

RESILIENT NAV PERFORMANCE IN A CHALLENGING MACRO ENVIRONMENT

London, 13 March 2023: HgCapital Trust plc ('HGT'), today announces its annual results for the year ended 31 December 2022.

HGT provides investors with a listed vehicle to invest in unquoted businesses managed by Hg, Europe's largest investor in software & technology-enabled services 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 2022 include:

- **Strong portfolio trading continued to be the main driver of performance, contributing to a total return NAV increase of 5.4%, closing the year at 456.6p NAV per share and net assets of £2.1 billion**
- **Share price total return of -15.1% over the year, closing at 350.50p per share and a market capitalisation of £1.6 billion**
- **Continued investment, deploying £527 million alongside Hg, Europe's largest investor in software & service businesses, including seven new portfolio companies**
- **£404 million returned to HGT, including three full realisations at an average multiple of 3.9x invested cost, and at an average uplift of 28% to December 2021 reported NAV**
- **Continued and significant long-term NAV 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 £26,777, a total return of 2,578%. An equivalent investment in the FTSE All-Share Index would be worth £4,361.²

Jim Strang, Chairman of HGT, commented:

"The HGT portfolio is made up of 48 individual companies, spread across eight end-market 'clusters' which are well known to Hg. These investments operate across the B2B software and technology-enabled business services sectors. As part of the long-standing investment strategy adopted by Hg, these companies typically benefit from sector leading market positions and have highly resilient and defensive business models with loyal customers and high rates of recurring revenues. The portfolio has continued to deliver strong operating performance in the last year, despite the many and obvious challenges presented in the broader global economy. Looking forward, the environment seems set to remain challenging, however the investment model

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.

adopted by HGT and the strength of the portfolio augurs well for its continued successful development.”

David Toms, Head of Research at Hg, commented:

“Increasingly, we see this environment as one of opportunity, as valuation adjustments create the opportunity to acquire businesses with attractive long-term performance.”

SUMMARY PERFORMANCE

	28 February 2023	% Total return	31 December 2022	31 December 2021	% Total return
NAV per share	450.9p	-1.2%	456.6p	440.5p	+5.4%
Share price	363.0p	+3.6%	350.5p	420.5p	-15.1%
FTSE All-Share Index		+6.1%			+0.3%
		YTD 2023 Movement			2021 Movement
Net Asset Value	£2.1bn	-£26m	£2.1bn	£2.0bn	+£84m

Source: Hg, Factset. All references to total return allow for all historic dividends being reinvested

Note: Hg undertakes full revaluations of the portfolio on a quarterly basis, the next process being 31 March 2023, therefore the movement in unrealised value of the portfolio to the end of February 2023 is attributable to FX only.

PERFORMANCE OVERVIEW

Net assets of £2.1 billion, with continued long-term outperformance of the FTSE All-Share over one, three, five, ten and twenty-year periods:

- NAV per share of 456.6p, a total annual return of +5.4% to 31 December 2022.
- Share price total return of -15.1% over the year.
- Proposed final dividend of 4.5p 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 30% and 25% respectively across the top 20 investments (77% of the portfolio) over the last twelve months.
- £404 million of cash returned to HGT through realisations at uplifts to book value and refinancings.
- Valuation multiple (EV/EBITDA) of 27.2x and net debt to EBITDA ratio of 8.0x for the top 20 investments (77% of the portfolio).

Continued investment and commitments to drive future value:

- Continued investment with £527 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 Saturn 3 and Hg Genesis 10 funds, totalling c. £630 million, with total outstanding commitments at 31 December 2022 of £1.2 billion (December 2021: £992 million). These will be deployed over the next three to four years.

Credit facility, new equity issuance and share buybacks:

- In November, the Board of HGT agreed a £40 million increase to the multi-currency revolving credit facility bringing the total facility to £290 million.
- £12 million of new equity raised via tap issuance, and £1.4 million share buyback over 2022.

POST PERIOD EVENTS

- NAV of 450.9p at 28 February, YTD performance of -1.2% reflecting FX movements.
- Net assets of £2.1 billion at 28 February.
- Share price of 363.0p at 28 February, YTD performance of +3.6%.
- Estimated gross proceeds of £108 million from the sale of Transporeon to be received in Q2 2023.
- Estimated £18 million invested by HGT, primarily into 3 existing investments.
- Further £60m increase to the revolving credit facility bringing the total facility to £350m, of which £350m was available at the date of this release.
- Available liquid resources (including the credit facility) post-completion of all announced transactions and the full year dividend payable in May 2023, are £606 million (29% of 28 February pro-forma NAV).
- Outstanding commitments of £1.1 billion (53% of 28 February pro-forma NAV). We expect these to be drawn down over the next three to four years.
- Secondary sale of 25% of HGT's investment in Hg Genesis 8 at 100% of 31 December 2022 net asset value. HGT expects to receive c. £90m of proceeds.

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 a challenging macro environment, Hg's portfolio has demonstrated resilient performance.
- During 2022, we remained focused on returning capital to Hg clients, distributing c. £4 billion of liquidity, including £404 million to HGT.
- The portfolio companies remain focused on selling business-critical and non-discretionary software and services to their underlying business customers, delivering predictable levels of recurring revenue.
- We believe that the structural drivers of growth in our sector are, if anything, enhanced by the macro-economic shifts we see, as companies invest in technology in order to help offset wage and cost inflation.

- HGT's commitments to Hg funds provide visibility over capital deployment in what we anticipate will be attractive vintages. Increasingly we see this environment as one of opportunity as valuation adjustments create the opportunity to acquire businesses with attractive long-term performance.
- Further liquidity events are expected over the next twelve months.

- Ends -

The Company's 2022 Annual Report and an animated presentation from Hg to accompany the results are available to view at: <http://www.hgcapitaltrust.com/>.

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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