

**A YEAR OF SIGNIFICANT OUTPERFORMANCE
DELIVERED THROUGH A CONTINUED FOCUS ON SOFTWARE AND SERVICE BUSINESSES**

London, 7 March 2022: HgCapital Trust plc ('HGT'), today announces its annual results for the year ended 31 December 2021.

HGT provides investors with a listed vehicle to invest in unquoted businesses managed by Hg, Europe's largest investor in software & service businesses.

The objective of HGT is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

Highlights over 2021 include:

- **Strong portfolio trading resulting in robust portfolio performance with a total return NAV increase of 44% to a record high of £4.40 and net assets of more than £2 billion**
- **Record level of investment, deploying £424 million alongside Hg, Europe's largest investor in software & service businesses**
- **£271 million of returns realised on behalf of HGT and £141 million of new equity raised**
- **Significant and consistent outperformance of the FTSE All-Share**
- **Performance provided through access to Hg's investments, which would in aggregate represent the second largest and the fastest growing technology firm in Europe¹.**

An investment of £1,000 made 20 years ago in HGT would now be worth £24,134, a total return of 2,313%. An equivalent investment in the FTSE All-Share Index would be worth £3,360.²

Jim Strang, Chairman of HGT, commented:

"As I noted in my last review, HGT and its portfolio have coped well with the challenges presented by the COVID-19 pandemic. The defensive nature of the businesses within the portfolio and the operational skill of Hg have both contributed to the success of HGT in weathering this challenging period. I am happy to report that our full-year results continue to see the portfolio delivering strong growth and excellent returns.

While 2021 has been very encouraging for HGT, we have all witnessed the recent events unfolding in Eastern Europe. Your Board remains extremely focused on ensuring that the risks inherent in managing a successful and fast-growing investment company, during such uncertain times, are fully addressed. Despite the challenges in the external environment and the volatility they may induce, the Board is confident about the future prospects for HGT."

¹ By Enterprise Value, Source: Hg, Factset

² All references to total return allow for all historic dividends being reinvested

Please note: Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

David Toms, Head of Research at Hg, commented:

“The overarching driver of Hg’s performance – digital transformation of business activity - continued apace in 2021 and the structural backdrop remains robust. Coupled with the move to a Software-as-a-Service model, we remain of the view that we are still early in a generational shift in market opportunity.”

SUMMARY PERFORMANCE

	28 February 2022	% Total return ²	31 December 2021	31 December 2020	% Total return ²
NAV per share	436.7p	-0.9%	440.5p	310.3p	+43.9%
Share price	417.0p	-0.8%	420.5p	305.0p	+39.8%
FTSE All-Share Index		-0.8%			+18.3%
		YTD 2022 Movement			2021 Movement
Net Asset Value	£2.0bn	-£17m	£2.0bn	£1.3bn	+£714m

Source: Hg, Factset

Note: Hg undertakes full revaluations of the portfolio on a quarterly basis, the next process being 31 March 2022, therefore the movement in unrealised value of the portfolio to the end of February 2022 is attributable to FX only.

PERFORMANCE OVERVIEW

Net assets of more than £2.0 billion, with continued outperformance of the FTSE All-Share over one, three, five, ten and twenty-year periods:

- NAV per share of 440.5p, a total return of 44% to 31 December 2021.
- Share price total return of +40% over the year.
- Proposed final dividend of 5.0p per share (full year dividend of 7.0p per share).

Strong double-digit growth from the realised and unrealised portfolio:

- Revenue and EBITDA growth of 27% and 30% respectively across the top 20 investments (78% of the portfolio) over the last twelve months.
- £271 million of cash returned to HGT through realisations at uplifts to book value and refinancings.
- Valuation multiple (EV/EBITDA) of 27.4x and net debt to EBITDA ratio of 7.1x for the top 20 investments (78% of the portfolio).

Continued investment and commitments to drive future value:

- Continued investment with £424 million invested on behalf of HGT into companies that Hg (the Manager) has known for many years and have demonstrated a track record of strong performance across market cycles.
- New commitments were made to the Hg upper mid-market and HGT LP funds, totalling \$975 million / £720 million, with total outstanding commitments at 31 December 2021 of £1.0 billion (December 2020: £647 million). These will be deployed over the next three to four years.

Credit facility and new equity issuance:

- In December, the Board of HGT agreed a further £50 million multi-currency revolving credit facility bringing the total facility to £250 million.
- £141 million of new equity raised over 2021 via tap issuance.

POST PERIOD EVENTS AS AT 28 FEBRUARY 2022

- NAV of 436.7p, YTD performance of -0.9% reflecting FX movements.
- Current net assets of £2.0 billion.
- Share price of 417.0p, YTD performance of -0.8%.
- Estimated £19.3 million from the partial sale of Lyniate.
- Estimated £65 million invested by HGT, primarily into Waystone, Lyniate , Pirum and Fonds Finanz.
- Available liquid resources (including the credit facility) post-completion of all announced transactions and the full year dividend payable in May 2022, are £432 million (22% of 28 February pro-forma NAV).
- Outstanding commitments of £906 million (46% of 28 February pro-forma NAV). We expect these to be drawn down over the next three to four years.

OUTLOOK

Commentary from Hg (the Manager):

The combination of the long-term nature of listed private equity investment with the types of business that Hg invests in, and robust double-digit growth in trading is expected to continue to drive long-term performance

- Against the backdrop of COVID-19, Hg's portfolio has performed well.
- The overall portfolio valuations were up over 52% for the year to 31 December 2021, returning over £4 billion of liquidity to Hg investors, including £271 million to HGT.
- As highlighted previously, COVID-19 has had a limited direct impact on the portfolio, given its defensive growth characteristics and we believe our investments will continue to benefit from ongoing trends in the digitalisation of business processes, across sectors and geographies.
- The portfolio companies remain focused on selling business-critical and non-discretionary software and services to their underlying business customers, delivering highly predictable levels of recurring revenue.
- Across our funds, we expect further investment activity in the next 12 months to continue – cautiously and with discipline – into businesses that we have often tracked for several years.
- Further liquidity events are expected over the next twelve months.
- Bolt-ons and strategic M&A within the portfolio remain a key focus and across the current portfolio.

- Ends -

The Company's 2021 Annual Report and an animated presentation from Hg to accompany the results are available to view at: <http://www.hgcapitaltrust.com/>.

For further details:

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About HgCapital Trust plc

HgCapital Trust plc is an investment company whose shares are listed on the London Stock Exchange (HGT.L). HGT gives investors exposure, through a liquid vehicle, to a portfolio of high-growth unquoted companies, managed by Hg, an experienced and well-resourced private equity firm with a long-term track record of delivering superior risk-adjusted returns for its investors.

For further details, see www.hgcapitaltrust.com and www.hgcapital.com