus 1.00%' inflation sensitivity for each investment and solving each investment's discount rate to return the original valuation. The inflation-linkage is the increase in the portfolio weighted average discount rate.

VALUATIONS

NAV

The NAV represents the fair value of the Company's investments plus the value of other net assets or liabilities held within the Group. The fair values of the Company's investments are determined by the Board, with the benefit of advice from the Investment Adviser, and are reviewed by the Company's auditor on a sample basis. The Company reports an 18.9% increase in NAV from £2,528.8 million at 31 December 2021 to £3,006.2 million at 30 June 2022. Over the same period, the NAV per share increased by 6.1% from 148.2 pence to 157.3 pence. The key drivers of the change in NAV are described in more detail below.

NAV Movements



1 FX impact is net of hedging.
2 The NAV return represents, amongst other things, (i) variances in both realised and forecast investment cash flows, (ii) the unwinding of the discount factor applied to those future investment cash flows, and (iii) changes in the Company's net assets.

The movements seen in the chart above are explained further below:

- During the period, the Company raised additional equity totalling £325.0 million (£320.2 million net of issuance costs) by way of a Placing, Open Offer, Offer for Subscription and Intermediaries Offer of Ordinary Share Capital;
- The yields on the government bonds used as part of the valuation process increased during the period, resulting in a net £218.2 million decrease in the NAV;
- The negative impact of the increase in government bond yields was more than offset by changes to the investment risk premia designed to ensure that the valuations continue to reflect recent market-based evidence of pricing for infrastructure investments. This includes a reduction in the discount rate used to value the Company's investment in Tideway to ensure the valuation reflects the price indicated by the transaction announced in June 2022 (see page 16 for further details). The net impact of these adjustments on the NAV was £231.7 million;
- In line with forward guidance provided previously, a cash dividend of 3.77 pence per share was paid to the Company's shareholders during the six months to 30 June 2022, totalling £62.0 million. This dividend was paid in respect of the six months ended 31 December 2021;
- During the period, Sterling weakened against the Australian Dollar, Euro, US Dollar, Canadian Dollar and the Danish Krone (these being the five foreign currencies the Company is exposed to). Including the change in the value of the forward foreign exchange contracts, the net positive impact on the NAV was £27.5 million with the most significant impact seen on the Company's Australian Dollar-denominated investments;
- Inflation assumptions across all applicable geographies were increased in the near-term as inflation is expected to remain above the Company's longer term inflation assumptions throughout 2022 and 2023. Further details of these changes to inflation assumptions can be seen from the table on page 30 and in aggregate these had a positive £95.4 million impact on the NAV; and
- Among other things, the NAV Return of £82.8 million captures the impact of the following:
  - Unwinding of the discount rate;
  - Return generated from the portfolio's strong inflation-linkage where actual inflation rates were higher than the Company's assumptions for the period;
  - Updated operating assumptions to reflect current expectations of forecast cash flows;
  - Actual distributions received above the forecast amount due to active management of the Company's portfolio; and
  - Changes in the Company's working capital position.

OPERATING REVIEW

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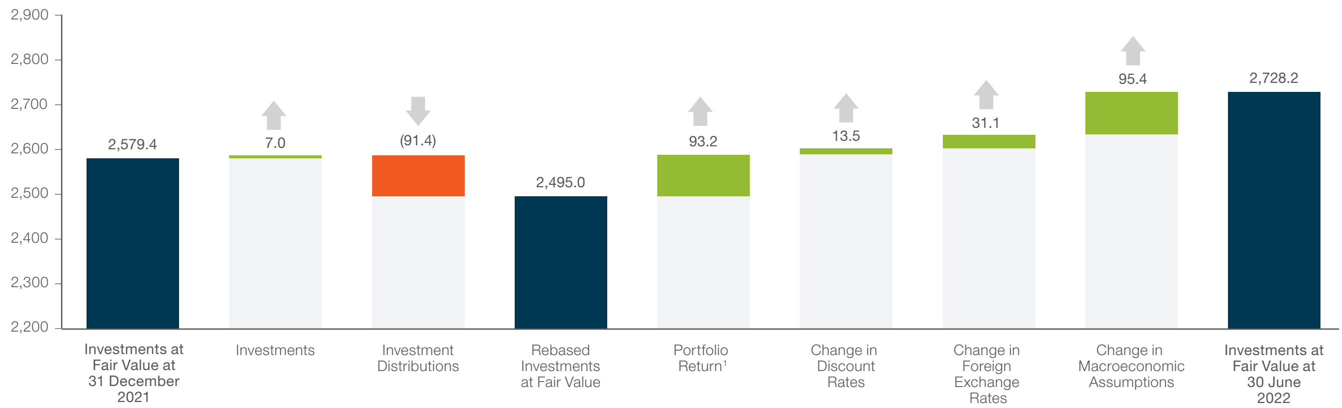
INVESTMENTS AT FAIR VALUE

The Investments at Fair Value represents the fair value of the Company's investments without consideration of the other net assets or liabilities held within the Group which are captured within the NAV. The Company reports a 5.8% increase in the Investments at Fair Value, from £2,579.4 million at 31 December 2021 to £2,728.2 million at 30 June 2022. The key drivers of the change in the Investments at Fair Value are described in more detail below.

Investments at Fair Value Movements (£m)



1 The Portfolio Return represents, amongst other things, (i) variances in both realised and forecast investment cash flows and (ii) the unwinding of the discount factor applied to those future investment cash flows.

The movements seen in the chart above are explained further below:

- An increase of £7.0 million owing to new investments made during the period;
- A decrease of £91.4 million due to distributions paid out from the portfolio during the period;
- The Rebased Investments at Fair Value of £2,495.0 million is presented in order to allow an assessment of the Portfolio Return assuming that the investments and distributions occurred at the start of the relevant period;
- The Portfolio Return of £93.2 million captures broadly the same items as the NAV Return (set out in detail on page 27) with the principal exception being the fund-level operating costs and portfolio working capital movements;
- The majority of the discount rates used by the Company to value its investments were increased slightly during the period, principally to reflect higher inflation expectations (the impact is mitigated by the inflation-linked nature of the cash flows). However, the impact of these movements was more than offset by the accretive impact of a reduction in the discount rate used to value the Company's investment in Tideway which was made to ensure the valuation reflects the price indicated by the transaction announced in June 2022 (see page 16 for further details). This adjustment resulted in a c.£85.0 million increase in the valuation of Tideway. The net positive impact of these movements on the Investments at Fair Value is £13.5 million;
- During the period, Sterling weakened against the Australian Dollar, Euro, US Dollar, Canadian Dollar and the Danish Krone (these being the five foreign currencies the Company is exposed to). The positive impact on the Investments at Fair Value was £31.1 million with the most significant impact seen on the Company's Australian Dollar-denominated investments; and
- Inflation assumptions across all applicable geographies were increased in the near-term as inflation is expected to remain above the Company's longer-term inflation assumptions throughout 2022 and 2023. Further details of these changes to inflation assumptions can be seen from the table on page 30 and in aggregate these had a positive £95.4 million impact on Investments at Fair Value.

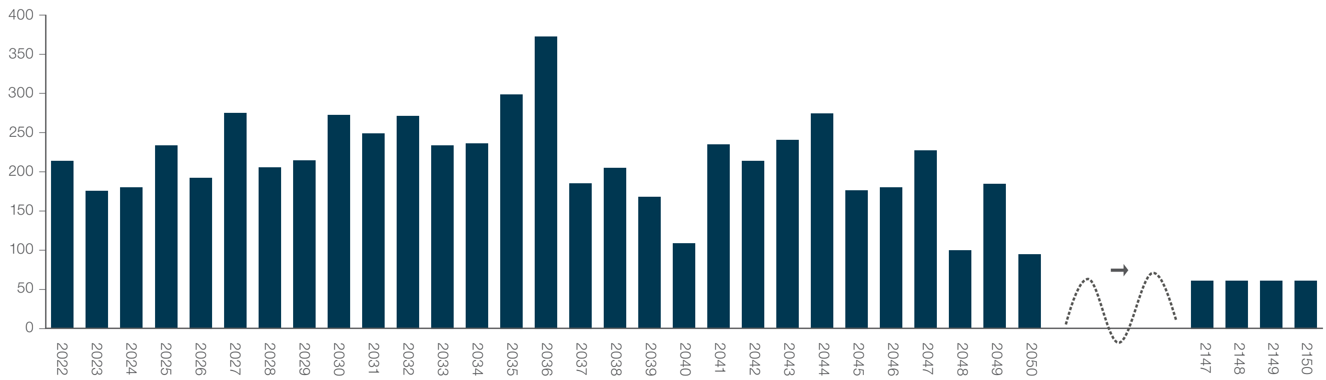
1 The Portfolio Return represents, amongst other things, (i) variances in both realised and forecast investment cash flows and (ii) the unwinding of the discount factor applied to those future investment cash flows.

PROJECTED CASH FLOWS

The Company's investments are generally expected to continue to exhibit predictable cash flows, owing to the principally contracted or regulated nature of the underlying cash flows. As the Company has a large degree of visibility over the forecast cash flows of its current investments, the chart below sets out the Company's forecast investment receipts from its current portfolio before fund-level costs.

The majority of the forecast investment receipts are in the form of dividends or interest and principal payments from subordinated and senior debt investments. The Company's portfolio comprises both investments with finite lives (determined by concession or licence terms) and perpetual investments that may be held for a much longer term. Over the term of investments with finite lives, the Company's receipts from these investments effectively represent a return of capital as well as income, and the fair value of such investments is expected to reduce to zero over time.

Projected Investment Receipts (£m)



Note: This chart is not intended to provide any future profit forecast. Cash flows shown are projections based on the current individual asset financial models and may vary in future. Only investments committed as at 30 June 2022 are included.

OPERATING REVIEW
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MACROECONOMIC ASSUMPTIONS
The Company reviews the macroeconomic assumptions underlying its forecasts on a regular basis. Following a thorough market assessment, it was resolved that certain adjustments should be made to the inflation rates, and foreign exchange rates used to value the Company's overseas assets. Inflation assumptions across all applicable geographies were increased in the near-term as inflation is expected to remain above the Company's longer-term assumptions throughout 2022 and 2023.

The key macroeconomic assumptions used as the basis for deriving the Company's investment valuations are summarised below, with further details provided in note 9 of the financial statements.

Macroeconomic assumptions		**30 June 2022**	31 December 2021
Inflation rates	UK	**RPI: 9.00% (2022), 5.00% (2023), 2.75% thereafter**	2.75% RPI
		CPIH: 7.00% (2022), 4.00% (2023), 2.00% thereafter	2.00% CPIH
	Australia	**5.00% (2022), 2.50% thereafter**	2.50%
	Europe	**6.00% (2022), 2.00% thereafter**	2.00%
	Canada	**3.00% (2022), 2.00% thereafter**	2.00%
	US[1]	**N/A**	N/A
Long-term deposit rates[2]	UK	**1.00%**	1.00%
	Australia	**2.00%**	2.00%
	Europe	**0.50%**	0.50%
	Canada	**1.50%**	1.50%
	US[1]	**N/A**	N/A
Foreign exchange rates	GBP/AUD	**1.76**	1.86
	GBP/DKK	**8.65**	8.86
	GBP/EUR	**1.16**	1.19
	GBP/CAD	**1.57**	1.72
	GBP/USD	**1.21**	1.35
Tax rates[3]	UK	**19.00%/25.00%[4]**	19.00%/25.00%[4]
	Australia	**30.00%**	30.00%
	Europe	**Various (12.50% – 32.28%)**	Various (12.50% – 32.28%)
	Canada	**Various (23.00% – 26.50%)**	Various (23.00% – 26.50%)
	US[1]	**N/A**	N/A

1 The Company's US investment is in the form of subordinated debt and therefore not directly impacted by inflation, deposit and tax rate assumptions.
2 The portfolio valuation assumes actual current deposit rates are maintained until 31 December 2023 before adjusting to the long-term rates noted in the table above from 1 January 2024.
3 Tax rates reflect those substantively enacted as at the valuation date or those that could reasonably be expected to be substantively enacted shortly after the valuation date.
4 The UK Government announced a corporate tax rate of 25% applicable from 1 April 2023 at the Spring Budget 2021.

DISCOUNT RATES
The discount rate used to value each investment comprises the appropriate long-term government bond yield plus an investment-specific risk premium which reflects the risks and opportunities associated with that particular investment and is designed to ensure that the resulting valuation reflects prevailing market conditions.

The majority of the Company's portfolio (92.2%) comprises Risk Capital investments, while the remaining portion (7.8%) comprises senior debt investments. To provide investors with a greater level of transparency, the Company publishes both a Risk Capital weighted average discount rate and a portfolio weighted average discount rate - the latter of which captures the discount rates of all investments including the senior debt interests.

The weighted average discount rates are presented in the table overleaf.

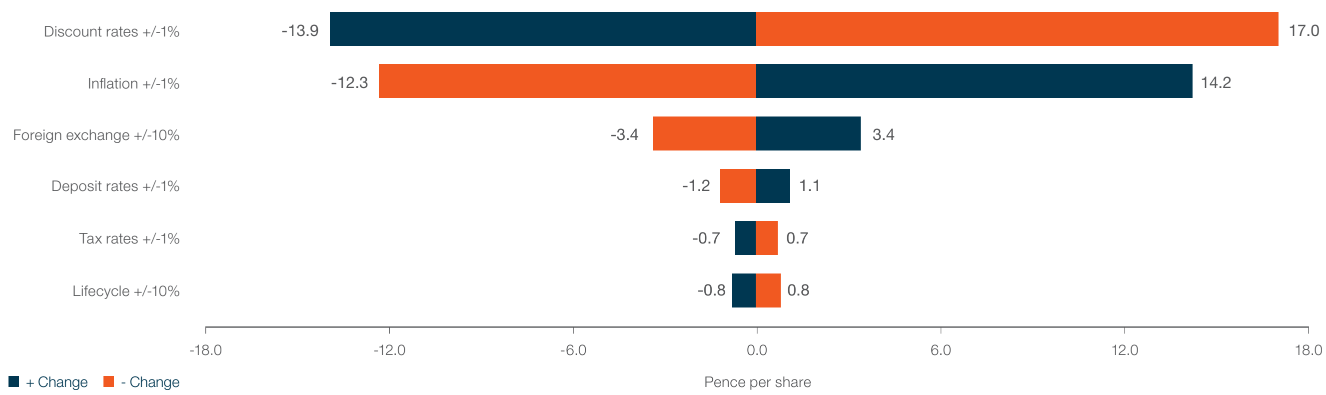
	30 June 2022	31 December 2021	Movement
Weighted Average Government Bond Yield – Portfolio	**1.82%**	0.96%	86bps
Weighted Average Investment Premium – Portfolio	**5.29%**	6.01%	(72bps)
Weighted Average Discount Rate – Portfolio	**7.11%**	6.97%	14bps
Weighted Average Discount Rate – Risk Capital	**7.40%**	7.38%	2bps

The Company is aware that there are differences in approach to the valuation of investments among listed infrastructure funds similar to the Company. In the Company's view, comparisons of discount rates between different listed infrastructure funds are only meaningful if there is a comparable level of confidence in the quality of forecast cash flows (i.e. assumptions are homogenous); the risk and return characteristics of different investment portfolios are understood; and allowance is made for differences in the quality of asset management employed to manage risk and deliver returns. Any focus on average discount rates without an assessment of these and other factors would be incomplete and could therefore lead to misleading conclusions.

VALUATION SENSITIVITIES

This section indicates the sensitivity of the 30 June 2022 NAV per share of 157.3 pence to changes in key assumptions. Further details can be found in note 9.5 of the financial statements. This analysis is provided as an indication of the potential impact of these assumptions on the NAV per share on the unlikely basis that the changes occur uniformly across the remaining life of the portfolio. The movement in each assumption could be higher or lower than presented. Further, forecasting the impact of these assumptions on the NAV in isolation cannot be relied on as an accurate guide to the future performance of the Company as many other factors and variables will combine to determine what actual future returns are available. These sensitivities should therefore be used only for general guidance and not as an accurate prediction of outcomes.

Estimated Impact of Changes in Key Variables to 30 June 2022 based on NAV of 157.3 pence per share



DISCOUNT RATES

The chart above indicates the sensitivity of the NAV per share to uniform changes to the discount rates applied to the forecast cash flows from each individual investment.

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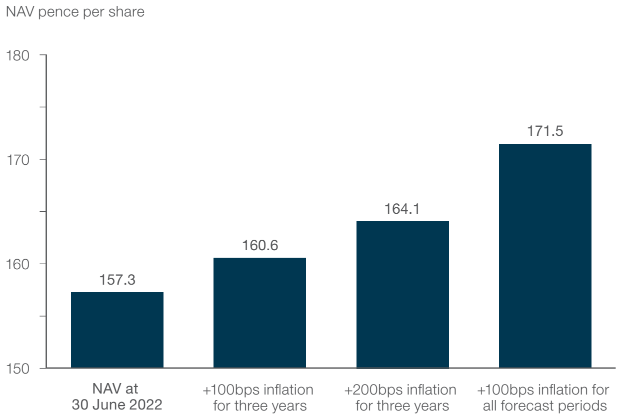
INFLATION

The impact of inflation on the value of each investment depends upon the extent to which the revenues and costs of that particular investment are linked to an inflation index. On a portfolio basis, there is a positive correlation to inflation with a 1.00% sustained increase in the assumed inflation rates projected to generate a 0.7% increase in returns (31 December 2021: 0.7%). The returns generated by the Company's non-UK investments are typically linked to the relevant Consumer Price Index ('CPI') for that jurisdiction whilst the Company's UK investments are typically linked to variations of the Retail Price Index ('RPI') or CPIH (CPI including owner occupied housing costs).

Given the ongoing higher-inflation environment, two additional NAV sensitivities have now been prepared (as seen in the chart opposite) to allow investors to understand the estimated impact, other things being equal, of higher inflation rates sustained over a three-year period of 100bps and 200bps above the Company's current inflation assumptions as seen on page 30.

In anticipation of the UK Government's previously announced intention to align the RPI to the CPIH from 2030 onwards, the inflation assumption used for UK investments which are currently linked to the RPI and do not benefit from protective contractual agreements or regulatory precedents, was previously adjusted to align with the Company's CPIH assumption from 2030. For the avoidance of doubt, the impact of this approach on the NAV is negligible. Furthermore, the inflation sensitivities by geographical region are provided in note 9.5 of the financial statements.

Short-term inflation sensitivities as at 30 June 2022



FOREIGN EXCHANGE

The Company has a geographically diverse portfolio and forecast cash flows from investments are subject to foreign exchange rate risk in relation to Australian Dollars, Canadian Dollars, Danish Krone, Euros and US Dollars. The Company seeks to mitigate the impact of foreign exchange rate changes on near-term cash flows by entering into forward contracts, but the Company does not hedge exposure to foreign exchange rate risk on long-term cash flows. The impact of a 10% increase or decrease in these rates is provided for illustration.

DEPOSIT RATES

The long-term weighted average deposit rate assumption across the portfolio is 1.03% per annum. While operating cash balances tend to be low given the structured nature of the investments, project finance structures typically include reserve accounts to mitigate certain costs and therefore variations to deposit rates may impact valuations. The impact of a 1.00% increase or decrease in these rates is provided for illustration.

TAX RATES

Post-tax investment cash inflows are impacted by tax rates across all relevant jurisdictions. The impact of a 1.00% increase or decrease in these rates is provided for illustration. Other potential tax changes are not covered by this scenario.

LIFECYCLE SPEND

There is a process of renewal required to keep physical assets fit for use and the proportion of total cost that represents this 'lifecycle spend' will depend on the nature of the asset.

PPPs will typically need to ensure that the assets are kept at the standard required of them under agreements with relevant public sector counterparties. To enhance the certainty around cash flows, the majority of the Company's PPP investments, and all of the Company's OFTO investments, are currently structured such that lifecycle cost risk is taken by a subcontractor for a fixed price (isolating equity investors from such downside risk). As a result, the impact of changes to the forecast lifecycle costs for the Company's PPP investments is relatively small.

The Company's investments in rolling stock leasing or operating businesses, or businesses providing digital infrastructure, are also distinct from PPPs which have fixed revenue streams from which they need to pay lifecycle costs. These businesses will still expect to incur lifecycle costs but will typically aim to recover any changes in lifecycle costs through the prices they charge their end-users.

Tideway and Cadent are treated differently due to the protections offered by the regulatory regimes under which they operate. Regulated assets have their revenues determined for a known regulatory period and each settlement includes revenue sufficient to allow the owner to undertake the efficient lifecycle management of its assets due in that regulatory period. It is common practice to employ reputable subcontractors to undertake lifecycle work under contracts which include incentive and penalty regimes aligned with the businesses' regulatory targets. This approach ensures an alignment of interest and helps to mitigate the risk of increased lifecycle costs falling on the equity investor. Accordingly, no lifecycle sensitivity has been run in respect of the Company's investments in Tideway and Cadent.

The impact of a 10% increase or decrease in the lifecycle costs incurred by the Company's PPPs, OFTOs and operating businesses is provided for illustration.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Board seeks to mitigate and manage risks relating to the Company through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's portfolio. The Company's approach to risk is set out in the Risk Report in the 2021 Annual Report and financial statements (pages 50 to 62), the Risk Report includes an overview of the principal and emerging risks and their mitigation. Risk factors are also detailed further in the Company's last Prospectus (the Placing, Open Offer and Offer for Subscription and Intermediaries Offer Prospectus published on 8 April 2022). As noted within the Annual Report, the war in Ukraine has created geopolitical unrest as well as some volatility in financial markets. Additionally, the implications from rising inflation and higher interest rates are causing further uncertainty. However, despite these developments, due to its risk nature, the Company's portfolio continues to operate in line with our expectations. Therefore, the assessment of the risk environment for the Company remains unchanged and there have been no significant changes in the nature or assessment of the principal and emerging risks reported in the 2021 Annual Report and financial statements. These risks and uncertainties are expected to remain relevant to the Company for the next six months of its financial year and include (but are not limited to):

- Political and regulatory risk – the businesses in which the Company invests are subject to potential changes in policy and legal requirements;
- Asset performance and physical asset risk – the Company's ability to meet investment return targets is affected by the performance of the assets in its portfolio;
- Counterparty risk – the Company's investments are dependent on the performance of a series of counterparties to contracts;
- Macroeconomic risk – the Company's ability to meet target returns may be adversely or positively impacted by macroeconomic changes including inflation, foreign exchange and interest rate movements;
- Contract risk – the ability of counterparties to operate contracts to the detriment of the Company and the risk of default under contract whether by the Company, its subsidiaries or their counterparties;
- Climate change – a risk which has the potential to impact infrastructure assets through such effects as physical damage as a result of extreme weather, change in demand and usage and impact from new regulatory requirements; and
- Other risks – including other regulatory risks (including tax and accounting policies and practices) associated with the Company and its projects, financial forecasting, IT and cyber risks; Covid-19-related risks; supply chain management; and changes in the competitive environment which may have an adverse impacts on the Company.

The Board considers and reviews, on a regular basis, the risks to which the Company is exposed.

By order of the Board

MIKE GERRARD	**JOHN LE POIDEVIN**
CHAIR	DIRECTOR
7 September 2022	7 September 2022

RESPONSIBLE INVESTMENT

APPROACH

The Company believes that the financial performance of its investments is linked to environmental and social success and, as such, the Company considers issues that have the potential to impact the performance of its investments, both now and in the future.

Consideration of ESG drivers is an essential part of how the Company assesses the long-term viability of the investments that it makes and its associated asset management strategies. ESG drivers are non-financial factors that can influence and be influenced by the Company's business activities and include factors such as climate change, demographics, resources, technology and social values.

ESG is important to the Company for the following key reasons:
– ESG drivers present an opportunity for new markets and investments;
– Incorporating ESG into the Company's management processes supports its high standards of financial rigour and requirements for long-term financial performance; and
– By investing in infrastructure and associated businesses, the Company can meaningfully support sustainable development.

The Company's approach to sustainability and ESG integration is described in more detail in its 2021 Sustainability Report[1].

POLICY

The Company has a common ESG Policy[2] with its Investment Adviser. It defines the objectives and approach to embedding ESG in investments, operations and the communities in which the Company's investments operate.

GOVERNANCE

THE ROLE OF THE BOARD AND COMMITTEES

The Board has overall responsibility for ensuring ESG is fully integrated into all aspects of the investment strategy. To support it in this role, the Board established an ESG Committee in March 2021. The ESG Committee provides a forum for discussion, support and challenge, with respect to ESG. This includes the policies adopted by the Company in relation to both investments and divestments and by its Investment Adviser regarding its asset management and reporting activities on such matters that relate to the Company. The ESG Committee meets quarterly, and its full Terms of Reference can be found on the Company's website[3].

In addition to the ESG Committee, ESG factors are considered through the following committees:
– **Investment Committee:** The Company's Investment Committee ensures ESG has been appropriately considered in the investment and divestment processes and provides a robust challenge to the Investment Adviser on such processes;
– **Audit and Risk Committee:** The Company's Audit and Risk Committee oversees the Company's approach to ESG disclosures and reporting to its stakeholders and ensures all risk management frameworks consider material ESG risks (e.g. climate change); and
– **Management Engagement Committee:** The Company's Management Engagement Committee reviews the effectiveness of ESG integration by the Investment Adviser.

For more information, please refer to the 2021 Company's Sustainability Report, which can be found on the Company's website[1].

ROLE OF THE INVESTMENT ADVISER

The Company's Investment Adviser is responsible for implementing the Company's ESG policies into the Company's activities on a day-to-day basis. This includes the integration of ESG considerations through investment origination and the management of the Company's investments.

Amber's Executive Committee is responsible for the stewardship of Amber's business and affairs. The Executive Committee discharges its sustainability responsibilities directly through its internal Risk Committee, ESG Steering Committee and Corporate Social Responsibility ('CSR') Sub-Committee.

Amber's ESG Steering Committee also interfaces with the Company's ESG Committee, ensuring the Company can monitor its ESG performance, and is kept abreast of emerging ESG risks and opportunities, such as climate change, to inform its strategy.

For more information, please refer to Amber's Global Sustainability Report[4].

1 https://www.internationalpublicpartnerships.com/media/2471/inpp-2021-sustainability-report.pdf.
2 https://www.amberinfrastructure.com/media/2231/esg-policy_final.pdf.
3 https://www.internationalpublicpartnerships.com/media/2391/inpp-esgc-tor-march-21.pdf.
4 https://www.amberinfrastructure.com/media/2699/amber-2022-sustainability-report.pdf.

SUSTAINABILITY AND ESG FRAMEWORKS

To deliver the ESG Policy and guide the Company's ESG strategy, the Company draws on several frameworks and benchmarks to provide direction. These frameworks are reviewed on an annual basis to ensure that the Company remains fully transparent in its approach to sustainable investment, operations and reporting.

Sustainable Finance Disclosure Regulation

The SFDR is the EU Regulation governing ESG disclosure obligations for financial market participants ('FMPs') who market financial products to clients in the European Union. The Company satisfies the two-pronged criteria set out in the SFDR and therefore has obligations under the Disclosure Regulation:

- As a self-managed alternative investment fund ('AIF'), the Company is categorised as an Alternative Investment Fund Manager ('AIFM') pursuant to the Alternative Investment Fund Managers Directive, thereby qualifying as an FMP for the purposes of SFDR
- The marketing in certain EU countries by the Company, as part of its recent capital raise, qualifies as marketing a financial product ('FP') into the European Union, by virtue of the Company being an AIF itself

Therefore, the Company has categorised itself as an 'Article 8' financial product, which was communicated in the Company's prospectus, published in April 2022[1]. The Company has also published a website disclosure in accordance with the Level 1 requirements of the SFDR regulation[2]. To align with the periodic reporting timeframes for SFDR, the Company has elected to disclose all relevant sustainability and ESG disclosures in line with the 2022 year-end financial reporting cycle. This will include the Level 2 SFDR periodic reporting, alongside updates against the sustainability and ESG frameworks listed below.

The Company's Investment Adviser is updating its ESG data collection policies and processes on behalf of the Company, which will incorporate the disclosure requirements of the SFDR regulation, metrics recommended by the TCFD and other material ESG indicators. The finalised data collection system will be rolled out at year-end, to collect ESG performance data from the Company's investments for the 2022 reporting period, to be included in the Company's 2023 Annual Report and updated Sustainability Report.

Ambition

The Company believes that investing in infrastructure which supports a sustainable, prosperous, equitable and resilient society should deliver robust financial performance for its shareholders. It is supportive of the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alongside the research of its Investment Adviser into emerging trends and technologies, the Company draws on the SDGs to help guide its approach to sustainability.

SUSTAINABLE DEVELOPMENT GOALS

Climate change

Climate change presents both transitional and physical risks to the Company's investments. As such, it continues to be a high priority for the Company. The Company is aligning all new investments with the objectives of the Paris Agreement and has commenced the process of adopting the TCFD recommendations.

The Company is continuing efforts to enhance its approach and disclosures according to the TCFD Guidelines. Please see more information on pages 41 to 43.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

ESG integration

The Company's Investment Adviser became a signatory of the PRI in August 2019. The Company's investment-related activities, as overseen by the Investment Adviser, are in line with commitments to the PRI Principles.

The Company is pleased to report that its Investment Adviser obtained an A+ ranking for both the Strategy and Governance and the Infrastructure modules in 2020. There are continued delays to the PRI reporting module, which means an update on scoring is now expected in the Company's next Sustainability Report.

Signatory of:

PRI Principles for Responsible Investment

Infrastructure performance standards

The Company recognises its biggest impact on sustainable development is through its investments, which are wide-ranging in their nature. The Company's priority is to ensure it focuses on material issues for each sector in which it invests, and it draws on international industry practice to help identify what is important for each sector.

Where possible, the Company draws on recognised third-party benchmarks to serve as a proxy for assessing whether an investment meets or manages material sustainability factors.

1 https://www.internationalpublicpartnerships.com/news-media/press-releases/2021/placing-open-offer-and-offer-for-subscription-and-publication-of-prospectus-and-circular/.
2 https://www.internationalpublicpartnerships.com/media/2629/amber-sfdr-website-disclosures.pdf.

RESPONSIBLE INVESTMENT

CONTINUED

IMPACT

By investing in the ‘right type’ of infrastructure, the Company believes its investments can significantly support the targets set out by the SDGs. For each investment sector, the Company has identified which SDGs these are positively supporting. The Company’s contribution to the SDGs at the macro level is summarised below.

SDG	CONTRIBUTION	IMPACT[1]	PORTFOLIO SDG CONTRIBUTION[2]
3 GOOD HEALTH AND WELL-BEING	**Good Health and Wellbeing** The Company has investments in 38 health facilities, including the award-winning Royal Children’s Hospital in Melbourne, providing access to quality essential healthcare services.	**>544,000** Patients treated annually in healthcare facilities developed and maintained by the Company	4%
6 CLEAN WATER AND SANITATION	**Clean Water and Sanitation** The Thames Tideway Tunnel, is the biggest infrastructure project undertaken to date by the privatised UK water industry.	**37,000,000m^3** The three components of the London Tideway improvements work conjunctively to reduce discharges in a typical year by about 37 million cubic metres[3]	13%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Industry, Innovation and Infrastructure** Investing in resilient infrastructure is at the heart of what we do. The Company’s portfolio is invested into quality, reliable, sustainable and resilient infrastructure.	**131,000km** Length of gas transportation pipeline	19%
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Peace, Justice and Strong Institutions** Through the provision of high-quality judicial buildings, the Company is supporting effective, accountable, and transparent institutions at all levels.	**13** Police stations and judicial buildings	4%
4 QUALITY EDUCATION	**Quality Education** Good infrastructure is at the base of quality education. By investing directly in 269 education facilities, and maintaining them sustainably, the Company can support effective learning environments for all.	**>168,000** Students attending schools developed and maintained by the Company	16%
7 AFFORDABLE AND CLEAN ENERGY	**Affordable and Clean Energy** Through the Company’s investments in offshore transmission investments, we are supporting the provision of affordable and clean energy.	**>2,100,000** Homes capable of being powered by renewable energy transmitted through offshore transmission investments	21%
11 SUSTAINABLE CITIES AND COMMUNITIES	**Sustainable Cities and Communities** The Company’s investments in transport provide safe, affordable, accessible and sustainable transportation.	**>93,000,000** Annual passenger journeys through sustainable transport investments[4]	23%

1 Data reflects performance for the year to 31 December 2021.
2 Investment at Fair Value.
3 https://www.tideway.london/media/5097/j0115_sustainable-finance-report-vis7a-2.pdf.
4 Annual passenger journeys include those made on BeNEX, Diabolo, Gold Coast and Reliance Rail.

SUSTAINABLE MANAGEMENT

The Company's metrics against the SDGs illustrate the breadth of positive social impacts its portfolio of investments can deliver. The Company seeks to improve the sustainability performance of its investments and closely monitors and manages against any potential adverse impacts. Further details on the Company's approach to sustainable management, including its Sustainability Policy Aims can be found in the Sustainability Report located on the Company's website[1].

The Company is in the process of significantly updating its ESG data collection processes, to incorporate SFDR, the EU Taxonomy and TCFD. The updated ESG data collection tool will be rolled out across the Company's investment portfolio in the first quarter of 2023, to collect data for the 2022 reporting period. The Company's next standalone Sustainability Report is due to be published in 2023, to incorporate these enhanced ESG metrics, including its portfolio carbon footprint.

As previously reported, in 2021, the Company developed a set of preliminary KPIs[2], which support the Company in delivering its ESG Policy Objectives and provide an important stepping-stone towards enhanced KPIs that the Company will develop, following the update to its ESG data collection processes. These KPIs, along with case studies of the Company's approach to active management over the period, are detailed below and on the following pages.

POLICY OBJECTIVE
The Company will use ESG drivers to create investment opportunities in new and existing markets

KPI
1. CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS
Positive SDG contribution for new investments[3]

TARGET	30 JUNE 2022	31 DEC 2021
100%	100%	100%

POLICY OBJECTIVE
The Company will identify and integrate ESG factors into all aspects of its investment, development and management decision making and analysis to protect and enhance value

KPI
2. INVESTMENT ADVISER ESG INTEGRATION PERFORMANCE
Investment Adviser PRI score

TARGET	30 JUNE 2022	31 DEC 2021
A+	A+[4]	A+[4]

POLICY OBJECTIVE
The Company will actively work towards improving the environmental and social performance of its investments by focusing on material ESG issues and Sustainable Development Goals

KPI

3. ROBUST CORPORATE GOVERNANCE
Investments with appropriate policies and procedures concerning:
- Health and safety
- Sustainability
- Equality, Diversity and Inclusion
- Modern Slavery and Human Rights
- Conflicts of interest
- Anti-corruption and financial crime risk
- Tax and transparency

TARGET	30 JUNE 2022	31 DEC 2021
100%	99%	96%

4. ENVIRONMENTAL PERFORMANCE
Investments with appropriate systems and processes in place to improve environmental performance. Specific indicators include:

4.1 Investments with an environmental management system

TARGET	30 JUNE 2022	31 DEC 2021
100%	98%	95%

4.2 Investments with initiatives to improve environmental performance of material issues

TARGET	30 JUNE 2022	31 DEC 2021
100%	84%	79%

5. HEALTH AND SAFETY PERFORMANCE
Investments with appropriate systems and processes in place to improve health and safety performance. Specific indicators include:

5.1 Investments with health and safety management system

TARGET	30 JUNE 2022	31 DEC 2021
100%	100%	97%

5.2 Investments with initiatives to improve health and safety performance

TARGET	30 JUNE 2022	31 DEC 2021
100%	99%	93%

6.GREENHOUSE GAS MANAGEMENT
Investments with appropriate systems and processes in place to support management of energy efficiency and greenhouse gases. Specific indicators include:

6.1 Investments monitoring Scope 1 and 2 emissions

TARGET	30 JUNE 2022	31 DEC 2021
100%	98%	94%

6.2 Investments with initiatives to improve energy efficiency and greenhouse gas performance

TARGET	30 JUNE 2022	31 DEC 2021
100%	90%	88%

1 https://www.internationalpublicpartnerships.com/media/2471/inpp-2021-sustainability-report.pdf.
2 KPIs apply to all investments where the Company has a majority equity investment, or a minority equity holding over £2 million.
3 The Company aims to manage and monitor any potential adverse impacts of investments as per KPIs 3, 4, 5 and 6.
4 In its first year of participation, the Company's Investment Adviser achieved A+ in the UN-backed PRI 2020 assessment for both the Strategy and Governance and the Infrastructure modules. There are continued delays to the PRI reporting module, which means an update on scoring is now expected in the Company's next Sustainability Report.

RESPONSIBLE INVESTMENT
CONTINUED

ENERGY TRANSMISSION

As the impacts of a changing climate become more apparent to our society and the solutions more urgent, it has never been more important to transition towards efficient, sustainable energy systems. Offshore wind generation is a success story for the UK. Long-term government support has underpinned innovation and investment in the sector, helping to drive down costs while contributing to decarbonisation of the economy.

Impact

7 AFFORDABLE AND CLEAN ENERGY
>2.1 million Homes capable of being powered by renewable energy transmitted by OFTOs

7 AFFORDABLE AND CLEAN ENERGY
>2.5 GW Transmission capacity

Case study

***Sustainability aim** – Encourage a zero-harm culture across all investments*

Transmission Capital Services Limited ('TCSL') (a consortium comprising the Company, the Company's Investment Adviser and Transmission Capital Partners), acquire and manage Electrical Infrastructure assets, including the nine OFTO investments it has made on behalf of the Company. TCSL believes that all work-related injuries and illnesses are preventable, and no activity should be dangerous.

TCSL is committed to prevention of injury and ill health and continual improvement in Operational Health and Safety ('OH&S') management and performance. TCSL is committed to the protection of the health, safety and welfare of its employees whilst they are at work. This protection also extends to invited visitors and contractors whilst on company premises or others who may be affected by TCSL activities.

TCSL has a good safety record and since formal recording started in 2018 has not recorded any lost time incidents incurred in 26,000 internal and 24,000 contractor site based working hours.

SOCIAL INFRASTRUCTURE

Social infrastructure is pivotal to the development of sustainable communities. While the provision of housing, clean water and electricity are vital for meeting basic human needs, other services such as schools and healthcare facilities are equally important for ensuring the long-term wellbeing of people.

Impact

4 QUALITY EDUCATION
>168,000 Pupils

3 GOOD HEALTH AND WELL-BEING
>544,000 Patients

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
13 Police stations and judicial buildings

8 DECENT WORK AND ECONOMIC GROWTH
>3,700 Full-time equivalent employees

Case study

***Sustainability aim** – Reduce consumption of natural resources, work towards elimination of waste to landfill and move towards a circular economy*

The Company is committed to identifying ways to improve resource efficiency and support the communities in which it works. During the course of 2022, through its Investment Adviser, the Company has worked with the specialist agent Collecteco to support local communities through the donation of fixtures, fittings and equipment no longer suitable for use in social infrastructure investments.

Collecteco partners with companies across the UK to generate social value, net zero and circular economy benefits by donating furniture and equipment to charities, schools, community groups, NHS trusts and other not for profit good causes.

During the period, this has resulted in the following positive impacts through our approach to asset management:
- £194,070 value donated to the community
- 10 good causes supported
- 61,335kg CO_2e avoided (~61 tCO_2e)
- 45,141kg diverted from landfill (45 tonnes)

TRANSPORT

Well-planned and coordinated transport infrastructure is fundamental to the economic and social wellbeing of a community. It is also becoming increasingly important to combat climate change and has been identified as a crucial part of net zero carbon strategies emerging internationally.

Impact

11 SUSTAINABLE CITIES AND COMMUNITIES

>93 million
Annual passenger journeys[1]

8 DECENT WORK AND ECONOMIC GROWTH

>2,300
Full-time equivalent employees

11 SUSTAINABLE CITIES AND COMMUNITIES

>799 million
Annual train km travelled

Case study

***Sustainability aim –** Reduce consumption of natural resources, work towards elimination of waste to landfill and move towards a circular economy*

Having categorised as an Article 8 Financial Product, the Company has integrated these requirements into periodic reporting at the investment level. This is well demonstrated through the Company's BeNEX investment.

As a company that both leases rolling stock and invests in TOCs, BeNEX provided a good opportunity to pilot the new SFDR and Taxonomy regulatory frameworks on a complex investment.

The Company's Investment Adviser supported the BeNEX management board to identify relevant ESG indicators to capture both positive and potential adverse impacts of its business and to determine potential compliance with the EU Taxonomy. Initial data from the first half of 2022 is provided below. This includes positive impact data, Principal Adverse Impact data (as defined by SFDR) and Taxonomy alignment. Following a review of the delegated act, the initial estimates are that 69% of BeNEX's revenues are from activities that meet the EU Taxonomy's technical criteria for making a 'substantial contribution to climate change mitigation', with the remaining 31% being classified as 'transitional activities' which support the transition towards a net zero economy.

This exercise is being undertaken across the Company's investments and will be used to disclose SFDR-aligned portfolio-level disclosures in the next Sustainability Report.

WASTE WATER

Environmental infrastructure provides cities and towns with water supply, waste disposal and pollution control services. These municipal works serve two important purposes, including protecting human health and safeguarding environmental quality.

Impact

6 CLEAN WATER AND SANITATION

>37 million m^3
Diverted wastewater discharges when operational

11 SUSTAINABLE CITIES AND COMMUNITIES

3 acres
New public space following construction

8 DECENT WORK AND ECONOMIC GROWTH

>2,100
Full-time equivalent employees

Case study

***Sustainability aim –** Consider biodiversity and enhance it where possible*

By reducing waste water flowing into the Thames, Tideway will provide significant benefits for biodiversity once operational. As part of its legacy programme Tideway has funded research into the ecology of the tidal Thames - the fish, seals and other species that call the river home. Some of these reports establish baseline data which will provide comparisons for future research into the river and its wildlife. This programme was completed in the period.

One of the studies which was funded includes The Zoological Society for London ('ZSL') ongoing programme of marine mammal monitoring and undertaking annual seal population surveys. In 2018, Tideway contributed funds to enable a seal breeding survey to take place that year for the first time since 2011. The survey showed clear evidence that harbour seals are breeding in growing numbers in the river - a total of 138 pups were recorded during the pup-count, an increase at all sites compared with 2011. More information is available on ZSL's website[2].

1 Annual passenger journeys include those made on BeNEX, Diabolo, Gold Coast and Reliance Rail.
2 https://www.zsl.org/conservation/regions/uk-europe/thames-marine-mammal-conservation.

RESPONSIBLE INVESTMENT

CONTINUED

GAS DISTRIBUTION

Gas distribution infrastructure plays a critical role in delivering energy to keep customers safe, warm and connected, whether that is natural gas, biogas or hydrogen. Cadent's network of gas pipes will play a vital role in meeting Britain's future energy needs and delivering the UK's net zero strategy. The network is a national asset consisting of over 130,000 km of pipework, connected to 11 million homes; fuelling industrial sites and supplying domestic gas turbines.

Impact

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5.7 million GJ/day
Maximum energy throughput

11 SUSTAINABLE CITIES AND COMMUNITIES

>11 million
Homes and businesses connected to gas

8 DECENT WORK AND ECONOMIC GROWTH

>5,000
Full-time equivalent employees

Case study

***Sustainability aim –** Reduce carbon emissions to work towards alignment with the goals of the Paris Agreement*

Hydrogen will play an essential role in the UK's effort to achieve net zero by 2050, as a low-carbon fuel for the decarbonisation of heat, power and vehicles. UK homes currently rely on natural gas for heating and cooking; however, hydrogen gas is viable alternative with the potential to significantly reduce domestic carbon emissions.

Over the period, the Company is pleased that Cadent's proposal to convert Ellesmere Port into the UK's first hydrogen village has made Ofgem's shortlist (of two). It will focus on the possibility of converting around 2,000 homes in Whitby, Ellesmere Port to hydrogen from natural gas. This is a key milestone in converting to a low carbon hydrogen network to demonstrate how hydrogen can be used at scale to cut emissions from heating and cooking. If Ellesmere Port is confirmed as the preferred location, the project will begin supplying Ellesmere Port with hydrogen in 2025.

DIGITAL INFRASTRUCTURE

Digital infrastructure underpins the potential of the internet. Over the next few decades, digital networks will be the enabling infrastructure that helps drive economic growth and productivity. The recent Covid-19 crisis underlines this, where remote working has been a financial and social lifeline to millions of businesses and families.

Impact

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

>870,000
Premises passed

11 SUSTAINABLE CITIES AND COMMUNITIES

>93,000
Premises connected

Case study

***Sustainability aim –** Ensure investments are accessible to the widest group of users and available to serve local communities*

In an increasingly digital age, those who are not engaging effectively with the digital world are at risk of being left behind. Technological change means that digital skills are increasingly important for connecting with others, accessing information and services and meeting the changing demands of the workplace and economy.

As part of NDIF investment, Community Fibre's mission to bring faster broadband to all Londoners, it offers 1 Gbps full fibre broadband to some of the community centres and libraries in the London boroughs it operates in for free. The hubs selected are the heart of community life. A free high-quality connection means that both work and leisure activities can happen seamlessly for the centre's attendees.

So far Community Fibre has connected over 300 community centres to London's fastest full fibre broadband network, providing access to 1 Gbps Internet. Further connections are planned in the coming months.

CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate change presents both transitional and physical risks to the Company's investments. As such, it continues to be a high priority for the Company which, accordingly, is voluntarily working to achieve alignment with the recommendations of the TCFD. As previously reported, during 2020, the Company's Investment Adviser commissioned an external third-party to undertake a review of the Company's current practices and make recommendations as to how the Company can enhance its approach and disclosures in accordance with the TCFD Guidelines.

Climate change is considered alongside other ESG risks by the Company's ESG Committee, Investment Committee and Audit and Risk Committee. During the period, the Company commissioned an additional third-party to support the enhancement of its approach to assessing physical and transition climate risks and opportunities across its portfolio, in line with TCFD recommendations. The results of this analysis are due to be published in the Company's 2023 Annual Report and updated Sustainability Report.

Although there is no mandatory requirement for the Company to adopt or explain areas of non-compliance with the framework, the Company aims to integrate climate risk assessment consistently within investment decision-making and risk management processes, for existing and future investments.

The table below shows a summary of our progress to date against the TCFD recommendations.

GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

a) Describe the Board's oversight of climate-related risks and opportunities.	The Board sets the strategy for the Company and makes decisions on changes to the portfolio (including approval of acquisitions, disposals and valuations). Through Board committees and the advice of external independent advisers, it manages the governance and risks of the Company.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Board has overall responsibility for ESG and ensuring it is integrated into the Company's investment strategy, including in relation to climate change. The Board maintains oversight of climate risk in the following ways: – **Investment Committee:** The Company's Investment Committee ensures climate change risks and opportunities have been appropriately considered through the investment and divestment processes and provides a robust challenge to the Investment Adviser; – **Audit and Risk Committee:** The Company's Audit and Risk Committee oversees the Company's approach to ESG disclosures and ensures all risk management frameworks consider material climate change disclosures. Risks are reviewed quarterly, including climate change risks; and – **ESG Committee:** The Company's ESG Committee monitors its approach to climate change, including consideration of climate change strategy, disclosures and targets. The Company's Investment Adviser is responsible for implementing the Company's ESG policies in the Company's activities on a day-to-day basis. This includes the integration of ESG, and specifically climate change, considerations through investment origination and management of the Company's investments.

RESPONSIBLE INVESTMENT

CONTINUED

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Both the risks and opportunities presented by climate change are a key focus for the Board. The Company has strengthened the alignment of its investment activity with the objectives of the Paris Agreement. In practice the Company has a greater formal emphasis on:

- Enhanced screening and due diligence processes to ensure new investments are aligned, or can directly support, the transition to net zero;
- Fuller deployment of emerging policy and frameworks, such as the UK ten-point plan and EU Taxonomy, to help guide investment decision making; and
- Increased cooperation with public counterparties to reduce emissions from existing investments, and to ensure that all assets continue to help deliver on international commitments.

The Company's investments are located in the UK, Ireland, continental Europe, North America and Australia. All these geographies are forecast to experience a changing climate, including increasing episodes of extreme heat, water stress, flooding and extreme precipitation to varying degrees. As an investor in infrastructure projects and businesses, the Company's investments are likely to be directly exposed to changes in weather. These potential physical impacts present the following risks to the Company:

- Unavailability of assets;
- Property damage;
- Insurance premiums;
- Operational costs;
- Maintenance costs;
- Market value depreciation Capex for resilience; and
- Potential future liabilities.

The majority of the Company's investments generate availability-based or regulated revenues, with most costs contractually determined or compensated for via a regulatory regime. The ability for changes in revenues or costs to have a material impact on the portfolio's net cash flows is limited owing to the contracts and/or regulatory frameworks under which the assets currently operate.

The transition to a low-carbon economy will largely depend on the right types of infrastructure to allow communities to live net zero lifestyles. The changes required are wide-ranging, including decarbonisation of heat, increased electrification of transportation and other systems previously dependent on fossil fuels, and decarbonisation of construction. Several of the geographies in which the Company invests have set legally binding net zero targets, although only a small number of the Company's investments face transition risks, due to the nature of contracted or regulated frameworks.

The Company is focused on identifying current risks and evolving its assessment and understanding of longer-term risks, along with mitigation of climate risks. The Company's Investment Adviser is also working towards obtaining a better understanding of the potential financial impacts and the Company's and its investments' resilience with regard to different climate scenarios. This enhanced approach will directly inform a suite of indicators, which will support the Company's objectives and investors' understanding of the physical and transition risks.

As an investor in infrastructure, the Company will seek to support this transition and believes it represents a significant opportunity and this forms part of the work of the ESG Committee.

RISK

Disclose how the organisation identifies, assesses and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks.

b) Describe the organisation's processes for managing climate-related risk.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

During the period, the Company commissioned third-party climate modelling experts to support it in enhancing its assessment of climate change risks, including the physical risks posed to the Company's investments in both the present day and in future climate scenarios. The results of this process will be disclosed in the Company's next Sustainability Report in 2023, along with greater detail on the tools, scenarios and sensitivities that are in the process of being implemented.

Climate risk identification and management is integrated within the risk management process as a subset of wider risk categories, including political, financial, operational and strategic risks.

The Board is ultimately responsible for risk management. Oversight of the risk framework and management process is delegated to the Audit and Risk Committee. The risk framework has been designed to manage, rather than eliminate, the risk of failure to meet business objectives. No system of control can provide absolute assurance against the incidence of risk, misstatement or loss. Regard is given to the materiality of relevant risks in designing systems of risk management and internal control. While responsibility for risk management ultimately rests with the Board, the aim is for the risk management framework to be embedded as part of the everyday operations and culture of the Company and its key advisers.

Although the Company is aligning with TCFD recommendations voluntarily, the Company's approach to climate change risk sits alongside other requirements to which we are subject under applicable law and the Company's internal policies and procedures, such as the requirement to have robust risk management policies and procedures. Please refer to the Continuous Risk Management section on pages 50 to 62 of the 2021 Annual Report for more information in relation to the Company's approach to risk management.

METRICS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Company qualitatively assesses the risk of all investments and is in the process of reviewing relevant climate-related metrics and targets at the portfolio level, which include the consideration of TCFD's supplementary guidance on metrics. The Company is actively developing a carbon footprint across all its investments to establish a baseline and will be developing ways to enhance its consideration and disclosure of transition and physical risks of climate change. This baseline is focusing on Scope 1 and 2 emissions initially and will seek to include Scope 3 emissions where available. These metrics will be disclosed in the Company's next Sustainability Report, due to be published in 2023. To support the Company in developing these overarching disclosures, it set an interim target for 100% of investments to monitor and disclose Scope 1 and Scope 2 emissions. During the period, the Company is pleased to report that 98% are monitoring these metrics.

BOARD OF DIRECTORS

The table below details all Directors of the Company during the six-month period ended 30 June 2022.

				
	MIKE GERRARD Board Chair; Chair, Investment Committee **Date of appointment:** **4 September 2018**	**JULIA BOND[1]** Chair, ESG Committee **Date of appointment:** **1 September 2017**	**STEPHANIE COXON[1]** Chair, Nomination and Remuneration Committee (with effect from 25 May 2022) **Date of appointment:** **1 January 2022**	**SALLY-ANN DAVID[1]** Chair, Risk Sub-Committee **Date of appointment:** **10 January 2020**
BACKGROUND AND EXPERIENCE	A resident in the UK, Mike has over 30 years of financial and management experience in global infrastructure investment. He has held a number of senior positions, including as an assistant director of Morgan Grenfell plc, a director of HM Treasury Taskforce, deputy CEO and later CEO of Partnerships UK plc and, most recently, a managing director of Thames Water Utilities Limited. Mike has a breadth of experience across a range of economic and social infrastructure sectors and has been involved in some of the largest infrastructure projects in the UK. He is a Fellow of the Institution of Civil Engineers.	A resident in the UK, Julia has over 25 years' experience of capital markets in the financial sector and held senior positions within Credit Suisse, including Head of One Bank Delivery and Global Head of Sovereign Wealth funds activity.	Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales and is a non-executive director on several London listed companies. Prior to becoming a non-executive director, Stephanie led the investment trust capital markets team at PwC for the UK and Channel Islands. During her time at PwC, Stephanie specialised in advising FTSE 250 and premium London listed companies on accounting, corporate governance, risk management and strategic matters.	A resident of Guernsey, Sally-Ann has over 35 years of experience in infrastructure projects in the energy sector, including international offshore transmission systems and the challenges of the energy transition. Having held senior positions within the power utility arena, Sally-Ann is currently the Chief Operating Officer of Guernsey Electricity Ltd. She is a Chartered Engineer and Chartered Director.
LISTED COMPANY AND OTHER RELEVANT DIRECTORSHIPS	Mike holds no other listed company positions but holds several non-executive positions within boards and committees that oversee the development and delivery of infrastructure investments in the UK and Europe.	– European Assets Trust ('EAT') – NED of Foreign, Commonwealth & Development Office and Strategic Command	– PPHE Hotel Group Limited – JLEN Environmental Assets Group Limited – Apax Global Alpha Limited	– Guernsey Electricity Ltd – Channel Islands Electricity Grid – European Marine Energy Centre Ltd Sally-Ann is also a director of a Guernsey based health-related charity.

1 All of the independent directors are members of all Committees with the exception of Mr Gerrard, who is not a member of the Audit and Risk Committee. Mr Frost is a non-independent director. Ms Whittet retired from the Board on 25 May 2022.

MERIEL LENFESTEY[1]

Chair, Management Engagement Committee
Date of appointment:
10 January 2020

A resident of Guernsey, Meriel has 28 years of multi-sector business experience.

With a background in human-centred design for technology, she brings a strategic end-user focus and a broad set of experiences encompassing many sectors and scales of organisation ranging from her own start-ups through global corporations and governmental programmes.

- Bluefield Solar Income Fund Limited

Meriel sits on a number of other commercial boards including Gemserv, Jersey Telecom and Aurigny Air Services and is a committee member for the Guernsey Institute of Directors.

JOHN LE POIDEVIN[1]

Senior Independent Director (with effect from 25 May 2022); Chair, Audit and Risk Committee
Date of appointment:
1 January 2016

A resident of Guernsey, John has over 30 years of business experience.

John is a Fellow of the Institute of Chartered Accountants in England and Wales and a former partner of BDO LLP, where he held a number of leadership roles, including Head of Consumer Markets, where he developed an extensive breadth of experience and knowledge across the real estate, leisure and retail sectors in the UK and overseas.

John is a non-executive director on several plc boards and chairs a number of audit committees.

- BH Macro Limited
- TwentyFour Income Fund Limited
- Super Group (SGHC) Limited

CLAIRE WHITTET[1]

Date of Appointment:
10 September 2012
Date of Retirement:
25 May 2022

A resident of Guernsey, Claire has over 40 years' experience in the banking industry with Bank of Scotland, Bank of Bermuda, and Rothschild and Co Bank International, where she was latterly managing director and co-head until May 2016 when she became a non-executive director. She is also a non-executive director of a number of listed and private equity investment companies, none of which is a trading company.

Claire is a member of the Chartered Institute of Bankers in Scotland, the Chartered Insurance Institute and the Institute of Directors and is a Chartered Banker and holds the Institute of Directors Diploma in Company Direction.

- BH Macro Ltd
- Eurocastle Investment Ltd
- Riverstone Energy Ltd
- TwentyFour Select Monthly Income Fund Ltd
- Third Point Offshore Investors Ltd

GILES FROST

Date of appointment:
2 August 2006

A resident in the UK, Giles is a founder of Amber Infrastructure and has worked in the infrastructure investments sector for over 20 years.

Giles is Chair and a director of Amber Infrastructure Group Holdings Ltd, the ultimate holding company of the Investment Adviser to the Company and various of its subsidiaries.

Giles is also a director of a number of the Company's subsidiary and investment holding entities and of other entities in which the Company has an investment. He does not receive directors' fees from such roles for the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Half-yearly Financial Report in accordance with applicable law and regulations.

The Directors confirm to the best of their knowledge:

a) The condensed consolidated set of financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting' as contained within UK-adopted International Accounting Standards;

b) The Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The Interim Management Financial Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

MIKE GERRARD
CHAIR
7 September 2022

JOHN LE POIDEVIN
DIRECTOR
7 September 2022

INDEPENDENT REVIEW REPORT TO INTERNATIONAL PUBLIC PARTNERSHIPS LIMITED

REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

OUR CONCLUSION

We have reviewed International Public Partnerships Limited's interim condensed consolidated financial statements (the "interim financial statements") in the Half-yearly Financial Report of International Public Partnerships Limited for the 6-month period ended 30 June 2022. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

WHAT WE HAVE REVIEWED

The interim financial statements comprise:

- the interim condensed consolidated balance sheet (unaudited) as at 30 June 2022;
- the interim condensed consolidated statement of comprehensive income (unaudited) for the period then ended;
- the interim condensed consolidated cash flow statement (unaudited) for the period then ended;
- the interim condensed consolidated statement of changes in equity (unaudited) for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half-yearly Financial Report have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS AND THE REVIEW

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

The Half-yearly Financial Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half-yearly Financial Report in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half-yearly Financial Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT A REVIEW OF INTERIM FINANCIAL STATEMENTS INVOLVES

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half-yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PRICEWATERHOUSECOOPERS CI LLP
Chartered Accountants
Guernsey, Channel Islands
7 September 2022

a) The maintenance and integrity of International Public Partnerships Limited's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

	Notes	**Six months ended 30 June 2022 £'000s**	Six months ended 30 June 2021 £'000s
Interest income	4	**45,336**	39,377
Dividend income	4	**27,911**	18,032
Net change in investments at fair value through profit or loss	4	**166,934**	(16,684)
Total investment income		**240,181**	40,725
Other operating (expense) / income	5	**(2,963)**	2,785
Total income		**237,218**	43,510
Management costs	15	**(13,999)**	(12,861)
Administrative costs		**(934)**	(1,132)
Transaction costs	15	**(759)**	(335)
Directors' fees		**(242)**	(200)
Total expenses		**(15,934)**	(14,528)
Profit before finance costs and tax		**221,284**	28,982
Finance costs	6	**(2,048)**	(1,765)
Profit before tax		**219,236**	27,217
Tax credit	7	**9**	48
Profit for the period		**219,245**	27,265
Earnings per share			
Basic and diluted *(pence)*	8	**12.38**	1.68

All results are from continuing operations in the period.

All income is attributable to the equity holders of the Parent. There are no non-controlling interests within the consolidated Group.

There are no other Comprehensive Income items in the current period (30 June 2021: £nil). The profit for the period represents the Total Comprehensive Income for the period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

	Notes	**Share Capital and Share Premium £'000s**	**Other Distributable Reserve £'000s**	**Retained Earnings £'000s**	**Total £'000s**
Balance at 31 December 2021		**1,908,849**	**182,481**	**437,470**	**2,528,800**
Profit for the period and total comprehensive income		**–**	**–**	**219,245**	**219,245**
Issue of Ordinary Shares	13	**327,273**	**–**	**–**	**327,273**
Issue costs applied to new shares	13	**(4,846)**	**–**	**–**	**(4,846)**
Dividends in the period	13	**–**	**–**	**(64,320)**	**(64,320)**
Balance at 30 June 2022		**2,231,276**	**182,481**	**592,395**	**3,006,152**

SIX MONTHS ENDED 30 JUNE 2021

	Notes	Share Capital and Share Premium £'000s	Other Distributable Reserve £'000s	Retained Earnings £'000s	Total £'000s
Balance at 31 December 2020		1,769,582	182,481	432,373	2,384,436
Profit for the period and total comprehensive income		–	–	27,265	27,265
Issue of Ordinary Shares	13	4,413	–	–	4,413
Dividends in the period	13	–	–	(59,650)	(59,650)
Balance at 30 June 2021		1,773,995	182,481	399,988	2,356,464

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 30 JUNE 2022

	Notes	**30 June 2022 £'000s**	31 December 2021 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	**2,728,151**	2,579,434
Total non-current assets		**2,728,151**	2,579,434
Current assets			
Trade and other receivables	9, 11	**65,252**	57,378
Cash and cash equivalents	9	**224,730**	56,090
Derivative financial instruments	9	**–**	2,713
Total current assets		**289,982**	116,181
Total assets		**3,018,133**	2,695,615
Current liabilities			
Trade and other payables	9, 12	**10,634**	10,597
Derivative financial instruments	9	**1,347**	–
Total current liabilities		**11,981**	10,597
Non-current liabilities			
Bank loans	6, 9	**–**	156,218
Total non-current liabilities		**–**	156,218
Total liabilities		**11,981**	166,815
Net assets		**3,006,152**	2,528,800
Equity			
Share capital and share premium	13	**2,231,276**	1,908,849
Other distributable reserve	13	**182,481**	182,481
Retained earnings	13	**592,395**	437,470
Equity attributable to equity holders of the Parent		**3,006,152**	2,528,800
Net assets per share *(pence per share)*	14	**157.3**	148.2

The financial statements were approved by the Board of Directors on 7 September 2022.

They were signed on its behalf by:

MIKE GERRARD
CHAIR
7 September 2022

JOHN LE POIDEVIN
DIRECTOR
7 September 2022

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

	Notes	**Six months ended 30 June 2022 £'000s**	Six months ended 30 June 2021 £'000s
Profit before tax in the Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)[1]		**219,236**	27,217
Adjusted for:			
(Gain) / loss on investments at fair value through profit or loss	4	**(166,934)**	16,684
Finance costs[2]	6	**2,048**	1,765
Fair value movement on derivative financial instruments	5	**4,059**	(2,130)
Working capital adjustments			
Increase in receivables		**(9,299)**	(1,437)
Increase / (decrease) increase in payables		**38**	(149)
Income tax paid[3]		**(95)**	(68)
Net cash inflow from operations[4]		**49,053**	41,882
Investing activities			
Acquisition of investments at fair value through profit or loss	10	**(6,984)**	(22,343)
Net repayments from investments at fair value through profit or loss		**25,201**	30,816
Net cash inflow from investing activities		**18,217**	8,473
Financing activities			
Proceeds of issue of shares net of issue costs		**320,154**	–
Dividends paid	13	**(62,047)**	(55,237)
Finance costs paid[2]		**(1,691)**	(3,338)
Loan drawdowns[2]		**–**	21,997
Loan repayments[2]		**(156,218)**	(4,400)
Net cash inflow / (outflow) from financing activities		**100,198**	(40,978)
Net increase in cash and cash equivalents		**167,468**	9,377
Cash and cash equivalents at beginning of period		**56,090**	44,263
Foreign exchange gain / (loss) on cash and cash equivalents		**1,172**	(209)
Cash and cash equivalents at end of period		**224,730**	53,431

1 Includes interest received of £37.0 million (H1 2021: £37.6 million) and dividends received of £27.9 million (H1 2021: £18.0 million).
2 These cash flows represent the changes in liabilities arising from financing liabilities during the period, in accordance with IAS 7, 44A-E.
3 Includes cash flows received from unconsolidated subsidiary entities in respect of surrender of tax losses.
4 Net cash flows from operations above are reconciled to net operating cash flows before capital activity as shown in the Operating Review on pages 24 to 25.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

International Public Partnerships Limited is a closed-ended authorised investment company incorporated in Guernsey under the Companies (Guernsey) Law, 2008. The address of the registered office is given on page 68. The nature of the Group's ('Parent and consolidated subsidiary entities') operations and its principal activities are set out on pages 4 to 5.

These interim condensed consolidated financial statements are presented in Pounds Sterling as this is the currency of the primary economic environment in which the Group operates and represents the functional currency of the Parent and all values are rounded to the nearest (£'000), except where otherwise indicated.

The financial information for the year ended 31 December 2021 included in this half-yearly financial report is derived from the 31 December 2021 Annual Report and financial statements and does not constitute statutory accounts as defined in the Companies (Guernsey) Law, 2008. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 263 (2) and (3) of the Companies (Guernsey) Law, 2008.

ACCOUNTING POLICIES

The annual financial statements of the Company were prepared in accordance with UK adopted International Accounting Standards. This set of interim condensed consolidated financial statements included in this Half-yearly Financial Report have been prepared in accordance with UK adopted International Accounting Standard 34 – 'Interim Financial Reporting' and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021, as they provide an update of previously reported information. The same accounting policies, presentation and methods of computation are followed in this set of interim condensed consolidated financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2021. The new and revised standards and interpretations becoming effective in the period have had no material impact on the accounting policies of the Group.

The Directors have determined that International Public Partnerships Limited is an investment entity as defined by IFRS 10 on the basis that the Company:

a) obtains funds from one or more investor(s) for the purpose of providing those investor(s) with investment management services;
b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Accordingly, these interim condensed consolidated financial statements consolidate only those subsidiaries that provide services relevant to its investment activities, such as management services, strategic advice and financial support to its investees, and that are not themselves investment entities. Subsidiaries that do not provide investment-related services are required to be measured at fair value through profit or loss in accordance with IFRS 9 Financial Instruments.

NEW STANDARDS THAT THE GROUP HAS APPLIED FROM 1 JANUARY 2022

Standards and amendments to standards applicable to the Group that became effective during the period are listed below. These have no material impact on the reported performance or financial statements of the Group.

– Annual improvements to IFRS Standards 2018-2020 (1 January 2022).

GOING CONCERN

The Directors have reviewed cash flow forecasts prepared by management. Based on those forecasts and an assessment of the Group's committed banking facilities, it has been considered appropriate to prepare these interim condensed consolidated financial statements of the Group on a going concern basis. In arriving at their conclusion that the Group has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £224.7 million as at 30 June 2022. The Company continues to fully cover operating costs and distributions from underlying cash flows from investments. The Company has access to a corporate debt facility of £250 million on a fully committed basis, and a flexible 'accordion' component which, subject to lender consent, allows for a future extension by an additional £150 million. At the date of this report, all of the fully committed portion is available, with cash drawn amounts on the facility being repaid following the £325 million capital raise which took place in H1 2022. A £20 million portion of the facility is available to be utilised for working capital purposes. The facility is forecast to continue in full compliance with the associated banking covenants. The facility is available for investment in new and existing assets until March 2024.

2. CRITICAL JUDGEMENTS AND ESTIMATES

INVESTMENT ENTITY

In the judgement of the Directors, International Public Partnerships Limited has been accounted for as an investment entity as defined by IFRS 10, further details of which are given in note 1, Basis of preparation.

FAIR VALUATION OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Fair values are determined using the income approach, which discounts the expected cash flows at a rate appropriate to the risk profile of each investment. In determining the discount rate, relevant long-term government bond yields, specific investment risks and evidence of recent transactions are considered. Details of the valuation process and key sensitivities are provided in note 9.

3. SEGMENTAL REPORTING

Based on a review of information provided to the chief operating decision makers of the Company (determined to be the Board), the Group has identified four reportable segments based on the geographical risk associated with the jurisdictions in which it operates. The factors used to identify the Group's reportable segments are centred on the risk-free rates and the maturity of the infrastructure sector within each region. Further, foreign exchange and political risk is identified, as these also determine where resources are allocated. The four reportable segments are UK, Europe (excl. UK), North America and Australia.

	Six months ended 30 June 2022				
	UK £'000s	**Europe (Excl. UK) £'000s**	**North America £'000s**	**Australia £'000s**	**Total £'000s**
Segmental results					
Dividend and interest income	**47,297**	**5,379**	**4,547**	**16,024**	**73,247**
Fair value gain / (loss) on investments	**142,678**	**16,153**	**10,524**	**(2,421)**	**166,934**
Total investment income	**189,975**	**21,532**	**15,071**	**13,603**	**240,181**
Reporting segment profit[1]	**172,013**	**20,904**	**13,525**	**12,803**	**219,245**
Segmental financial position					
Investments at fair value	**2,073,467**	**327,890**	**115,954**	**210,840**	**2,728,151**
Current assets	**289,982**	**–**	**–**	**–**	**289,982**
Total assets	**2,363,449**	**327,890**	**115,954**	**210,840**	**3,018,133**
Total liabilities	**(11,981)**	**–**	**–**	**–**	**(11,981)**
Net assets	**2,351,468**	**327,890**	**115,954**	**210,840**	**3,006,152**

	Six months ended 30 June 2021				
	UK £'000s	Europe (Excl. UK) £'000s	North America £'000s	Australia £'000s	Total £'000s
Segmental results					
Dividend and interest income	43,279	4,170	3,711	6,249	57,409
Fair value (loss) / gain on investments	(14,916)	(1,099)	1,189	(1,858)	(16,684)
Total investment income	28,363	3,071	4,900	4,391	40,725
Reporting segment profit[1]	12,119	4,632	4,933	5,581	27,265
Segmental financial position					
Investments at fair value	1,703,241	299,629	105,630	211,776	2,320,276
Current assets	101,352	–	–	–	101,352
Total assets	1,804,593	299,629	105,630	211,776	2,421,628
Total liabilities	(65,164)	–	–	–	(65,164)
Net assets	1,739,429	299,629	105,630	211,776	2,356,464

1 Reporting segment results are stated net of operational costs including management fees.

Revenue from investments which individually represent more than 10% of the Group's interest and dividend income approximates £22.4 million (30 June 2021: £5.8 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

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4. INVESTMENT INCOME

	Six months ended 30 June 2022 £'000s	Six months ended 30 June 2021 £'000s
Interest income		
Interest on investments at fair value through profit or loss	**45,336**	39,377
Total interest income	**45,336**	39,377
Dividend income	**27,911**	18,032
Net change in fair value of investments at fair value through profit or loss	**166,934**	(16,684)
Total investment income	**240,181**	40,725

Dividend and interest income includes that from transactions with unconsolidated subsidiary entities. Changes in investments at fair value through profit or loss are also recognised in relation to the Group's investments in unconsolidated subsidiaries.

5. OTHER OPERATING (EXPENSE) / INCOME

	Six months ended 30 June 2022 £'000s	Six months ended 30 June 2021 £'000s
Fair value movement on foreign exchange contracts	**(4,059)**	2,130
Other foreign exchange movements	**1,096**	655
Total other operating (expense) / income	**(2,963)**	2,785

6. FINANCE COSTS AND BANK LOANS

Finance costs for the period were £2.0 million (30 June 2021: £1.8 million). The Group has a corporate debt facility ('CDF') available consisting of £250 million on a fully committed basis, together with a flexible 'accordion' component which will, subject to lender approval, allow for a future extension by an additional £150 million. As at 30 June 2022, the facility was nil cash drawn having been repaid following capital raising in the period (31 December 2021: £156.2 million). The interest rate margin on the CDF is 170 basis points over SONIA. The facility matures in March 2024. The loan facility is provided by Royal Bank of Scotland International, National Australia Bank, Barclays Bank and Sumitomo Mitsui Banking Corporation, and is secured over the assets of the Group.

7. TAX

	Six months ended 30 June 2022 £'000s	Six months ended 30 June 2021 £'000s
Current tax:		
UK corporation tax credit – current period	**–**	(2)
UK corporation tax credit – prior period	**–**	(1)
Other overseas tax credit – current period	**(9)**	(45)
Tax credit for the period	**(9)**	(48)

7. TAX CONTINUED

Reconciliation of effective tax rate:

	Six months ended 30 June 2021 £'000s	Six months ended 30 June 2021 £'000s
Profit before tax	**219,236**	27,217
Exempt tax status in Guernsey	**–**	–
Application of overseas tax rates	**(9)**	(45)
Group tax losses surrendered to unconsolidated investee entities	**–**	(2)
Adjustment to prior period	**–**	(1)
Tax credit for the period	**(9)**	(48)

The income tax credit above does not represent the full tax position of the entire Group as the investment returns received by the Company are net of tax payable at the underlying investee entity level. As a consequence of the adoption of the IFRS 10 investment entity consolidation exception, underlying investee entity tax is not consolidated within these interim condensed consolidated financial statements. To provide an indication of the tax paid across the wider portfolio, total forecasted corporation tax payable by the Group's underlying investments is in excess of £1 billion (30 June 2021: £1 billion) over their full concession lives.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2022 £'000s	Six months ended 30 June 2021 £'000s
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent	**219,245**	27,265
	Number	Number
Weighted average number of Ordinary Shares for the purposes of basic and diluted earnings per share	**1,770,401,054**	1,621,326,795
Basic and diluted *(pence)*	**12.38**	1.68

The denominator for the purposes of calculating both basic and diluted earnings per share is the same as the Group has not issued any share options or other instruments that would cause dilution.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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9. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Specific financial asset and liability accounting policies are provided below.

9.1 FINANCIAL ASSETS

	30 June 2022 £'000s	31 December 2021 £'000s
Investments at fair value through profit and loss	**2,728,151**	2,579,434
Financial assets at amortised cost		
Trade and other receivables	**65,252**	57,378
Cash and cash equivalents	**224,730**	56,090
Derivative financial instruments at fair value through profit or loss		
Foreign exchange contracts	**–**	2,713
Total financial assets	**3,018,133**	2,695,615

9.2 FINANCIAL LIABILITIES

	30 June 2022 £'000s	31 December 2021 £'000s
Financial liabilities at amortised cost		
Trade and other payables	**10,634**	10,597
Bank loans	**–**	156,218
Derivative financial instruments at fair value through profit or loss		
Foreign exchange contracts	**1,347**	–
Total financial liabilities	**11,981**	166,815

The carrying value of financial assets and liabilities held at amortised cost is considered to approximate their fair value.

9.3 FINANCIAL RISK MANAGEMENT

The Group's objective in managing risk is the protection of stakeholder value. Risk is inherent in the Group's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The 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. The Board of Directors is ultimately responsible for the overall risk management of the Group, with delegation of oversight and activities (including identifying and controlling risks) provided to the Audit and Risk Committee and the Group's Investment Adviser. The Group's risk management framework and approach is set out within the Strategic Report (pages 50 to 62 of the 2021 Annual Report and financial statements). The Board takes into account market, credit and liquidity risks in forming the Group's risk management strategy.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as changes in inflation, foreign exchange rates and interest rates.

Inflation risk

The majority of the Group's cash flows from underlying investments are linked to inflation indices. Changes in inflation rates can have a positive or negative impact on the Group's cash flows from investments. The long-term inflation assumptions applied in the Group's valuation of investments at fair value through profit or loss are disclosed in the fair value hierarchy section 9.4.

The Group's portfolio of investments has been developed in anticipation of continued inflation at or above the levels used in the Group's valuation assumptions. Where inflation is at levels below the assumed levels for a sustained period of time, investment performance may be impaired. The level of inflation-linkage across the investments held by the Group varies and is not consistent.

9. FINANCIAL INSTRUMENTS CONTINUED

9.3 FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows from underlying investments, therefore, impacting the value of investments at fair value through profit or loss. The Group has limited exposure to interest rate risk as the underlying borrowings within the unconsolidated investee entities are either hedged through interest rate swap arrangements, are fixed rate loans or the risk of adverse movement in interest rates is limited through protections provided by the regulatory regime. For example, it is generally a requirement under a PFI/PPP concession that any borrowings are matched to the life of the concession. Hedging activities are aligned with the period of the loan, which also mirrors the concession period, and are highly effective. However, particularly in Australia, refinancing risk exists in a number of such investments. The Group's corporate debt facility is unhedged on the basis it is utilised as an investment bridging facility and therefore drawn for a relatively short period of time. Therefore, the Group is not significantly exposed to cash flow risk due to changes in interest rates over its variable rate borrowings. Interest income on bank deposits held within underlying investments is included within the fair value of investments.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies and therefore is exposed to exchange rate fluctuations. Currency risk arises in financial instruments that are denominated in a foreign currency other than the functional currency in which they are measured. The Group uses forward foreign exchange contracts to mitigate the risk of short-term volatility in foreign exchange on significant investment returns from overseas investments. The Group doesn't hedge its exposure to foreign exchange in relation to foreign currency denominated investment balances. The carrying amounts of the Group's foreign currency denominated monetary financial instruments at the reporting date are set out in the table below.

	30 June 2022 £'000s	31 December 2021 £'000s
Cash		
Euro	**4,771**	875
Canadian Dollar	**877**	250
Australian Dollar	**12,468**	6,220
US Dollar	**962**	1,603
	19,078	8,948
Current receivables		
Euro receivables	**27**	712
US Dollar receivables	**571**	–
	598	712
Investments at fair value through profit or loss		
Euro	**318,269**	299,262
Danish Krone	**9,621**	13,979
Canadian Dollar	**43,364**	39,439
Australian Dollar	**210,840**	213,261
US Dollar	**72,590**	66,492
	654,684	632,433
Total	**674,360**	642,093

Sensitivity analysis showing the impact of variations of the above risks on the fair value of investments is shown in section 9.5.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and reviewing this on a regular basis at the underlying entity level. The majority of underlying investments are in public-private partnerships and similar concessions (which are entered into with government, quasi government, other public, equivalent low risk bodies), or in regulated businesses that inherently exhibit low levels of credit risk. The maximum exposure of credit risk over financial assets as a result of counterparty default is the carrying value of those financial assets in the balance sheet. In addition, the underlying investee entities contract with third-party construction and facilities management contractors. The Group seeks to mitigate this risk through using a diverse range of sub-contractors and through at least quarterly review of the credit position of major contractors.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SIX MONTHS ENDED 30 JUNE 2022

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9. FINANCIAL INSTRUMENTS CONTINUED

9.3 FINANCIAL RISK MANAGEMENT CONTINUED

Liquidity risk

Liquidity risk is defined as the risk that the Group would encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group invests in relatively illiquid investments (mainly non-listed equity and loans). As a closed-ended investment vehicle there are no automatic capital redemption rights. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows. Cash flow forecasts assume full availability of underlying infrastructure to the relevant public sector body or end-user. Failure to maintain assets available for use or operating in accordance with pre-determined performance standards or licence conditions may lead to a reduction (wholly or partially) in the investment income that the Group has projected to receive. The Directors review the underlying performance of each investment on a quarterly basis, allowing asset performance to be monitored. The terms of public-private partnership contractual mechanisms also allow for significant pass-down of unavailability and performance risk to subcontractors. Regulated asset regimes allow for the pass through of efficiently incurred costs to the purchaser. The Group's financial liabilities comprise trade and other payables, payable within 12 months of the year end, and bank loans, repayable in March 2024 as disclosed in note 6.

9.4 FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);

Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

During the period there were no transfers between Level 2 and Level 3 categories.

Level 1:

The Group has no financial instruments classified as Level 1.

Level 2:

This category includes derivative financial instruments such as interest rate swaps, RPI Swaps and currency forward contracts. As at 30 June 2022, the Group's only derivative financial instruments were currency forward contracts amounting to a liability of £1.3 million (31 December 2021: asset of £2.7 million).

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market (spot exchange rates, yield curves, interest rate curves). Valuations based on observable inputs include financial instruments such as swaps and forward contracts which are valued using market standard pricing techniques where all the inputs to the market standard pricing models are observable.

Level 3:

This category consists of investments in equity and loan instruments in underlying unconsolidated subsidiary entities and other non-controlled investments which are classified at fair value through profit or loss. At 30 June 2022, the fair value of financial instruments classified within Level 3 totalled £2,728 million (31 December 2021: £2,579.4 million).

Financial instruments are classified within Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Valuation process

Valuations are the responsibility of the Board of Directors. The valuation of unlisted equity and debt investments is performed on a quarterly[1] basis by the Investment Adviser. The valuation is reviewed by the senior members of the Investment Adviser, and reviewed and approved by the Board.

1 Indicative valuations are calculated in respect of each at 31 March and 30 September.

9. FINANCIAL INSTRUMENTS CONTINUED

9.4 FAIR VALUE HIERARCHY CONTINUED

Valuation methodology

The valuation methodologies used are primarily based on discounting projected net cash flows at appropriate discount rates. Valuations are also reviewed against recent market transactions for similar assets in comparable markets observed by the Group or the Investment Adviser and adjusted where appropriate.

Cash flow forecasts for the full-term of each underlying investment are generated by detailed investment specific financial models. These models forecast the dividend, shareholder loan interest payments, capital repayments and senior debt repayments (where applicable) expected from the underlying investments. The cash flows included in the forecasts used to determine fair value are typically fixed under contracts, however there are certain variable cash flows which are based on management's estimations. The significant unobservable inputs and assumptions used in projecting the Group's net future cash flows are shown below.

30 June 2022	UK	Europe (Excl. UK)	North America	Australia
Inflation rates	**7.00% until Dec 22, 4.00% until Dec 23, 2.00% thereafter (CPIH), 9.00% until Dec 22, 5.00% until Dec 23, 2.75% thereafter (RPI)**	**6.00% until Dec 22, thereafter 2.00%**	**3.00% until Dec 22, thereafter 2.00%**	**5.00% until Dec 22, thereafter 2.50%**
Long-term tax	**25.00%**	**12.50% – 32.28%**	**23.00% – 26.50%**	**30.00%**
Foreign exchange rates	**N/A**	**1.16 – 8.65**	**1.57 – 1.21**	**1.76**
Long-term deposit rates	**1.00%**	**0.50%**	**1.50%**	**2.00%**

31 December 2021	UK	Europe (excluding UK)	North America	Australia
Inflation rates	2.75% RPI, 2.00% CPIH	2.00%	2.00%	2.50%
Long-term tax	25.00%	12.50% – 32.28%	23.00% – 26.50%	30.00%
Foreign exchange rates	N/A	1.16	1.38 – 1.72	1.84
Long-term deposit rates	1.00%	1.00%	2.00%	2.00%

Discount rate

The discount rate used in the valuation of each investment is the aggregate of the following:

- Yield on a government bond with a remaining term equivalent to (or as close as possible to) the investment being valued, issued by the national government for the location of the relevant investment ('government bond yield');
- A premium to reflect the inherent greater risk in investing in infrastructure assets over government bonds;
- A further premium to reflect the state of maturity of the asset with a larger premium applied to immature assets and/or assets in construction and/or to reflect any current asset specific or operational issues. Typically, this risk premium will reduce over the life of any asset as an asset matures, its operating performance becomes more established, and the risks associated with its future cash flows decrease. However, the rate may increase in relation to investments with unknown residual values at the end of the relevant concession life as that date nears;
- A further adjustment reflective of market-based transaction valuation evidence for similar assets.

Over the period, the weighted average government bond yield increased by 86bps. The weighted average investment premium decreased, reflecting observable market-based evidence.

Valuation assumptions	30 June 2022	31 December 2021	Movement
Weighted Average Government Bond Yield	**1.82%**	0.96%	86bps
Weighted Average Investment Risk Premium	**5.29%**	6.01%	(72bps)
Weighted Average Discount Rate	**7.11%**	6.97%	14bps
Weighted Average Discount Rate on Risk Capital[1]	**7.40%**	7.38%	2bps

1 Weighted average discount rate on Risk Capital only (equity and subordinated debt).

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9. FINANCIAL INSTRUMENTS CONTINUED

9.4 FAIR VALUE HIERARCHY CONTINUED

Discount rate continued

Reconciliation of Level 3 fair value measurements of financial assets:	**30 June 2022 £'000s**	31 December 2021 £'000s
Opening balance	**2,579,434**	2,345,433
Additional investments during the period	**6,984**	252,725
Net repayments during the period	**(25,201)**	(53,350)
Net change in fair value of investments at fair value through profit or loss	**166,934**	34,626
Closing balance	**2,728,151**	2,579,434

9.5 SENSITIVITY ANALYSIS

The valuation requires management to make certain assumptions in relation to unobservable inputs to the model. There are no straightforward inter-relationships between the unobservable inputs. A sensitivity analysis for reasonably possible alternative assumptions is provided below:

Significant assumptions at 30 June 2022	**Weighted average rate in base case valuations**	**Sensitivity factor**	**Change in fair value of investment £'000s**	**Sensitivity factor**	**Change in fair value of investment £'000s**
Discount rate	**7.11%**	**+1.00%**	**(265,821)**	**-1.00%**	**324,489**
Inflation rate (overall)	**2.34%**	**+1.00%**	**272,088**	**-1.00%**	**(234,871)**
UK	**2.00%/2.75%**	**+1.00%**	**233,316**	**-1.00%**	**(192,329)**
Europe	**2.00%**	**+1.00%**	**38,212**	**-1.00%**	**(32,946)**
North America	**2.00%**	**+1.00%**	**947**	**-1.00%**	**(1,117)**
Australia	**2.50%**	**+1.00%**	**9,582**	**-1.00%**	**(8,499)**
FX rate	**N/A**	**+10.00%**	**65,540**	**-10.00%**	**(65,576)**
Tax rate	**25.47%**	**+1.00%**	**(14,078)**	**-1.00%**	**13,059**
Deposit rate	**1.04%**	**+1.00%**	**21,884**	**-1.00%**	**(22,657)**

Significant assumptions at 31 December 2021	Weighted average rate in base case valuations	Sensitivity factor	Change in fair value of investment £'000s	Sensitivity factor	Change in fair value of investment £'000s
Discount rate	6.97%	+1.00%	(245,454)	-1.00%	295,025
Inflation rate (overall)	2.37%	+1.00%	231,029	-1.00%	(197,787)
UK	2.00%/2.75%	+1.00%	179,431	-1.00%	(151,850)
Europe	2.00%	+1.00%	40,393	-1.00%	(35,843)
North America	2.00%	+1.00%	738	-1.00%	(1,218)
Australia	2.50%	+1.00%	10,451	-1.00%	(8,875)
FX rate	N/A	+10.00%	63,273	-10.00%	(63,279)
Tax rate	25.47%	+1.00%	(13,757)	-1.00%	13,541
Deposit rate	1.04%	+1.00%	24,626	-1.00%	(13,723)

10. INVESTMENTS

Date of investment	Description	Consideration £'000s	% holding post investment
April – June 2022	The Group made further investments into the National Digital Infrastructure Fund, UK	**1,205**	45.0%
June 2022	The Group made follow on investments into a portfolio of Building Schools for the Future assets, UK	**1,477**	Various
June 2022	The Group made a follow-on investment into the Diabolo Rail Link project, Belgium	**4,302**	100.0%
Total capital spend on investments during the period		**6,984**	

11. TRADE AND OTHER RECEIVABLES

	30 June 2022 £'000s	31 December 2021 £'000s
Accrued interest receivable	**61,222**	52,657
Other debtors	**4,030**	4,721
Total trade and other receivables	**65,252**	57,378

Other debtors included £2.0 million (31 December 2021: £1.2 million) of receivables from unconsolidated subsidiary entities for the surrender of Group tax losses.

12. TRADE AND OTHER PAYABLES

	30 June 2022 £'000s	31 December 2021 £'000s
Accrued management fee	**8,649**	8,308
Other creditors and accruals	**1,985**	2,289
Total trade and other payables	**10,634**	10,597

13. SHARE CAPITAL AND RESERVES

Share capital	30 June 2022 Shares '000s	31 December 2021 Shares '000s
In issue 1 January	**1,706,104**	1,620,953
Issued for cash	**203,762**	81,818
Issued as a scrip dividend alternative	**1,377**	3,333
Closing balance	**1,911,243**	1,706,104

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13. SHARE CAPITAL AND RESERVES CONTINUED

Share capital	30 June 2022 £'000s	31 December 2021 £'000s
Opening balance	**1,908,849**	1,769,582
Issued for cash (excluding issue costs)	**325,000**	135,000
Issued as a scrip dividend alternative	**2,273**	5,629
Total share capital issued in the period	**327,273**	140,629
Costs on issue of Ordinary Shares	**(4,846)**	(1,362)
Closing balance	**2,231,276**	1,908,849

The Company has one class of Ordinary Shares which carry no right to fixed income.

On 4 May 2022, the Group raised additional capital of £325 million through an issue of 203,761,755 new Ordinary Shares.

On 13 June 2022, 1,377,796 new Ordinary fully paid shares were issued as a scrip dividend alternative in lieu of cash for the interim dividend in respect of the six months ended 31 December 2021.

Other distributable reserve	30 June 2022 £'000s	31 December 2021 £'000s
Opening balance	**182,481**	182,481
Movement in the period	**–**	–
Closing balance	**182,481**	182,481

On 19 January 2007, the Company applied to the Royal Court of Guernsey, following the initial placing of shares, to reduce its share premium account. This was in order to provide a distributable reserve to enable the Company to repurchase its shares if and when the Board of Directors consider it beneficial to do so. Following court approval, the distributable reserve account was created.

Retained earnings	30 June 2022 £'000s	31 December 2021 £'000s
Opening balance	**437,470**	432,373
Net profit for the period	**219,245**	129,211
Dividends paid[1]	**(64,320)**	(124,114)
Closing balance	**592,395**	437,470

1 Includes scrip element of £2.3 million in 2021 (December 2021: £5.6 million).

DIVIDENDS

The Board is satisfied that, in every respect, the solvency test as required by the Companies (Guernsey) Law, 2008 was satisfied for the proposed dividend and the dividend paid in respect of the year ended 31 December 2021. The Board has approved an interim distribution of 3.87 pence per share (six months ended 30 June 2021: 3.78 pence per share).

13. SHARE CAPITAL AND RESERVES CONTINUED

CAPITAL RISK MANAGEMENT

The Group seeks to efficiently manage its financial resources to ensure that it is able to continue as a going concern while providing improved returns to shareholders through the management of the debt and equity balances. The capital structure consists of the Group's CDF and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings. The Group aims to deliver its objective by investing available cash and using leverage whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

The Group's Investment Adviser reviews the capital structure on a semi-annual basis. As part of this review, the Investment Adviser considers the cost of capital and the associated risks.

14. NET ASSETS PER SHARE

	30 June 2022 £'000s	31 December 2021 £'000s
Net assets attributable to equity holders of the Parent	**3,006,152**	2,528,800
	Number	Number
Number of shares		
Ordinary Shares outstanding at the end of the period	**1,911,243,132**	1,706,103,581
Net assets per share *(pence per share)*	**157.3**	148.2

15. RELATED PARTY TRANSACTIONS

During the period, Group companies entered into certain transactions with related parties that are not members of the Group but are related parties by reason of being in the same group as Amber Infrastructure Group Holdings Limited, which is the ultimate holding company of the Investment Adviser, Amber Fund Management Limited ('AFML').

Under the Investment Advisory Agreement ('IAA'), AFML was appointed to provide investment advisory services to the Group including advising the Group as to the strategic management of its portfolio of investments.

AFML and International Public Partnerships GP Limited are subsidiary companies of Amber Infrastructure Group Holdings Limited ('Amber Group'), in which Mr. G Frost is a director and also a shareholder.

Mr G Frost is also a director of International Public Partnerships Limited (the 'Company'); International Public Partnerships Lux 1 Sarl; (a wholly owned subsidiary of the Group); and the majority of other companies in which the Group indirectly has an investment. The transactions with the Amber Group are considered related party transactions under IAS 24 'Related Party Disclosures'.

The Director's fees for Mr. G Frost's directorship of the Company are paid to his employer, Amber Infrastructure Limited (a member of the Amber Group).

The amounts of the transactions in the period that were related party transactions are set out in the table below:

	Related party expense in the Income Statement		**Amounts owing to related parties in the Balance Sheet**	
	For the six months to 30 June 2022 £'000s	For the six months to 30 June 2021 £'000s	**At 30 June 2022 £'000s**	At 31 December 2021 £'000s
International Public Partnerships GP Limited	**13,999**	12,861	**8,649**	8,308
Amber Fund Management Limited[1]	**759**	335	**759**	217
Total	**14,758**	13,196	**9,408**	8,525

1 Represents amounts paid to related parties to acquire or make investments or advisory fees associated with investments which are subsequently recorded in the balance sheet.

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15. RELATED PARTY TRANSACTIONS CONTINUED

INVESTMENT ADVISORY ARRANGEMENTS

Investment advisory fees payable during the period are calculated as follows:

For existing construction assets:
– 1.2% per annum of the Gross Asset Value ('GAV') of investments bearing construction risk.

For existing fully operational assets:
– 1.2% per annum of the GAV (excluding uncommitted cash from capital raisings) up to £750 million;
– 1.0% per annum where GAV (excluding uncommitted cash from capital raisings) is between £750 million and £1.5 billion;
– 0.9% per annum where GAV (excluding uncommitted cash from capital raisings) is between £1.5 billion and £2.75 billion;
– 0.8% per annum where GAV (excluding uncommitted cash from capital raisings) value exceeds £2.75 billion.

Asset origination fees in connection with new acquisitions are charged at a rate of 1.5% of the value of new acquisitions.

The IAA can be terminated where less than 95% of the Group's assets are available for use for certain periods and the Investment Adviser fails to implement a remediation plan agreed with the Group. The IAA may also be terminated by either party giving to the other five-years notice of termination, expiring at any time after 10 years from the date of the IAA.

As at 30 June 2022, Amber held 8,002,379 (31 December 2021: 8,002,379) shares in the Company. The shares held by the Investment Adviser in the Company helps further strengthen the alignment of interests between the two parties.

During the period the Company acquired further interests in a small portfolio of UK PPP investments from an affiliate of the Company's Investment Adviser, Amber. The interests were acquired for £1.4 million following an independent valuation of the assets. Protocols provided in the Company's Investment Advisory Agreement were followed with respect to the sale of the Projects from Amber to INPP, including the establishment of separate buy side and sell side teams within Amber.

TRANSACTIONS WITH DIRECTORS

Director remuneration and shares held by each Director is reported in the Company's December 2021 Annual Report and financial statements. Shares acquired by Directors in the six-month period ended 30 June 2022 are disclosed below:

Director	Number of new Ordinary Shares
Michael Gerrard	**31,347**
Julia Bond	**18,808**
Meriel Lenfestey	**15,163**
John Le Poidevin	**62,695**
Claire Whittet	**37,854**

16. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2022, the Group has committed funding of up to c.£89.7 million (31 December 2021: c.£44.7 million), which includes committed investment amounts as noted in the Operating Review on page 14.

There were no contingent liabilities at the date of this report.

17. EVENTS AFTER THE BALANCE SHEET DATE

Following the balance sheet date, in July 2022 the Company divested of minority interests in four BSFI assets for consideration of £8.5 million. In July 2022, further investments of £0.4m were drawn on the Diabolo commitment. In September 2022, the Company is expected to invest a further £42.0 million in Tideway, increasing its interest to c.18% (see page 16 for more information).

GLOSSARY
INCLUDING ALTERNATIVE PERFORMANCE MEASURES

AGM
The Company's Annual General Meeting

AIC
Association of Investment Companies

AFML
Amber Fund Management Limited, a member of the Amber Group

AMBER / AMBER INFRASTRUCTURE
The Company's Investment Adviser (Amber Fund Management Limited and its corporate group)

AMBER GROUP
Amber Infrastructure Group Holdings Limited and its subsidiaries

APMS
In accordance with ESMA Guidelines on Alternative Performance Measures ('APMs') the Board has considered what APMs are included in the Annual Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Annual Report and financial statements are identified as non-GAAP measures and are defined within this glossary.

ASCE
American Society of Civil Engineers

AVERAGE NAV
Average of published NAVs for the relevant periods

BEPS
Base Erosion and Profit Shifting

BSF
Building Schools for Future projects

CASH DIVIDEND COVER
Non-GAAP measure. Cash dividend payments to investors covered by the Net operating cash flow before capital activity. This measure shows the sustainability of the dividend payments made by the Company. Net operating cash flows before capital activity include net repayments from Investments at Fair Value through profit and loss and finance costs paid and exclude investment transaction costs when compared to net cash inflows from operations as disclosed in the statutory cash flow statement in the financial statements.

CDF
The Company's corporate debt facility

CMA
Competition and Markets Authority

CSR
Corporate Social Responsibility

CPI
Consumer Price Index

CPIH
CPI including owner occupied housing costs

DIVIDEND GROWTH
Non-GAAP measure. Represents the growth in dividend per share paid to shareholders compared to the prior year. This measure provides information on the Company's dividend performance. Dividends paid and number of issued shares can be found disclosed in the financial statements and notes to the financial statements.

DIVIDEND PER SHARE
Non-GAAP measure. Represents dividends paid per Ordinary Share issued, as disclosed in the financial statements. This measure provides information on the Company's dividend performance. Dividends paid and number of issued shares can be found disclosed in the financial statements and notes to the financial statements.

EAT
European Assets Trust

ESG
Environmental, Social and Governance

EU TAXONOMY
EU Taxonomy for Sustainable Activities

FCA
Financial Conduct Authority

FRC
The Financial Reporting Council

GAV
Gross Asset Value

GDNs
Gas distribution networks

GFSC
The Guernsey Financial Services Commission

GLOSSARY
INCLUDING ALTERNATIVE PERFORMANCE MEASURES CONTINUED

GHG
Greenhouse gas emissions

GRESB INFRASTRUCTURE
The Infrastructure Asset Assessment assesses ESG performance at the asset level for infrastructure asset operators, fund managers and investors that invest directly in infrastructure.

HMRB
Flinders University Health and Medical Research Building

IAA
Investment Advisory Agreement

IFRS
International Financial Reporting Standards

INTERNATIONAL PUBLIC PARTNERSHIPS
The 'Company', 'INPP', the 'Group' (where including consolidated entities)

INVESTMENT ADVISER
Amber (see above)

IPO
Initial Public Offering

IRR
The Internal Rate of Return

HUNT
Amber's long-term investor, US Group, Hunt Companies LLC

KPIs
Key Performance Indicators

NDIF
National Digital Infrastructure Fund

NET ASSET VALUE ('NAV')
Non-GAAP measure. Represents the equity attributable to equity holders of the Parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report. Components of NAV are further discussed throughout the Annual Report, including from page 31.

NET ASSET VALUE ('NAV') PER SHARE
Non-GAAP measure. Represents the equity attributable per share to equity holders of the Parent in the Balance Sheet. This terminology is used as it is common investment sector terminology and so is the most understandable to the users of the Annual Report.

NET OPERATING CASH FLOWS BEFORE CAPITAL ACTIVITY
Non-GAAP measure. Represents the cash flows from the Company's operations before capital activity relating to the acquisition of new investments, issues of new capital or payment of dividends. This approach is used to provide investors with an indication of cash flows generated from operational activity and is used as part of the cash dividend cover calculations. Components of net operating cash flows before capital activity are further discussed throughout the Annual Report, including from page 29.

NET ZERO
Net Zero refers to balancing the amount of emitted greenhouse gases with the equivalent emissions that are either offset or sequestered. This should primarily be achieved through a rapid reduction in carbon emissions, but where zero carbon cannot be achieved, offsetting through carbon credits or sequestration through rewilding or carbon capture and storage needs to be utilised.

OECD
Organisation for Economic Co-operation and Development

OFTO
Offshore Electricity Transmission project

PFI
Projects and Private Finance Initiative

PORTFOLIO INFLATION-LINKED RETURN / INFLATION-LINKED CASH FLOWS
Non-GAAP measure. Calculated by running a 'plus 1.00%' inflation sensitivity for each investment and solving each investment's discount rate to return the original valuation. The inflation-linked cash flows is the increase in the portfolio weighted average discount rate. This measure provides an indication of the portfolio's inflation protection. There is no near comparable in the financial statements.

PPP
Public-Private Partnerships

PRI
The UN-backed Principles for Responsible Investment

PwC
The Company's independent auditor PricewaterhouseCoopers CI LLP

RNS
Regulatory News Service

RPI
UK Retail Price Index

SCOPE 1 EMISSIONS
Direct emissions from owned or controlled sources

SCOPE 2 EMISSIONS
Indirect emissions from the generation of purchased energy

SCOPE 3 EMISSIONS
All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions

SDGs
Sustainable Development Goals

SDR
The proposed UK Sustainability Disclosure Requirements

SFDR
The EU Sustainable Finance Disclosure Regulation

SONIA
SONIA is the effective reference for overnight indexed swaps for unsecured transactions in the Sterling market

SPV
Special Purpose Vehicle

TCFD
Task Force on Climate-related Financial Disclosures

THE COMPANY
International Public Partnerships Limited

TOCs
Train Operating Companies

TOTAL SHAREHOLDER RETURN ('TSR')
Non-GAAP measure. Share price appreciation plus dividends assumed to be reinvested since IPO. The total return based on the NAV appreciation plus dividends paid since the IPO. There is no direct reconciliation to the financial statements, being a calculation instead derived from the Company's share price. However a nearest comparison were this measure based on a figure in the financial statements is provided in the Total Shareholder Return paragraph on page 26.

TRANSITION RISK
Transition risks include policy changes, reputational impacts, and shifts in market preferences, norms and technology. Transition opportunities include those driven by resource efficiency and the development of new technologies, products and services, which could capture new markets and sources of funding.

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