



8 May 2025

## Results for the year to 31 March 2025

3i Infrastructure plc ('3i Infrastructure' or the 'Company') today announces a 10.1% return for the year, delivery of the FY25 dividend target of 12.65 pence per share and a 6.3% increase in the target dividend for FY26 to 13.45 pence per share.

**Richard Laing, Chair of 3i Infrastructure plc, said:**

"3i Infrastructure continues its long track record of delivering sustainable returns through investing in resilient businesses. I am pleased to report a total return of 10.1% in the year ended 31 March 2025, ahead of our target. Over the long term, we have consistently met or outperformed our return objective, and we have increased the dividend per share in every year of the Company's existence."

**Bernardo Sottomayor, Managing Partner and Head of European Infrastructure, 3i Investments plc, added:**

"Our investment strategy continues to deliver superior returns through the economic cycle. The portfolio overall has proved resilient and we continue to see good earnings momentum."

### Performance highlights

<p>Outperformed our target return of 8-10% p.a.</p>	<p><b>10.1%</b> Total return on opening NAV</p> <p><b>£333m</b> Total return for the year</p> <p><b>£3,562m</b> NAV</p> <p><b>386.2p</b> NAV per share</p>
<p>Delivered FY25 dividend target, fully covered</p> <p>Setting higher target for FY26 dividend, up 6.3% year-on-year</p>	<p><b>12.65p</b> Full year dividend per share for FY25</p> <p><b>13.45p</b> Target dividend per share for FY26</p>

**For further information, please contact:**

Richard Laing, Chair, 3i Infrastructure plc

Tel: 037 1664 0445

Thomas Fodor, investor enquiries

Tel: 020 7975 3469

Kathryn van der Kroft, press enquiries

Tel: 020 7975 3021

For further information regarding the announcement of the results for 3i Infrastructure plc, please visit [www.3i-infrastructure.com](http://www.3i-infrastructure.com). A recording of the analyst presentation will be made available on this website during the day.

**Notes to the preliminary announcement****Note 1**

The statutory accounts for the year to 31 March 2025 have not yet been delivered to the Jersey Financial Services Commission. The statutory accounts for the year to 31 March 2024 have been delivered to the Jersey Financial Services Commission. The auditor's reports on the statutory accounts for these years are unqualified. This announcement does not constitute statutory accounts. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year to 31 March 2024.

**Note 2**

Subject to shareholder approval, the proposed final dividend is expected to be paid on 11 July 2025 to holders of ordinary shares on the register on 13 June 2025. The ex-dividend date for the final dividend will be on 12 June 2025.

**Note 3**

This report contains Alternative Performance Measures ('APMs'), which are financial measures not defined in International Financial Reporting Standards ('IFRS'). More information relating to APMs, including why we use them and the relevant definitions, can be found in the Company's 2025 Annual report and accounts and in the Financial review section.

**Note 4**

The preliminary announcement has been extracted from the Annual report and accounts 2025. The Annual report and accounts 2025 will be available on the Company's website today. Printed copies of the Annual report and accounts 2025 will be distributed to shareholders who have elected to receive printed copy communications on or soon after 22 May 2025.

**Notes to editors****About 3i Infrastructure plc**

3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company, an approved UK Investment Trust, listed on the London Stock Exchange and regulated by the Jersey Financial Services Commission. The Company's purpose is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, is authorised and regulated in the UK by the Financial Conduct Authority and is the investment manager of 3i Infrastructure plc.

This statement has been prepared solely to provide information to shareholders. It should not be relied on by any other party or for any other purpose. It and the Company's Annual report and accounts may contain statements about the future, including certain statements about the future outlook for 3i Infrastructure plc. These are not guarantees of future performance and will not be updated. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of 3i Infrastructure plc.

**This press release is not for distribution (directly or indirectly) in or to the United States, Canada, Australia or Japan and is not an offer of securities for sale in or into the United States, Canada, Australia or Japan. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or an exemption from registration under the Securities Act. Any public offering to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and will contain detailed information about 3i Group plc, 3i Infrastructure plc and management, as applicable, as well as financial statements. No public offering in the United States is currently contemplated.**

# Welcome

## Growing infrastructure businesses.

We invest in resilient businesses that combine strong downside protection with exciting growth prospects.

Our controlling stakes allow us to drive value creation strategies.

We have repeatedly sold these stakes above holding value, delivering superior returns to shareholders.

## Chair's statement

*"We have built a unique, resilient and growing portfolio of businesses."*

**Richard Laing**  
Chair, 3i Infrastructure

## 3i Infrastructure continues its long track record of delivering sustainable returns through investing in resilient businesses.

I am pleased to report a total return of 10.1% in the year ended 31 March 2025, ahead of our target to provide shareholders with a total return of 8% to 10% per annum. This performance continues our long track record of delivering strong, sustainable returns and demonstrates the effectiveness of our investment strategy. Over the long term, we have consistently met or outperformed our return objectives. Furthermore, we have increased the dividend per share every year since the Company's inception in 2007, reflecting our objective to deliver growing income alongside capital growth for our shareholders.

While the Company delivered a solid performance this year, it was set against the backdrop of a persistently challenging listed market. This resulted in its shares continuing to trade at a discount to NAV throughout the year. We remain confident that the NAV reflects the intrinsic value of the portfolio. The sale of Valorem and the syndication of Future Biogas, both completed during the year at premiums to NAV, support this assessment, providing evidence of the underlying value and quality of the portfolio.

The Company is differentiated within the listed infrastructure sector. We have built a diversified portfolio of businesses that are closely aligned with long-term megatrends, positioning us to achieve sustained value creation over time. The quality and defensive characteristics of the portfolio were evident through the recent periods of low economic growth with high inflation and energy prices as well as rising interest rates. Leveraging the active asset management expertise and investment discipline of 3i, our Investment Manager, these businesses are generating a strong pipeline of attractive and accretive growth opportunities.

A dedicated ESG team within the Investment Manager works closely with our portfolio companies, providing expertise and support as they develop and implement their sustainability strategies, which we believe are a core pillar of long-term value creation.

I would like to thank the Investment Manager's team for their continued dedication and high-quality execution, as well as our shareholders and the Board of Directors for their ongoing support throughout the year.

## Our purpose

Our purpose is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

We invest across a broad spectrum of infrastructure themes, and in this report we highlight the strong growth trajectories of our portfolio companies. Our portfolio companies invest in, develop and actively manage essential infrastructure. The progress of our portfolio companies along their defined sustainability pathways is detailed in the Sustainability section of the Annual report and accounts 2025.

## Performance

The Company generated a total return of £333 million in the year ended 31 March 2025, or 10.1% on opening NAV, ahead of our target of 8% to 10% per annum to be achieved over the medium term. This is discussed in more detail in the Review from the Managing Partner.

The NAV per share increased from 362.3 pence to 386.2 pence. Our share price has not kept pace with the growth in our NAV, which resulted in a Total Shareholder Return ('TSR') of 1.3% in the year, slightly ahead of that of the FTSE 250, which returned 1.1% in the same period. Since the IPO, the Company's annualised TSR is 10.9%, comparing favourably with the broader market (FTSE 250: 6.0% annualised over the same period).

## Dividend

Following the payment of the interim dividend of 6.325 pence per share in January 2025, the Board is recommending a final dividend for the year of 6.325 pence per share, meeting our target for the year of 12.65 pence per share, 6.3% above last year's total dividend. We expect the final dividend to be paid on 11 July 2025.

Consistent with our progressive dividend policy, we are announcing a total dividend target for the year ending 31 March 2026 of 13.45 pence per share, representing an increase of 6.3%.

## Annual General Meeting ('AGM')

This year's AGM is scheduled to be held on 3 July 2025. Further details can be found in the Notice of Meeting and on the Company's website, [www.3i-infrastructure.com](http://www.3i-infrastructure.com).

## Board changes

We were pleased to welcome Milton Fernandes as a non-executive Director in July 2024, followed by Lisa Gordon in March 2025. Both bring wide-ranging and extensive skills and expertise which will be hugely valuable to the Company.

## Outlook

Our strategy focuses on investing in resilient infrastructure businesses providing essential services to their customers and the communities they serve. Alignment with long-term megatrends supports the growth of our portfolio companies, and over time we expect to realise our investments at attractive valuations and recycle the capital. This approach was demonstrated over the past year through the sale of Valorem and the syndication of Future Biogas. These transactions, together with a number of large distributions from portfolio companies, enabled us to significantly reduce the outstanding drawings on the Company's revolving credit facility ('RCF').

With an improved liquidity position, we expect to continue to support the accretive growth opportunities we see within our existing platform investments while also exploring a growing pipeline of new investment prospects. We remain committed to a disciplined investment strategy and to prudent balance sheet management.

We enter FY26 with a unique, resilient and growing portfolio of businesses that are well placed to navigate periods of market disruption.

## Richard Laing

Chair, 3i Infrastructure plc  
7 May 2025

### 2007 to 2025

**In the 18 years since the IPO,  
the Company has delivered a total  
shareholder return of:**

**10.9%**  
per annum

# Review from the Managing Partner

*“Our portfolio continues to deliver superior returns through the economic cycle.”*

**Bernardo Sottomayor**

Managing Partner and Head of European Infrastructure  
3i Investments plc

## Our investment strategy continues to deliver compounding growth dynamics and attractive risk-adjusted returns.

We delivered a total return this year of 10.1% and met our dividend target for the year. The portfolio overall has proved resilient and we continue to see good earnings momentum. The performance of individual portfolio companies is discussed in the Portfolio review section.

Since 2015, when I joined the business, our strategy has focused on investing in attractive core-plus infrastructure investments in structural growth markets and this has delivered NAV per share growth, including dividends, of 17% per annum.

The Company has consistently demonstrated the effectiveness of its value-creation model through disciplined origination of attractive opportunities, active asset management, and the successful execution of exit strategies. The realisation of Valorem in January 2025, delivering a gross IRR of 21% and a gross money multiple of 3.6x, is a good illustration of the Company’s ability to unlock significant value for shareholders. Further details on this investment can be found below. The proceeds received from this realisation supported a material reduction in net debt for the Company.

We have a long track record of delivering accretive realisations, with our overall performance consistently ranking us ahead of other listed infrastructure funds. We have built a well-diversified portfolio across sectors, geographies and risk profiles, that is strategically positioned to benefit from long-term structural growth trends and to remain resilient across economic cycles.

### Active management

Our proven active asset management approach plays a central role in driving value. We work closely with the management teams of our portfolio companies to implement value-enhancing initiatives - ranging from geographic and market expansion to targeted bolt-on acquisitions and optimising capital structures.

During the year, we selectively reinvested capital into some of our existing portfolio companies. We invested £30 million in Future Biogas to acquire majority control of a portfolio of six Anaerobic Digestion ('AD') plants and £20 million in DNS:NET to fund its fibre network rollout. We also completed the successful refinancing of five portfolio companies on attractive terms, providing them with enhanced flexibility to fund capital expenditure. This not only supports their 2025 growth ambitions but also highlights the strong demand and confidence from lenders in our portfolio.

We maintain a disciplined and prudent stance on leverage. The average gearing across the portfolio stands at a modest 35% (2024: 32%) of enterprise value, with no material refinancing requirements until 2028. Strong operational cash flows and earnings growth from portfolio companies have driven income to the Company in excess of expectations and this, combined with available liquidity through our RCF, positions us well to support further growth investments as opportunities emerge.

This disciplined combination of sustained earnings growth and investment in value-accretive capital expenditure ('capex') supports a compounding growth effect - delivering attractive, risk-adjusted returns for shareholders over the long term.

### Transaction activity

During the year, we completed a number of transactions as shown in the table below:

Date	Activity
August 2024	Investment of a further £30 million in Future Biogas to acquire majority control of a portfolio of six AD plants
September 2024	Syndication of 23% stake in Future Biogas to RWE Energy Transition Investments ('RWE')
January 2025	Sale of Valorem for £257 million
January 2025	Investment of a further £20 million to fund DNS:NET's fibre roll-out programme

### Competitive landscape

A number of private infrastructure managers have shifted from core to core-plus investment strategies over time. This increases the universe of potential buyers for 3iN's existing investments. We have also seen a number of high-profile private market manager acquisitions, such as BlackRock's acquisition of Global Infrastructure Partners and the £1 billion takeover of BBGI Global Infrastructure by Canada's British Columbia Investment Management Corporation. This is in anticipation of rapid growth in the sector.

## Environmental, Social and Governance ('ESG')

Our dedicated ESG team continues to play a strategic role in supporting our portfolio companies along their sustainability pathway. More information can be found in the Sustainability section of the Annual Report and Accounts 2025.

Through regular engagement with management teams on key sustainability topics and monitoring performance through our annual ESG survey, we are actively encouraging the embedding of ESG considerations into operational and governance practices across the portfolio.

During the year, we delivered tailored training and practical tools to portfolio companies with a particular focus on aligning with the relevant principles introduced by the Corporate Sustainability Reporting Directive ('CSRD') and strengthening human rights practices.

In March 2024, 3i Group plc's ('3i Group') near-term emissions reduction targets received validation from the Science Based Targets initiative ('SBTi'), reinforcing its commitment to align the companies it manages with transition to a low-carbon economy. To date, two 3iN portfolio companies have achieved SBTi validation for their emissions reduction targets, with two additional companies awaiting validation.

In the year ahead, we will focus on enhancing the quality and coverage of portfolio companies' emissions data, with a particular emphasis on Scope 3 greenhouse gas ('GHG') emissions estimates. We will also continue to support the development and refinement of decarbonisation plans and emissions reduction targets across the portfolio.

## Outlook

Our portfolio has been deliberately constructed to comprise high-quality companies that are underpinned by long-term structural growth trends. We believe the inherent strength and defensive characteristics of our assets position the portfolio to deliver attractive returns across varying economic conditions. This resilience has been clearly demonstrated through recent periods of elevated inflation, energy price volatility, rising interest rates, and earlier during the Covid-19 pandemic.

Based on our current assessment of the portfolio, made in conjunction with portfolio company management, we expect limited direct exposure to the recent US tariff announcements. The outlook is still uncertain and we will continue to monitor developments.

Our strategy is focused on generating sustainable long-term returns through consistent earnings growth and disciplined, value-accretive capital investment - largely funded through the cash generation of our portfolio companies. This growth model, coupled with the scarcity value of our high-quality infrastructure assets, underpins our confidence in the portfolio's ongoing potential to create value for shareholders.

### **Bernardo Sottomayor**

Managing Partner and Head of European  
Infrastructure, 3i Investments plc  
7 May 2025

# Realisation

Valorem

## Delivering another strong outcome

*“This sale crystallises significant value, reflecting Valorem's transformation into a leading European renewable energy company.”*

**Thomas Fodor**

Partner, 3i Investments plc

In January 2025, we successfully sold our 33% stake in Valorem, a leading independent renewable energy company. During our investment period, the company transitioned from a pure developer to an integrated owner-operator, usually retaining ownership of developed projects and building a base of long-term predictable cash flows. The exit crystallised a gross IRR of 21% and a 3.6x money multiple.



## Transforming Valorem into a leading renewables platform

**We acquired a 28.5% stake in 2016 via a bilateral process. Since then, Valorem has evolved into a diversified, pan-European renewables platform with strong infrastructure characteristics.**

Investment highlights:

- **Strengthened infrastructure characteristics**
  - Increased the share of EBITDA under long-term contracts to enhance cash flow visibility.
- **4x EBITDA growth**
  - Driven by scaling the platform and retaining developed assets.
- **Developer to owner**
  - Shifted the model to retain ownership of projects, building long-term value.
- **5.4x growth in generation capacity**
  - Now over 850MW in wind, solar and hydro across Europe.
- **Development pipeline expanded 10x**
  - From 650MW to 6.6GW, including new partnerships in Poland and Sweden.
- **Broadened technology and geography**
  - Diversified from French onshore wind into solar and hydro, with presence in Finland, Greece and beyond.
- **Commissioned the Viatti Wind Project in Finland**
  - This 313MW project supplies 1.2% of Finland's annual electricity.
- **Storage-ready strategy**
  - Introduced battery storage to optimise power delivery and grid support.



# Our business model

## Introduction

### Unique offering for shareholders

The Company remains unique, providing public market investors with access to private infrastructure businesses across a variety of megatrends, sectors and geographies.

### Investment discipline

We acquire private businesses that provide essential infrastructure services with good downside protection while exposed to growth trends. We remain a disciplined investor and seek opportunities to transact off-market, only participating in competitive processes where we believe we have a distinct advantage.

We have an infrastructure-focused investment team, with an extensive network and access spanning the geographies where we invest. Our reputation, local presence and the relationships we develop with management teams provide us with competitive advantages.

### Active asset management

We maintain a significant focus on active asset management and investment stewardship. We identify high-calibre management teams and look to implement a clear business strategy. We help identify accretive growth opportunities with the portfolio companies, and actively support them to deliver those opportunities, including executing add-on M&A and putting in place adequate capital structures and capex facilities to fund the associated investments.

We actively seek to enhance the infrastructure characteristics of the businesses we acquire, ensuring that, where possible, we direct capex toward immediate contracted revenue-generating assets, improving the infrastructure characteristics of the business to attract competitive financing, adding elements of service that create customer stickiness, and often implementing operational efficiency programmes to optimise EBITDA margins. All of this helps us maximise the potential exit value. An example of this approach is the recent realisation of Valorem, as discussed above.

We typically execute all of the above through ownership control, ensuring appropriate Board representation and composition, direct involvement in the companies' key workstreams, and incentivising and aligning management teams.

### Investment focus

Competition for new investments primarily comes from private infrastructure funds. Most other UK-listed infrastructure funds typically target smaller investments in finite-life contracted assets like operational and greenfield Public Private Partnership ('PPP') projects or operational renewable portfolios, which are outside our investment focus.

Our primary investment focus remains mid-market core-plus infrastructure with controlling majority or significant minority positions and strong governance rights, whilst adhering to a set of core investment characteristics and risk factors.



## Investment characteristics

### Characteristics commonly found in our portfolio

We look to build and maintain a diversified portfolio of assets, across a range of geographies and sectors, whilst adhering to a set of core investment characteristics and risk factors.

The Investment Manager has a rigorous process for identifying, screening and selecting investments to pursue. We look for businesses that combine a base of strong cash flow resilience (for example, contracted revenues) with high through-cycle underlying market growth fundamentals and operational improvements, and M&A opportunities, which allows us to deliver above target returns. Although investments may be made into a range of sectors, the Investment Manager typically focuses on identifying investments that meet most or all of the following criteria and are aligned with identified megatrends:

<b>Asset-intensive business</b> Owning or having exclusive access under long-term contracts to assets that are essential to deliver the service	<b>Good visibility of future cash flows</b> Long-term contracts or sustainable demand that allow us to forecast future performance with a reasonable degree of confidence
<b>Asset bases that are hard to replicate</b> Assets that require time and significant capital or technical expertise to develop, with low risk of technological disruption	<b>An acceptable element of demand or market risk</b> Businesses that have downside protection, but the opportunity for outperformance
<b>Provide essential services</b> Services that are an integral part of a customer's business or operating requirements, or are essential to everyday life	<b>Opportunities for further growth</b> Opportunities to grow or to develop the business into new markets, either organically or through targeted M&A
<b>Established market position</b> Businesses that have a long-standing position, reputation and relationship with their customers – leading to high renewal and retention rates	<b>Sustainability</b> Businesses that meet or are committed to meeting the criteria set out in 3i's Responsible Investment policy and will work with us to enhance their ESG maturity using our sustainability pathway (see the Annual report and accounts for more information)

## How we create value

Enablers	Investment characteristics	How we create value		
Active asset management	Asset-intensive business	<b>1. Buy well</b> <ul style="list-style-type: none"> <li>Effective use of 3i's network</li> <li>Comprehensive due diligence</li> <li>Consistent with return/yield targets</li> <li>Fits risk appetite</li> </ul>	<b>2. Strong governance</b> <ul style="list-style-type: none"> <li>Make immediate improvements</li> <li>Appropriate board representation and composition</li> <li>Incentivise and align management teams</li> </ul>	<b>3. Optimise strategy</b> <ul style="list-style-type: none"> <li>Agree strategic direction</li> <li>Develop action plan</li> <li>Establish right capital structure to fund growth plan</li> </ul>
Investment Manager's team	Asset bases that are hard to replicate			
3i Group's network	Provide essential services	<b>4. Execute plan</b> <ul style="list-style-type: none"> <li>Ongoing support</li> <li>Monitor performance</li> <li>Review further organic investment opportunities</li> <li>Facilitate and execute M&amp;A</li> </ul>	<b>5. Realisation</b> <ul style="list-style-type: none"> <li>(Re)position business and enhance infrastructure characteristics to maximise exit value</li> <li>Long-term view but will sell to maximise shareholder value</li> </ul>	<b>Delivering our strategic priorities</b>
Reputation and brand	Established market position			
Robust policies and procedures	Good visibility of future cash flows			
Efficient balance sheet	An acceptable element of demand or market risk			
	Opportunities for further growth			
	Sustainability			

## What enables us to create value

Financial outcomes for shareholders		Outcomes for portfolio companies	Outcomes for lenders
<b>10.1%</b> Total return on opening NAV	<b>18%</b> Asset IRR (since inception in 2007)	<b>£392m</b> Total growth capex invested across the portfolio in the year	<b>5</b> Portfolio companies refinanced in the financial year enabling further growth capex
<b>12.65p</b> Ordinary dividend per share	<b>14%</b> Net annualised return (since inception in 2007)	<b>21%</b> Valorem exit delivered a 21% gross IRR return over lifetime of the investment	
	<b>6%</b> Annualised growth in ordinary dividends (since inception in 2007)		

### Active asset management

We create value from our investments through the Investment Manager's active asset management approach. Through this approach, the Investment Manager partners with our portfolio companies' management teams to develop and execute a strategy to create long-term sustainable value. Examples of this partnership include: developing strategies that support investment in the portfolio company's asset base over the long term; continued improvements in operational performance; and establishing governance models that promote an alignment of interests between management and stakeholders.

We develop and supplement management teams, often bringing in a non-executive chair early in our ownership.

Examples of this active asset management approach can be found on our website, [www.3i-infrastructure.com](http://www.3i-infrastructure.com).

<b>Strengthen portfolio company management teams</b>	<b>Invest in and develop companies with a clear strategy</b>	<b>Grow our platform businesses through further investments</b>	<b>Dedicated ESG team</b>
--	--	---	---------------------------

### Dedicated 3i ESG team

The ESG team's role is to ensure the Company's approach is right for the portfolio and to drive genuine ambition and progress at portfolio company level.

Dedicated ESG resource enables us to identify, monitor and realise the value-creation opportunities linked to sustainability for relevant portfolio companies more effectively and to identify and manage sustainability risks.

The team supports each portfolio company in enhancing its ESG maturity, in line with the sustainability pathway described in the Annual report and accounts. The team also leads ESG reporting for the Company and delivers the annual ESG review of the portfolio.

The Investment Manager is committed to constructing and managing the Company's portfolio in accordance with the 3i's Responsible Investment policy, which covers a range of ESG issues.

Sustainability and ESG standards are discussed throughout the Annual report and accounts 2025.

### Our strategic ESG focus areas

<b>Carbon and climate</b>	<b>Strategy and leadership</b>	<b>Health &amp; safety and people</b>
---------------------------	--------------------------------	---------------------------------------

### Investment Manager's team

The Company is managed by an experienced and well-resourced team. The European infrastructure team was established by 3i Group in 2005 and now comprises approximately 40 people, including over 20 investment professionals.

This is one of the largest and most experienced groups of infrastructure investment professionals in Europe, supported by dedicated finance, tax, legal, operations, ESG and strategy teams.

### **3i Group's network**

3i Group has a network of offices, advisers and business relationships across Europe. The Investment Manager leverages this network to identify, access and assess opportunities to invest in businesses, on a bilateral basis where possible, and to position the Company favourably in auction processes.

### **Reputation and brand**

The Investment Manager and the Company have built a strong reputation and track record as investors by investing responsibly, managing their business and portfolio sustainably, and by carrying out activities according to high standards of conduct and behaviour. This has been achieved through upholding the highest standards of governance, at the Investment Manager, the Company and in investee companies. This in turn has earned the trust of shareholders, other investors and investee companies, and has enabled the Investment Manager to recruit and develop employees who share those values and ambitions for the future.

The Board seeks to maintain this strong reputation through a transparent approach to corporate reporting, including on our progress on driving sustainability through our operations and portfolio. We are committed to communicating in a clear, open and comprehensive manner and to maintaining an open dialogue with stakeholders.

### **Robust policies and procedures**

Established investment and asset management processes are supported by the Investment Manager's comprehensive set of best practice policies, including governance, conduct, cyber security and anti-bribery.

### **Efficient balance sheet**

The Company's flexible funding model seeks to maintain an efficient balance sheet with sufficient liquidity to make new investments or support portfolio companies.

Since FY15 the Company has raised equity three times and returned capital to shareholders twice following successful realisations. Net equity issuance over that period was only £135 million.

#### **Revolving credit facility**

**£900m**

**Committed**

## Megatrends

Megatrends significantly influence our world, affecting decision-making and changing the demands placed on our economy and services. Identifying the potential for growth across businesses, sectors and countries serves as a key driver in our investment decision-making and asset management processes

We seek to diversify the Company's portfolio across a range of megatrends that will provide a supportive environment for long-term sustainable returns to shareholders across the economic cycle. We also continually assess underlying risk factors, both when considering new investment opportunities and in managing the existing portfolio and its exposure to certain risks, such as commodity prices and foreseeable technological disruptions.

Some of these megatrends are mutually supportive, such as the need for new power generation and fibre connectivity for artificial intelligence ('AI') data centres.

## Investment themes

We constantly seek out structural growth trends that will provide long-term tailwinds throughout the economic cycle, 'Megatrends'. A selection of the related investment themes are explained below.

### Renewable energy generation

The demand for energy generated from renewable sources, such as wind and solar, continues to rise as part of the global effort to increase power generation and support the energy transition.

#### Our response

We have strategically invested in companies like **Infinis**, **Future Biogas**, and, until its recent sale, **Valorem**, which collectively focus on generating energy from a diverse range of renewable sources. During our ownership, the combined installed capacity of these investments has grown significantly, reflecting our commitment to advancing renewable energy solutions.

### Electrification/energy transition

The transition towards a low-carbon economy is accelerating. This is driving rising electricity consumption and the corresponding need for related equipment and services.

#### Our response

Over the six years of our ownership, **Joulz** has significantly expanded its offering, introducing solar energy solutions and electric vehicle ('EV') charging products.

### Shared resources

The increasing practice of a shared resources model offers significant cost savings for users of capital-intensive assets and contributes to a reduction in greenhouse gas emissions.

#### Our response

**TCR** provides pooled ground support equipment ('GSE') at airports. This initiative has significantly reduced equipment requirements, improved efficiency and lowered environmental impact.

### Automation and digital operations

Rapid advancements in technology are transforming operating models and driving the digitalisation of industrial processes. These innovations enhance efficiency, streamline workflows, and improve overall performance across industries.

#### Our response

**Tampnet** and **FLAG** are capitalising on the growing adoption of AI, automation, cloud computing, and other digital technologies by their customers, positioning themselves as key enablers in this evolving digital landscape.

### Demand for healthcare

Rising life expectancy and an ageing population are driving increased demand for healthcare services and infrastructure to meet evolving societal needs.

#### Our response

Our investment in **Ionisos**, a provider of cold sterilisation services for the medical and pharmaceutical industries, aligns with this growing trend, supporting critical healthcare supply chains and infrastructure.

### Smart transportation

Technology is playing an increasingly vital role in improving the efficiency, functionality, and safety of transportation.

**Our response**

**SRL's** innovative products enhance traffic flow management, particularly around roadworks, reducing congestion and improving safety for both road users and workers.

**Urbanisation**

The ongoing migration from rural areas to urban centres is increasing the pressure on infrastructure in and around cities. This trend necessitates upgrades to water, gas, electricity, transportation, and communication networks to meet growing demand.

**Our response**

**Joulz** is addressing these challenges by providing integrated solutions, including initiatives to mitigate grid congestion and support the efficient functioning of urban infrastructure.

## Our strategy

Our strategy is to maintain a balanced portfolio of infrastructure investments delivering an attractive mix of income yield and capital appreciation for shareholders.

### Strategic priorities

<p><b>Maintaining a balanced portfolio</b></p>	<p>Delivering an attractive mix of income yield and capital growth for shareholders.</p> <p>Investing in a diversified portfolio in developed markets, with a focus on the UK and Europe.</p>	<p><b>17%</b></p> <p>Largest single investment by value</p>
<p><b>Disciplined approach to new investment</b></p>	<p>Focusing selectively on investments that are value-enhancing to the Company's portfolio and with returns consistent with our objectives.</p>	<p><b>£22m</b></p> <p>Follow-on investment in the financial year net of syndication proceeds</p>
<p><b>Managing the portfolio intensively</b></p>	<p>Driving value from our portfolio through our engaged asset management approach.</p> <p>Delivering growth through investment in platforms with growth potential.</p>	<p><b>£392m</b></p> <p>Total growth capital expenditure invested across the portfolio in 2024</p> <p><b>£836m</b></p> <p>Total available debt commitments raised at portfolio company level this financial year</p>
<p><b>Maintaining an efficient balance sheet</b></p>	<p>Minimising return dilution to shareholders from holding excessive cash, while retaining a good level of liquidity for future investment.</p>	<p><b>£256m</b></p> <p>Net debt</p> <p><b>£644m</b></p> <p>Total liquidity</p>
<p><b>Sustainability a key driver of performance</b></p>	<p>Ensuring that our investment decisions and asset management approach consider both the sustainability risks and opportunities presented.</p>	<p><b>4</b></p> <p>Companies with submitted or validated science-based targets</p>

# Our objectives and KPIs

Our objectives are to provide shareholders with:	Our KPIs	Rationale and definition	Performance over the year												
a total return of 8% to 10% per annum, to be achieved over the medium term	<b>Total return</b> (% on opening NAV)	<ul style="list-style-type: none"> <li>Total return is how we measure the overall financial performance of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Total return of £333 million in the year, or 10.1% on opening NAV</li> </ul>												
	<table border="1"> <tr> <td data-bbox="328 409 400 443"><b>Target<sup>1</sup></b></td> <td data-bbox="568 409 691 443"><b>8% to 10%</b></td> </tr> <tr> <td data-bbox="328 483 384 517">2025</td> <td data-bbox="568 483 639 517">10.1%</td> </tr> <tr> <td data-bbox="328 557 384 591">2024</td> <td data-bbox="568 557 639 591">11.4%</td> </tr> <tr> <td data-bbox="328 631 384 665">2023</td> <td data-bbox="568 631 639 665">14.7%</td> </tr> <tr> <td data-bbox="328 705 384 739">2022</td> <td data-bbox="568 705 639 739">17.2%</td> </tr> <tr> <td data-bbox="328 779 384 813">2021</td> <td data-bbox="568 779 639 813">9.2%</td> </tr> </table>	<b>Target<sup>1</sup></b>	<b>8% to 10%</b>	2025	10.1%	2024	11.4%	2023	14.7%	2022	17.2%	2021	9.2%	<ul style="list-style-type: none"> <li>Total return comprises the investment return from the portfolio and income from any cash balances, net of management and performance fees and operating and finance costs. It also includes foreign exchange movement and movement in the fair value of derivatives and taxes</li> </ul>	<ul style="list-style-type: none"> <li>The portfolio showed good resilience overall with strong performance in particular from TCR, Infinis, Oystercatcher, Future Biogas, and the return generated from the sale of Valorem</li> </ul>
<b>Target<sup>1</sup></b>	<b>8% to 10%</b>														
2025	10.1%														
2024	11.4%														
2023	14.7%														
2022	17.2%														
2021	9.2%														
a progressive annual dividend per share	<b>Target</b>	<ul style="list-style-type: none"> <li>Total return, measured as a percentage, is calculated against the opening NAV, net of the final dividend for the previous year, and adjusted (on a time-weighted average basis) to take into account any equity issued and capital returned in the year</li> </ul>	<ul style="list-style-type: none"> <li>The performance of SRL and Ionisos detracted from the portfolio return</li> </ul>												
	<p>To provide shareholders with a total return of 8% to 10% per annum, to be achieved over the medium term.</p> <p><b>Met or exceeded target for 2025 and every prior year shown</b></p>	<b>Annual distribution</b> (pence per share)	<b>Rationale and definition</b>	<b>Performance over the year</b>											
	<table border="1"> <tr> <td data-bbox="328 1178 464 1218"><b>2026 Target<sup>1</sup></b></td> <td data-bbox="568 1178 647 1218"><b>13.45p</b></td> </tr> <tr> <td data-bbox="328 1238 384 1272">2025</td> <td data-bbox="568 1238 647 1272">12.65p</td> </tr> <tr> <td data-bbox="328 1312 384 1346">2024</td> <td data-bbox="568 1312 647 1346">11.90p</td> </tr> <tr> <td data-bbox="328 1386 384 1420">2023</td> <td data-bbox="568 1386 647 1420">11.15p</td> </tr> <tr> <td data-bbox="328 1460 384 1494">2022</td> <td data-bbox="568 1460 647 1494">10.45p</td> </tr> <tr> <td data-bbox="328 1534 384 1568">2021</td> <td data-bbox="568 1534 647 1568">9.80p</td> </tr> </table>	<b>2026 Target<sup>1</sup></b>	<b>13.45p</b>	2025	12.65p	2024	11.90p	2023	11.15p	2022	10.45p	2021	9.80p	<ul style="list-style-type: none"> <li>This measure reflects the dividends distributed to shareholders each year</li> </ul>	<ul style="list-style-type: none"> <li>Proposed total dividend of 12.65 pence per share, or £117 million, is in line with the target set at the beginning of the year</li> </ul>
	<b>2026 Target<sup>1</sup></b>	<b>13.45p</b>													
2025	12.65p														
2024	11.90p														
2023	11.15p														
2022	10.45p														
2021	9.80p														
Progressive annual dividend per share policy. FY26 dividend target of 13.45 pence per share.	<p><b>Target</b></p> <p>Progressive annual dividend per share policy. FY26 dividend target of 13.45 pence per share.</p> <p><b>Dividend per share increased every year since IPO</b></p>	<ul style="list-style-type: none"> <li>The Company's business model is to generate returns from portfolio income and capital returns (through value growth and realised capital profits). Income, other portfolio company cash distributions and realised capital profits generated are used to meet the operating costs of the Company and to make distributions to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Income generated from the portfolio and cash deposits, including non-income cash distributions and other income from portfolio companies, totalled £376 million for the year</li> <li>Operating costs and finance costs totalled £84 million in the year</li> <li>Total income and non-income cash less operating and finance costs totalled £292 million and therefore the dividend was fully covered for the year with a surplus of £175 million</li> <li>Setting a total dividend target for FY26 of 13.45 pence per share, 6.3% higher than for FY25</li> </ul>												

## Portfolio review

We have a focused portfolio of attractive infrastructure businesses in structural growth markets. We are confident that it is well-positioned to continue to deliver our target returns.

The Company's portfolio was valued at £3,790 million at 31 March 2025 (2024: £3,842 million) and delivered a total portfolio return in the year of £432 million, including income and allocated foreign exchange hedging (2024: £460 million).

Table 1 summarises the valuations and movements in the portfolio, as well as the return for each investment, for the year.

**Table 1: Portfolio summary (31 March 2025, £m)**

	Directors' valuation 31 March 2024	Investment in the year	Divestment in the year	Accrued income movement	Value movement	Foreign exchange translation	Directors' valuation 31 March 2025	Allocated foreign exchange hedging <sup>5</sup>	Underlying portfolio income in the year	Portfolio total return in the year <sup>1</sup>
TCR	608	16 <sup>2</sup>	(60) <sup>4</sup>	5	77	(7)	<b>639</b>	12	21	<b>103</b>
ESVAGT	531	51 <sup>2</sup>	–	1	(3)	4	<b>584</b>	(1)	52	<b>52</b>
Infinis	421	–	(2) <sup>4</sup>	–	61	–	<b>480</b>	–	18	<b>79</b>
FLAG	345	24 <sup>2</sup>	–	9	11	(7)	<b>382</b>	4	33	<b>41</b>
Tampnet	343	6 <sup>2</sup>	–	1	32	(3)	<b>379</b>	3	13	<b>45</b>
Joulz	306	9 <sup>2,3</sup>	(2) <sup>4</sup>	–	27	(6)	<b>334</b>	8	7	<b>36</b>
Ionisos	306	17 <sup>2</sup>	–	(8)	(6)	(6)	<b>303</b>	8	10	<b>6</b>
DNS:NET	164	34 <sup>2,3</sup>	–	2	(2)	(3)	<b>195</b>	4	16	<b>15</b>
SRL	240	20 <sup>2</sup>	–	3	(70)	–	<b>193</b>	–	23	<b>(47)</b>
Oystercatcher	248	–	(108) <sup>4</sup>	–	43	(4)	<b>179</b>	4	2	<b>45</b>
Future Biogas	100	35 <sup>2,3</sup>	(30) <sup>4</sup>	1	16	–	<b>122</b>	–	5	<b>21</b>
Valorem	230	1 <sup>2</sup>	(257)	(2)	33	(5)	<b>–</b>	5	3	<b>36</b>
<b>Total portfolio reported in the Financial statements</b>	<b>3,842</b>	<b>213</b>	<b>(459)</b>	<b>12</b>	<b>219</b>	<b>(37)</b>	<b>3,790</b>	<b>47</b>	<b>203</b>	<b>432</b>

<sup>1</sup> This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the year.

<sup>2</sup> Capitalised interest totalling £161 million across the portfolio.

<sup>3</sup> These amounts include follow-on investments in DNS:NET (£20 million), Future Biogas (£30 million) and Joulz (£2 million).

<sup>4</sup> Shareholder loan repayment (non-income cash), return of equity or syndication proceeds.

<sup>5</sup> Allocated foreign exchange hedging comprises fair value movements on derivatives and foreign exchange on Euro borrowings.

The total portfolio return in the year of £432 million was 11.2% (2024: £460 million, 12.3%) of the aggregate of the opening value of the portfolio and follow-on investments (excluding capitalised interest), less amounts syndicated in the year, which totalled £3,864 million.

Performance was good across the portfolio, driven by outperformance from a number of portfolio companies, but particularly TCR, Infinis, Oystercatcher, Future Biogas and the return generated from the sale of Valorem. This was offset by weaker performance at SRL and Ionisos.

Table 2 shows the portfolio return in the year for each asset as a percentage of the aggregate of the opening value of the asset and investments in, and syndication of, the asset in the year (excluding capitalised interest). Note that this measure is not time-weighted for investments and syndications in the year and includes foreign exchange movements net of hedging.



**Table 2: Portfolio return by asset** (year to 31 March 2025)

<b>Total portfolio return</b>	<b>11.2%</b>
TCR	17.1%
ESVAGT	9.9%
Infinis	18.8%
FLAG	11.7%
Tampnet	13.4%
Joulz	11.7%
Ionisos	1.7%
DNS:NET	8.0%
SRL	(19.6)%
Oystercatcher	18.5%
Future Biogas	21.3%
Valorem*	15.4%

\* Divested in January 2025 and return not annualised.

## Movements in portfolio value

The movements in portfolio value were driven principally by the delivery of planned cash flows and other asset outperformance as well as follow-on investments and syndications made during the year. A reconciliation of the movement in portfolio value is shown in Table 3. The portfolio summary shown in Table 1 details the analysis of these movements by asset. Changes to portfolio valuations arise due to several factors, as shown in Table 4.

The portfolio generated a value gain of £219 million (2024: £259 million) in the year, alongside income of £203 million (2024: £193 million).

**Table 3: Reconciliation of the movement in portfolio value** (year to 31 March 2025, £m)

<b>Opening portfolio value at 1 April 2024</b>	<b>3,842</b>
Investment <sup>1</sup>	213
Divestment/capital repaid	(459)
Value movement	219
Exchange movement <sup>2</sup>	(37)
Accrued income movement	12
<b>Closing portfolio value at 31 March 2025</b>	<b>3,790</b>

1 Includes capitalised interest.

2 Excludes movement in the foreign exchange hedging programme

## Portfolio activity

**TCR** performed well in the year, driven by higher fleet utilisation rates and accelerated expansion into new markets. The broader macro environment has been supportive, with aviation activity now exceeding pre-pandemic levels. Higher interest rates are favourable to ground support equipment ('GSE') lessors, while growing decarbonisation efforts, particularly in Europe, have increased demand for electric-powered GSE and also equipment pooling arrangements to improve efficiency.

During the year, TCR secured several key contracts, including an exclusive contract to supply a centralised all-electric GSE pool at JFK International Airport New Terminal One. This marks a significant step forward in TCR's North American presence and provides a strong platform for further growth in this largely untapped market for the company.

In February 2025, we completed a debt refinancing on attractive terms, supporting future growth and enabling a substantial distribution of £60 million to 3IN.

**ESVAGT** performed in line with expectations during the year.

ESVAGT is the market leader in European offshore wind Service Operation Vessel ('SOV') provision, currently operating nine vessels, with an additional four SOVs under construction - three in Europe and one in the US. These vessels are specifically designed to serve long-term charter agreements.

The European offshore wind development pipeline continues to see significant growth, driven by increasing government targets for offshore wind and a heightened focus on energy security. In contrast, the US market is facing uncertainty due to a pause in new offshore wind projects. ESVAGT has also established a joint venture with KMC Line in South Korea, which, if successful, could see ESVAGT becoming the first international SOV operator in the South Korean market, adding an alternative growth market to the business.

ESVAGT's Emergency Response and Rescue Vessel ('ERRV') segment performed strongly, with high day rates and utilisation levels. The ERRV market remains attractive, supported by stable demand and a shrinking supply of available ERRVs to that market, due to vessel attrition and limited new tonnage entering the market.

During the year, ESVAGT closed a further €200 million committed debt facility at attractive rates, providing additional capital to support its growth plans.

**Infinis** had a strong year, generating a value gain of £61 million, driven by higher than forecast levels of exported power from its captured landfill methane business.

Strategically, Infinis is ideally placed to scale its electricity generation capabilities by developing solar and battery projects on brownfield and landfill sites, which offer attractive fundamentals including expedited grid connectivity. The company is making material progress on its 1.4GW pipeline of solar and battery storage assets. During the year, Infinis commenced construction on 150MW of solar capacity and secured planning consent for an additional 134MW.

Despite ongoing industry-wide planning challenges, the company obtained approvals for a further seven solar projects in the second half of the year. Infinis maintains a confident outlook for its solar platform, supported by a strong pipeline and favourable market tailwinds.

**FLAG** performed well during the year and generated a value gain of £11 million. This was driven by strong demand for subsea fibre capacity fuelled by hyperscaler needs, AI-driven workloads and the expansion of global cloud infrastructure. The sales pipeline for FLAG's capacity is robust and this has contributed to achieving favourable premium pricing on the company's core routes.

In December 2024, the company committed to a \$34 million investment (funded from the company's own resources) to secure new capacity on the India-Asia-Xpress and India-Europe-Xpress cable systems. This investment enhances FLAG's network in its core Europe-Middle East and Middle East-Asia routes which are strategically important high-growth markets.

In April 2025, FLAG successfully completed a refinancing on improved terms to support further expansion.

**Tampnet** outperformed expectations in the year, generating a value gain of £32 million. It exceeded both revenue and EBITDA targets, driven by increased offshore activity, particularly in the Gulf of Mexico, and ongoing demand for bandwidth upgrades.

Tampnet is experiencing growing demand for connectivity as AI and digitalisation drive increased bandwidth requirements, alongside a heightened focus on crew welfare solutions. The company has partnered with Armada to deliver edge data centres and advanced AI-driven applications to its offshore customers.

Tampnet's private networks business continues to grow, with 19 private networks already installed. The company is encouraged by the strong momentum in this segment and is actively working with several customers to design technical connectivity solutions for carbon sequestration projects within its existing network in the North Sea.

**Joulz** delivered a good performance during the year, supported by the commissioning of new electrical infrastructure projects for customers.

The company operates in the Netherlands, where the shift towards a low-carbon economy is driving strong demand for electrification and sustainable energy solutions. Joulz provides tailored infrastructure to support businesses and industrial users in meeting their decarbonisation objectives under medium-to long-term energy-as-a-service contracts. Its integrated energy solutions enable customers to operate and expand their businesses with reliable, scalable and lower-emission energy.

During the year, Joulz completed a refinancing of its debt on favourable terms providing additional capital to fund future growth projects.

The business is currently advancing several large projects for both individual customers and whole business parks, which will help drive future growth.

**Ionisos** continues to experience growing demand across its core medical and pharmaceutical segments. To maintain this momentum, the company continues to advance its growth initiatives, including a capacity extension of its Kleve Ethylene Oxide ('EO') facility in Germany and development of a new X-ray plant in France. As part of its network optimisation, Ionisos is also preparing to decommission two smaller EO sites.

At the same time, the business has strengthened its corporate functions to support future growth. These initiatives, together with softer demand in the non-core industrial cross-linking segment and the forthcoming site closures, have weighed on returns for the period.

**DNS:NET** has made significant progress in the ongoing construction of its fibre-to-the-home ('FTTH') network; both its owned networks in outer Berlin and Brandenburg and its leased networks in Saxony-Anhalt. This is an important achievement given the challenging market conditions for FTTH network rollouts in Germany. It reflects the disciplined and focused approach to network rollout adopted by DNS:NET.

In relation to its owned networks, the company has achieved its goal of connecting its existing 'homes passed' and 'homes connected' infrastructure to the backbone fibre infrastructure. This has led to a significant increase in the number of 'homes connected and activated', with customers now receiving a FTTH service and DNS:NET earning the associated revenues. DNS:NET is also revisiting its existing networks to connect and activate additional homes (a process referred to as 'densification') and is moving into new areas to continue its rollout.

Significant operational improvements have been delivered under the new management team including in relation to sales, marketing, and customer care.

In January 2025, 3iN injected a further £20 million of equity to part fund the next stage of the fibre roll-out.

**SRL** specialises in providing equipment to support complex roadworks that require a service component in addition to pure asset rental. The company operates the largest depot network of intelligent traffic management systems in the country, providing installation, monitoring, servicing, maintenance and battery exchange services.

SRL performed significantly behind expectations during the year, caused by a slowdown in activity from local authorities and the telecoms sector, combined with competitive pressure impacting rental rates. Short-term market conditions remain challenging, and we have taken action to cut costs to respond to this. The reduction in value of this investment reflects the under performance in the period and a more prudent view on its outlook.

**Oystercatcher's** 45% owned terminal Advario Singapore delivered a strong performance for the year. Although the oil products market remained in backwardation, demand for storage in Singapore and the broader region remained strong and provided a favourable backdrop for Advario Singapore's commercial discussions, which resulted in rate increases as contracts were renewed. Advario Singapore has also seen an increase in customer activity, leading to high blending and throughput volumes. Advario Singapore continues to be the leading gasoline storage and blending facility in Singapore, as well as in the wider region.

The company, which secured its first sustainable aviation fuel ('SAF') storage and blending customer in 2023, is working with its customers to identify opportunities to support them in their ambitions around renewable fuels.

In February 2025, Oystercatcher raised Singapore Dollar denominated holdco debt. This funded a £96 million distribution from Oystercatcher to 3iN. This was in addition to a further £12 million distribution from cash generated by the company.

**Future Biogas** performed ahead of expectations, driven by higher average gas prices and strong production volumes.

In August 2024, the company acquired a 51% stake in a portfolio of six gas-to-grid AD plants from JLEN Environmental Assets Group Limited ('JLEN'). This investment has increased the operational scale of the company and was an important milestone.

In September 2024, we syndicated a 23% stake in Future Biogas to RWE Energy Transition Investments ('RWE') for proceeds of £30 million. RWE brings extensive experience in the broader energy sector, and its investment endorses the potential of the platform and the strategy we are pursuing.

In January 2025, the company completed construction of the Gonerby Moor site, further expanding its operational scale. The site has a 15-year offtake agreement with AstraZeneca for the green gas produced.

In March 2025, we completed a refinancing on favourable terms, increasing the company's debt capacity to support future growth.

## Summary of portfolio valuation methodology

Investment valuations are calculated at the half-year and at the financial year end by the Investment Manager and then reviewed by the Board. Investments are reported at the Directors' estimate of fair value at the relevant reporting date.

The valuation principles used are based on International Private Equity and Venture Capital ('IPEV') valuation guidelines, generally using a discounted cash flow ('DCF') methodology (except where a market quote is available), which the Investment Manager considers to be the most appropriate valuation methodology for unquoted infrastructure equity investments.

Where the DCF methodology is used, the resulting valuation is checked against other valuation benchmarks relevant to the particular investment, including, for example:

- earnings multiples;
- recent transactions; and
- quoted market comparables.

In determining a DCF valuation, we consider and reflect changes to the two principal inputs: forecast cash flows from the investment and discount rates.

We consider both the macroeconomic environment and investment-specific value drivers when deriving a balanced base case of cash flows and selecting an appropriate discount rate.

The inflation rate in the UK and Europe gradually declined during the year, but remains above the long-term average, which has put pressure on supply chain and employee costs.

Our inflation assumptions use market forecasts for 2025 and 2026, followed by our long-term assumption of 2% CPI across all jurisdictions, or 2.5% for UK RPI.

The portfolio is positively correlated to inflation, but the ability to pass cost inflation to customers differs across portfolio companies. As a result, we take an individualised approach to modelling the impact of inflation.

Longer-term power prices affect the valuation of our energy generating portfolio companies. The majority of our power price exposure is hedged in the short to medium term.

Future power price projections are taken from independent forecasters, and changes in these assumptions will affect the future value of these investments. Taxes on renewable electricity generators vary in their applicability and we have considered their impact on each company individually, based on their circumstances.

**Table 4: Components of value movement** (year to 31 March 2025, £m)

Value movement component	Value movement in the year	Description
Planned growth	<b>218</b>	Net value movement resulting from the passage of time, consistent with the discount rate and cash flow assumptions at the beginning of the year less distributions received and capitalised interest in the year.
Other asset performance	<b>9</b>	Net value movement arising from actual performance in the year and changes to future cash flow projections, including financing assumptions and changes to regulatory assumptions.
Discount rate movement	<b>-</b>	Value movement relating to changes in the discount rates applied to the portfolio cash flows.
Macroeconomic assumptions	<b>(8)</b>	Value movement relating to changes to macroeconomic out-turn or assumptions, e.g. power prices, inflation, interest rates and taxation rates. This includes changes to regulatory returns that are directly linked to macroeconomic variables.
<b>Total value movement before exchange</b>	<b>219</b>	
Foreign exchange retranslation	<b>(37)</b>	Movement in value due to currency translation to year-end date.
<b>Total value movement</b>	<b>182</b>	
Allocated foreign exchange hedging	<b>47</b>	
<b>Total value movement after hedging</b>	<b>229</b>	

As a 'through-the-cycle' investor with a strong balance sheet, we consider valuations in the context of the longer-term value of the investments. This includes consideration of climate change risk and stranded asset risk

Factors considered include physical risk, litigation risk linked to climate change, and transition risk (for example, assumptions on the timing and extent of decommissioning of North Sea oil fields, which affects Tampnet and ESVAGT).

We take a granular approach to these risks, for example, each relevant offshore oil and gas field has been assessed individually to forecast the market over the long term, and a low terminal value has been assumed at the end of the forecast period.

In the case of stranded asset risk, we consider long-term threats that may impact value materially over our investment horizon, for example, technological evolution, climate change or societal change.

For ESVAGT, which operates ERRVs in the North Sea servicing sectors, including the oil and gas market, we do not assume any new vessels or replacement vessels in our valuation for that segment of the business.

A number of our portfolio companies are set to benefit from long-term megatrends and, in the base case for each of our valuations, we take a balanced view of potential factors that we estimate are as likely to result in underperformance as outperformance.

## Discount rate

Table 5 shows the movement in the portfolio's weighted average discount rate over the past five years and the position as at 31 March 2025. The weighted average discount rate remained unchanged over the course of FY25.

The range of discount rates used in individual valuations at 31 March 2025 spans from 10.3% at the lower end to 14.0% at the upper end. This is broadly in line with the prior year's range (2024: 10.0% to 14.0%). Our discount rates are consistent with our long-term assumptions for inflation and interest rates; this is discussed in more detail in Note 7 to the Financial statements.

During the year, we witnessed a marginal increase in risk-free rates across Europe primarily driven by fiscal policy developments and global macroeconomic uncertainty. There has been a modest compression in risk premia but given the significant risk premium

included in our long-term discount rates and the continued appetite for high-quality infrastructure businesses, this did not impact the discount rates used to value our portfolio companies at 31 March 2025.

**Table 5: Portfolio weighted average discount rate (31 March, %)**

March 21	10.8
March 22	10.9
March 23	11.3
March 24	11.3
March 25	11.3
March 25 range	10.3 to 14.0

## Portfolio company debt

Our portfolio companies are funded by long-term non-recourse senior-secured debt alongside equity from the Company and other shareholders. There were no mezzanine or junior debt structures within our portfolio at 31 March 2025 (2024: none).

In recent years, the Investment Manager has proactively refinanced facilities across the portfolio, extending the term of the debt and securing low fixed rates or hedged interest rates.

When considering the appropriate quantum of debt for a portfolio company, we typically look for an investment grade level of risk. Some portfolio companies have an investment grade credit rating from a credit rating agency. Table 6 below shows the percentage of debt maturing in each financial year across the portfolio. The average loan-to-value ('LTV') ratio across the portfolio is 35% (2024: 32%).

**Table 6: Portfolio company leverage (% of debt maturing in each financial year)**

Financial year	Debt maturing
FY26	0%
FY27	3%
FY28	9%
FY29	15%
FY30	43%
FY31	9%
FY32	12%
FY33	9%

## Investment track record

As shown in Table 7, since its launch in 2007, 3i Infrastructure has built a portfolio that has provided:

- significant income, supporting the delivery of a progressive annual dividend;
- consistent capital growth; and
- strong capital profits from realisations.

These have contributed to an 18% annualised asset Internal Rate of Return ('IRR') since the Company's inception. The European portfolio has generated strong returns, in line with, or in many cases ahead of, expectations.

These returns were underpinned by substantial cash generation in the form of income or capital profits.

The value created through this robust investment performance has been crystallised in a number of instances through well-managed realisations, shown as 'Realised assets' in Table 7.

While the Company is structured to hold investments over the long term, it has sold assets where compelling offers will generate additional shareholder value.

Portfolio asset returns in Table 7 include an allocation of foreign exchange hedging where applicable.

**Table 7: Portfolio asset returns throughout holding period** (since inception, £m)

	Total	Value including accrued income	Proceeds on disposals/ capital returns	Cash income	Money multiple	
	cost					
<b>Current portfolio (£m)</b>						
TCR	304	639	64	62	2.5x	
ESVAGT	329	584	–	9	1.8x	
Infinis	352	480	92	140	2.0x	
FLAG	318	382	–	19	1.3x	
Tampnet	187	379	–	38	2.2x	
Joulz	197	334	4	27	1.9x	
Ionisos	191	303	–	13	1.7x	
DNS:NET	259	195	–	8	0.8x	
SRL	191	193	1	4	1.0x	
Oystercatcher	139	179	155	176	3.7x	
Future Biogas	93	122	–	–	1.3x	
						Money multiple
<b>Realised assets (Total return)</b>						
Valorem					3.6x	21%
Attero					2.7x	22%
WIG					1.7x	27%
XLT					5.9x	40%
Elenia					4.5x	31%
AWG					3.3x	16%
Eversholt					3.3x	41%
Projects					1.9x	22%
Others <sup>1</sup>					1.2x	8%
India Fund <sup>2</sup>					0.6x	(6)%
<b>Weighted average</b>						<b>2.6x</b>

Portfolio asset returns include allocation of foreign exchange hedging where applicable.

1 Others includes junior debt portfolio, T2C and Novera.

2 India Fund refers to the 3i India Infrastructure Fund.

# Financial review

*“We performed ahead of target and materially improved our liquidity position.”*

**James Dawes**

CFO, 3i Infrastructure

The Company grew its NAV and increased its dividend per share.

Key financial measures (year to 31 March)	2025	2024
Total return <sup>1</sup>	<b>£333m</b>	£347m
NAV	<b>£3,562m</b>	£3,342m
NAV per share	<b>386.2p</b>	362.3p
Total income <sup>2</sup>	<b>£204m</b>	£194m
Total income and non-income cash	<b>£376m</b>	£208m
Portfolio asset value	<b>£3,790m</b>	£3,842m
Net debt <sup>3</sup>	<b>£(256)m</b>	£(505)m
Total liquidity <sup>4</sup>	<b>£644m</b>	£395m

1 IFRS Total comprehensive income for the year.

2 Total income comprises Investment income and Interest receivable.

3 Net debt comprises cash balances of £4 million (2024: £5 million) less £260 million (2024: £510 million) drawn balance under the Company's £900 million RCF.

4 Includes cash balances of £4 million (2024: £5 million) and £640 million (2024: £390 million) undrawn balances available under the Company's £900 million RCF.

The Company delivered another year of outperformance, with the portfolio generating robust capital growth. The proposed FY25 dividend of 12.65 pence per share was fully covered. The target dividend for FY26 of 13.45 pence per share is an increase of 6.3% over FY25.

The Company's strategy is to seek to deliver an attractive mix of income yield and capital appreciation for shareholders, with a total return of 8% to 10% to be achieved over the medium term.

In this Financial review we provide a more detailed analysis of our progress across each of the key components that comprise our total return. The Company's total return of £333 million is comprised of both capital return and foreign exchange movements, alongside income and costs.

The Company's objective is to fully cover the dividend to shareholders through income and non-income cash generated, net of costs. Further information on dividend cover is available later in the Financial review.

## Returns

### Total return

The Company generated a total return for the year of £333 million, representing a 10.1% return on opening NAV net of the prior year final dividend (2024: £347 million, 11.4%). This performance is ahead of the target return of 8% to 10% per annum, to be achieved over the medium term.

There was strong performance across the portfolio, particularly from TCR, Infinis, Oystercatcher and Future Biogas, and the excellent return generated from the sale of Valorem, partially offset by underperformance from SRL and Ionisos. Changes in the valuation of the Company's portfolio assets are described in the Movements in portfolio value section of the Portfolio review.

Our portfolio companies continue to generate discretionary growth opportunities that are accretive to our investment cases. Total net investment in the year was £22 million, comprising further investment in DNS:NET and Joulz.

An analysis of the elements of the total return for the year is shown in Table 8.

The Company maintained low levels of uninvested cash throughout the year and actively managed its liquidity position through drawing on its £900 million RCF. Amounts drawn under the RCF at 31 March 2025 were £260 million (2024: £510 million)



**Table 8: Summary total return** (year to 31 March, £m)

	2025	2024
Capital return (excluding exchange)	219	259
Foreign exchange movement in portfolio	(37)	(79)
<b>Capital return (including exchange)</b>	<b>182</b>	<b>180</b>
Movement in fair value of derivatives and exchange on EUR borrowings	47	87
<b>Net capital return</b>	<b>229</b>	<b>267</b>
Total income	204	194
Costs <sup>1</sup>	(100)	(114)
<b>Total return</b>	<b>333</b>	<b>347</b>

1 Includes non-portfolio related exchange gain of £2 million (2024: nil).

**Table 9: Reconciliation of the movement in NAV** (year to 31 March 2025, £m)

<b>Opening NAV at 1 April 2024<sup>1</sup></b>	<b>3,287</b>
Capital return	219
Net foreign exchange movement <sup>2</sup>	10
Total income	204
Net costs including management fees	(100)
<b>NAV before distributions</b>	<b>3,620</b>
Distribution to shareholders	(58)
<b>Closing NAV at 31 March 2025</b>	<b>3,562</b>

1 Opening NAV of £3,342 million net of final dividend of £55 million for the prior year.

2 Net foreign exchange movement comprises the gain on the fair value of derivatives and exchange on EUR borrowings of £47 million less the loss on the foreign exchange in the portfolio of £37 million.

## Capital return

The capital return is the largest element of the total return. The portfolio generated a value gain of £219 million in the year to 31 March 2025 (2024: £259 million), as shown in Table 9. There was a positive contribution across the majority of the portfolio with the largest increases from TCR (£77 million), Infinis (£61 million) and Oystercatcher (£43 million). There was a negative contribution from SRL (£70 million). These value movements are described in the Portfolio review section.

## Sensitivities

The sensitivity of the portfolio to key inputs to our valuations is shown in Table 10 and described in more detail in Note 7 to the financial statements. The portfolio valuations are positively correlated to inflation. The longer-term inflation assumptions beyond two years remain consistent with central bank targets, e.g. UK and European CPI at 2%.

The sensitivities shown in Table 10 are indicative and are considered in isolation, holding all other assumptions constant. Timing and quantum of price increases will vary across the portfolio and the sensitivity may differ from that modelled. Changing the inflation rate assumption may necessitate consequential changes to other assumptions used in the valuation of each asset.

**Table 10: Portfolio sensitivities** (year to 31 March 2025)

Sensitivity	-1%	-1%	+1%	+1%
Discount rate	£391m	10.3%	£(343)m	(9.0)%
Inflation (for two years)	£(48)m	(1.3)%	£47m	1.3%
Interest rate	£190m	5.1%	£(192)m	(5.1)%

## Foreign exchange impact

The portfolio is diversified by currency as shown in Table 11. We aim to deliver steady NAV growth for shareholders, and the foreign exchange hedging programme helps us to do this by reducing our exposure to fluctuations in the foreign exchange markets.

Portfolio foreign exchange movements, after accounting for the hedging programme, increased the net capital return by £10 million (2024: £8 million).

The reported foreign exchange loss on investments was £37 million (2024: loss of £79 million). This was fully offset by a £47 million gain on the hedging programme (2024: gain of £87 million). The positive hedge benefit resulted from favourable interest rate differentials on the hedging programme.

**Table 11: Portfolio value by currency** (as at 31 March 2025)

EUR	39%
GBP	21%
DKK	15%
USD	10%
NOK	10%
SGD	5%

## Income

The portfolio generated income of £203 million in the year (2024: £193 million). Of this amount, £7 million was through dividends (2024: £9 million) and £196 million through interest on shareholder loans (2024: £184 million). In addition, the Company earned £1 million of interest receivable on deposits (2024: £1 million).

Total income and non-income cash is shown in Table 12.

Total income and non-income cash of £376 million in the year was higher than last year, due to strong non-income cash from TCR and Oystercatcher (2024: £208 million).

**Table 12: Total income and non-income cash** (year to 31 March, £m)

	2025	2024
Total income	204	194
Non-income cash	172	14
<b>Total</b>	<b>376</b>	<b>208</b>

Non-income cash receipts reflect distributions from underlying portfolio companies, which would usually be income to the Company, but which are distributed as a repayment of investment for a variety of reasons. Whilst non-income cash does not form part of the total return shown in Table 8, it is included when considering dividend coverage.

Interest income from the portfolio was higher than prior year due to follow-on investments in DNS:NET and Future Biogas. Dividend income was marginally below the prior year due to the sale of Valorem.

A breakdown of income and non-income cash compared with the prior year is provided in Table 13.

**Table 13: Breakdown of portfolio income and non-income cash** (year to 31 March, £m)

	2025	2024
Dividend	7	9
Interest	196	184
Non-income cash	172	14
Other interest	1	1

## Costs

### Management and performance fees

During the year to 31 March 2025, the Company incurred management fees of £49 million (2024: £49 million), including transaction fees of less than £1 million (2024: £1 million). The fees, payable to 3i plc, consist of a tiered management fee, and a one-off transaction fee of 1.2% payable in respect of new investments. The management fee tiers range from 1.4%, reducing to 1.2% for any proportion of gross investment value above £2.25 billion.

An annual performance fee is also payable by the Company, amounting to 20% of returns above a hurdle of 8% of the total return. This performance fee is payable in three equal annual instalments, with the second and third instalments only payable if certain future performance conditions are met. This hurdle was exceeded for the year ended 31 March 2025, resulting in a performance fee payable to 3i plc in respect of the year ended 31 March 2025 of £18 million (2024: £26 million).

The first instalment of £6 million will be paid in May 2025, along with the second instalment of £9 million relating to the previous year's performance fee, and the third instalment of £15 million relating to the FY23 performance fee.

For a more detailed explanation of how management and performance fees are calculated, please refer to Note 18 of the financial statements.

### Other operating and finance costs

Operating expenses, comprising Directors' fees, service provider costs and other professional fees, totalled £4 million in the year (2024: £4 million).

Finance costs of £31 million (2024: £35 million) in the year comprised arrangement and commitment fees for the Company's £900 million RCF and interest on drawings. Finance costs were lower than in FY24 due to lower average monthly drawings and a decrease in interest rates.

### Balance sheet

The NAV at 31 March 2025 was £3,562 million (2024: £3,342 million). The principal components of the NAV are the portfolio assets, cash holdings, the fair value of derivative financial instruments, borrowings under the RCF and other net assets and liabilities. A summary balance sheet is shown in Table 14.

At 31 March 2025, the Company's net assets after the deduction of the proposed final dividend were £3,504 million (2024: £3,287 million).

**Table 14: Summary balance sheet** (as at 31 March, £m)

	2025	2024
Portfolio assets	3,790	3,842
Cash balances	4	5
Derivative financial instruments	77	77
Borrowings	(260)	(510)
Other net liabilities	(49)	(72)
NAV	3,562	3,342

### Cash and other assets

Cash balances at 31 March 2025 totalled £4 million (2024: £5 million).

Cash on deposit was actively managed by the Investment Manager and there are regular reviews of counterparties and their limits. Cash is principally held in AAA-rated money market funds.

Other net assets and liabilities predominantly comprise a performance fee accrual of £50 million (2024: £74 million), including amounts relating to prior year fees.

The movement from March 2024 is due to the accrual of the FY25 performance fee of £18 million and £42 million of prior year performance fees were paid during the year.

### Borrowings

The Company has a £900 million RCF in order to maintain a good level and maturity of liquidity for further investment whilst minimising returns dilution from holding excessive cash balances. The RCF was refinanced in April 2025 and now matures in June 2028. At 31 March 2025, the total amount drawn was £260 million (2024: £510 million).

During the year, the Company drew on the RCF in euros, which reduced the cost of finance compared to borrowing in sterling and acted as a natural currency hedge against our euro investments, reducing the size of the FX hedging programme. Over the year, the average cost of RCF debt drawn was 4.9% (2024: 6.1%), considerably below the expected return from the portfolio indicated by the weighted average discount rate of 11.3% at 31 March 2025 (2024: 11.3%). The current cost of drawings based on the latest Euribor and margin on the RCF at 7 May 2025 is 3.5%.

### NAV per share

The total NAV per share at 31 March 2025 was 386.2 pence (2024: 362.3 pence). This reduces to 379.9 pence (2024: 356.4 pence) after the payment of the final dividend of 6.325 pence (2024: 5.95 pence). There are no dilutive securities in issue.

## Dividend and dividend cover

The Board has proposed a dividend for the year of 12.65 pence per share, or £117 million in aggregate (2024: 11.90 pence; £110 million). This is in line with the Company's target announced in May last year.

When considering the coverage of the proposed dividend, the Board assesses the income earned from the portfolio, interest received on cash balances and any additional non-income cash distributions from portfolio assets which do not follow from a disposal of the underlying assets, as well as the level of ongoing operational costs incurred in the year. The Board also takes into account any surpluses retained from previous years, and net capital profits generated through asset realisations, which it considers available as dividend reserves for distribution.

Table 15 shows the calculation of dividend coverage and dividend reserves. The dividend was fully covered for the year with a surplus of £175 million (2024: £10 million). This surplus was driven by the refinancings of TCR and Oystercatcher which resulted in large non-income cash distributions to the Company.

The retained amount available for distribution, following the payment of the final dividend, the realised gain over cost relating to the sale of Valorem and the performance fee, will be £1,215 million (2024: £880 million). This is a substantial surplus, which is available to support the Company's progressive dividend policy, particularly should dividends not be fully covered by income in a future year.

Table 16 shows that the Company has consistently covered the dividend over the last five years.

**Table 15: Dividend cover** (year to 31 March, £m)

	2025	2024
Total income and non-income cash	376	208
Operating costs, including management fees	(84)	(88)
Dividends paid and proposed	(117)	(110)
Dividend surplus for the year	175	10
Dividend reserves brought forward from prior year	880	814
Realised gain over cost on disposed assets	178	82
Performance fees	(18)	(26)
Dividend reserves carried forward	1,215	880

**Table 16: Dividend cover** (five years to 31 March 2025, £m)

	Net income <sup>1</sup>	Dividend
Mar 2021	87	87
Mar 2022	93	93
Mar 2023	136	101
Mar 2024	120	110
Mar 2025	292	117

<sup>1</sup> Net income is Total income and non-income cash less operating costs.

## Ongoing charges ratio

The ongoing charges ratio measures annual operating costs, as disclosed in Table 17 against the average NAV over the reporting period.

The Company's ongoing charges ratio is calculated in accordance with the Association of Investment Companies ('AIC') recommended methodology and was 1.53% for the year to 31 March 2025 (2024: 1.65%). The ongoing charges ratio is higher in periods where new investment levels are high, the Company is drawn into its RCF and new equity is raised or capital is returned to shareholders. Realisation of assets reduces the ongoing charges ratio. The cost items that contributed to the ongoing charges ratio are shown in Table 17.

The AIC methodology does not include transaction fees, performance fees or finance costs. However, the AIC recommends that the impact of performance fees on the ongoing charges ratio is noted, where performance fees are payable. The ratio including the performance fee was 2.04% (2024: 2.44%). The total return of 10.1% for the year, presented elsewhere in this report, is after deducting this performance fee and ongoing charges.

## Alternative Performance Measures ('APMs')

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. These APMs provide additional information on how the Company has performed over the year, and are all financial measures of historical performance.

The APMs are consistent with those disclosed in prior years but this year we have added a new APM, Net debt.

- Total return on opening NAV reflects the performance of the capital deployed by the Company during the year. This measure is not influenced by movements in share price or ordinary dividends to shareholders. This is a common APM used by investment companies
- The NAV per share is a measure of the underlying asset base attributable to each ordinary share of the Company and is a useful comparator to the share price. This is a common APM used by investment companies
- Total income and non-income cash is used to assess dividend coverage based on distributions received and accrued from the investment portfolio
- Investment value including commitments measures the total value of shareholders' capital deployed by the Company
- Total portfolio return percentage reflects the performance of the portfolio assets during the year
- Net debt and Total liquidity are measures of the Company's ability to make further investments and meet its short-term obligations
- Portfolio debt to enterprise value is a measure of underlying indebtedness of the portfolio companies

**Table 17: Ongoing charges** (year to 31 March, £m)

	2025	2024
Investment Manager's fee	49.3	49.3
Auditor's fee	0.8	0.8
Directors' fees and expenses	0.6	0.6
Other ongoing costs	2.1	2.3
<b>Total ongoing charges</b>	<b>52.8</b>	<b>53.0</b>
<b>Ongoing charges ratio</b>	<b>1.53%</b>	<b>1.65%</b>

The definition and reconciliation to IFRS of the APMs are shown below

<b>APM</b>	<b>Purpose</b>	<b>Calculation</b>	<b>Reconciliation to IFRS</b>
<b>Total return on opening NAV</b>	A measure of the overall financial performance of the Company.  For further information see the KPI section.	It is calculated as the total return of £333 million, as shown in the Statement of comprehensive income, as a percentage of the opening NAV of £3,342 million net of the final dividend for the previous year of £55 million. There was no equity issued or capital returned during the year.	The calculation uses IFRS measures.
<b>NAV per share</b>	A measure of the NAV per share in the Company.	It is calculated as the NAV divided by the total number of shares in issue at the balance sheet date.	The calculation uses IFRS measures and is set out in Note 14 to the accounts.
<b>Total income and non-income cash</b>	A measure of the income and other cash receipts by the Company which support the payment of expenses and dividends.	It is calculated as the total income from the underlying portfolio and other assets plus non-income cash, being the repayment of investment not resulting from the disposal of an underlying portfolio asset. This is used as one of the components for assessing the dividend coverage as discussed above.	Total income uses the IFRS measures; Investment income and Interest receivable. The non-income cash, being the proceeds from partial realisations of investments, is shown in the Cash flow statement. The realisation proceeds which result from a partial sale of an underlying portfolio asset are not included within non-income cash.
<b>Investment value including commitments</b>	A measure of the size of the investment portfolio including the value of further contracted future investments committed by the Company.	It is calculated as the portfolio asset value plus the amount of the contracted commitment. At 31 March 2025, the Company had no investment commitments.	The portfolio asset value is the Investments at fair value through profit or loss reported under IFRS. The value of future commitments is set out in Note 16 to the accounts.
<b>Total portfolio return percentage</b>	A measure of the financial performance of the portfolio.	It is calculated as the total portfolio return in the year of £432 million, as shown in Table 1, as a percentage of the sum of the opening value of the portfolio and follow-on investments (excluding capitalised interest), less amounts syndicated in the year, of £3,864 million.	The calculation uses capital return (including exchange), movement in fair value of derivatives, underlying portfolio income, opening portfolio value and investment in the year. The reconciliation of all these items to IFRS is shown in Table 1, including in the footnotes.
<b>i) Net debt ii) Total liquidity</b>	A measure of the Company's ability to make further investments and meet its short-term obligations.	i) Net debt is calculated as the cash balance of £4 million less the drawn balance under the Company's RCF of £260 million. ii) Total liquidity is calculated as the cash balance of £4 million plus the undrawn balance available under the Company's RCF of £640 million.	The calculation uses the cash balance, which is an IFRS measure, and drawn and undrawn balances available under the Company's RCF as described in Note 11 to the accounts.
<b>Portfolio debt to enterprise value</b>	A measure of underlying indebtedness of the portfolio companies.	It is calculated as total debt, as a percentage of the enterprise value of the portfolio companies, and does not include indebtedness of the Company.	The calculation is a portfolio company measure and therefore cannot be reconciled to the Company's accounts under IFRS.

# Risk report

*“Our consistent risk governance framework underpins our delivery of long-term sustainable returns.”*

## **Martin Magee**

Chair, Audit and Risk Committee

## The Company has continued to deliver strong results despite the challenges presented by the geopolitical and economic environment.

Inflation in the UK and Europe was markedly lower during the financial year when compared with the previous year. This allowed central banks to commence easing monetary policy, with the Bank of England base rate and European Central Bank deposit rates ending the financial year at 4.5% and 2.5% respectively. There remains considerable uncertainty over future monetary easing and indeed whether inflationary pressures could start to build again.

A reduction in liquidity in the listed infrastructure sector, as allocations moved to fixed income alternatives when interest rates increased in the previous two years, resulted in shares trading at discounts to NAV across the whole sector. The Company has generally traded at one of the lowest discounts to NAV in the sector throughout the year.

One of the joint Managing Partners of the Investment Manager’s European Infrastructure team left during the year, with the other Managing Partner assuming sole leadership of the business, which provided continuity in the management of the Company.

The realisation of Valorem and distributions from portfolio companies, in particular from Oystercatcher and TCR, resulted in a material reduction in net debt, from £505 million to £256 million during the year.

Against this backdrop, the Audit and Risk Committee (the ‘Committee’) has worked closely with the Investment Manager to understand the effect of these changes on the identified key risks.

Actual and potential changes in the macroeconomic environment were discussed at each meeting, with the recent announcements regarding international trade and tariffs analysed and considered at the latest meeting of the Committee at the end of April 2025.

The Committee noted that the portfolio companies typically do not trade goods across international borders so are less likely to be directly affected, and that the longer-term indirect effects remain uncertain.

The Company’s liquidity position was monitored throughout the year, with the position improving through the realisation and distributions mentioned above as well as the recent successful refinancing of the Company’s RCF.

The Board and the Committee meet regularly with senior members of the Investment Manager’s team, which gave confidence in the continuity of leadership following the departure of one of the Managing Partners.

Regular insight has also been provided to the Board and the Committee by the Company’s brokers and other advisers in relation to the market for the Company’s shares. This insight was supplemented during the year by an investor perception study, conducted by Rothschild & Co. This was the third such study conducted by the same team, allowing for evolving perceptions to be tracked over time.

The Committee oversees a comprehensive risk management framework that systematically identifies and evaluates the principal, key, and emerging risks impacting the Company.

This framework provides a well-informed basis for the Board’s decisions regarding performance, liquidity, capital structure, and the overall business model. Despite the challenges presented by the geopolitical and economic environment, the Company has delivered strong results, driven by dynamic and adaptive decision-making enabled by our risk management process. We remain confident that the consistent application of this robust framework is integral to maintaining the Company’s strong track record.

At the beginning of the year, the Committee, alongside the Investment Manager, began a new three-year cycle of risk reviews to identify and consider the impact and likelihood of the principal, key, and emerging risks facing the Company today.

A number of risks were reassessed to reflect developments in the year, and the list of emerging risks was refreshed. The Committee updated the risk register and risk matrix as a result of the analysis conducted during the year, and considered the alignment of the principal risks identified to the Company’s strategic objectives. This process is described in more detail in the Risk review process section.

The following sections explain how we identify and manage risks to the Company. We outline the principal risks, our assessment of their potential impact on the Company and our portfolio in the context of the current environment and how we seek to mitigate them.



## Risk framework

### Risk-related reporting

Internal	External
<ul style="list-style-type: none"><li>• Monthly management accounts</li><li>• Internal and external audit reports</li><li>• Service provider control reports</li><li>• Risk logs</li><li>• Compliance reports</li><li>• Risk-related reporting</li></ul>	<ul style="list-style-type: none"><li>• Risk appetite</li><li>• Viability statement</li><li>• Resilience statement</li><li>• Internal controls</li><li>• Going concern</li><li>• Statutory/accounting disclosures</li></ul>

### Risk governance approach

The Board is responsible for risk assessment and the risk management process. It aims to strike a suitable balance between risk mitigation and generating long-term risk-adjusted returns for shareholders. Our approach to risk management is underpinned by our Board values of Integrity, Objectivity, Accountability and Legacy.

The Committee oversees the risk framework, methodology and process. This risk framework ensures a structured and consistent approach to identifying, assessing and addressing risks. Consistency in risk management across the Company's strategy, business objectives, policies and procedures is a key objective of the Committee.

The Committee considers the most significant current and emerging risks facing the Company using a range of quantitative data and analyses where possible. These include: vintage controls which consider the portfolio concentration by geography and sector; periodic reporting of financial and non-financial KPIs from the portfolio, including leverage levels and ESG indicators; and liquidity reporting. Longer-term and new and emerging risks are evaluated as part of the risk review process.

This year, a dashboard of key risk indicators (KRIs) was incorporated into the regular monthly financial reporting, alongside qualitative information, to enhance the Committee's ability, on behalf of the Board, to monitor the Company's risk profile.

The Company is also reliant on the risk management frameworks of the Investment Manager and other key service providers, as well as on the risk management practices of each portfolio company.

Risk management reports are received from the Investment Manager and other service providers.

The Investment Manager's team members represent the Company on all portfolio companies' boards which informs the risk-related reporting.

### Risk appetite

The Committee reviews the Company's risk appetite annually, and this year confirmed that it remained broadly stable. As an investment company, the Company seeks to take investment risk. Our appetite for investment risk is detailed in the Our business model section and the Investment policy set out in this document. All investments adhere to the Investment Manager's Responsible Investment policy, a critical component of our risk approach. In a competitive market for new investments, maintaining investment discipline remains paramount.

That investment discipline is equally important when considering realisations, such as that of Valorem during the year. Our investment procedures are rigorous and comprehensive.

The target risk-adjusted objective of delivering 8% to 10% return per annum over the medium term remains consistent with our current portfolio investment cases.

Should our portfolio expand, the range of expected returns in individual investment cases may widen.

This expansion could include both higher risk/return 'value add' cases and lower risk/return 'core' investments. We acknowledge that this may introduce greater volatility in returns on an individual asset basis.

However, diversification across sectors, countries and underlying economic risks mitigates this volatility. Reflecting the Company's current liquidity position, the current focus remains on investing through the existing portfolio, which we believe should generate better risk-adjusted returns than adding new platform investments, and on repayment of drawings on the Company's RCF. Considerable progress in repaying drawings was made during the year, following the realisation of Valorem and distributions from portfolio companies.

We have intentionally built a diverse portfolio while carefully assessing the risks faced by our portfolio companies. The Committee reaffirmed that the Company's risk appetite for core-plus infrastructure investments remains unchanged, and aligns with our investment mandate and target returns. The recent macroeconomic uncertainty has tested the appropriateness of our business model and risk appetite, and overall, our portfolio has demonstrated resilience, benefitting from diversification across infrastructure subsectors and underlying risk types.

The Company adopts a conservative approach to managing its capital resources. It has no appetite for permanent gearing and the achievement of its returns objectives is not reliant on gearing. The Company operates a flexible funding model and has been a relatively infrequent issuer of new shares in the infrastructure investment trust market.

The Company's shares have traded at a discount to published net asset value throughout the year. This has restricted access to new equity issuance and increased the importance of the RCF to bridge the cycle between investment and realisation, as well as cash generation by underlying portfolio companies. The RCF was refinanced in April 2025, well ahead of the maturity of the previous facility in November 2026 and now matures in June 2028.

The Company aims to reduce the impact of currency movements on its net asset value through a combination of euro borrowing on its RCF and a foreign exchange hedging programme.

## Risk review process

The key tools used by the Committee to assess the appetite for key risks are the risk register and the risk matrix.

The process of creating and reviewing the risk register and risk matrix is described below, together with a discussion of the Company's appetite for each of the key risks.

In addition to investment risk, which is discussed above, the Company actively manages and limits exposure to other risks to maintain acceptable levels.

The Company's risk review process includes the monitoring of key strategic and financial metrics considered to be indicators of potential changes in its risk profile.

The review takes place three times a year, with the last review in April 2025 and includes, but is not limited to, the following:

- infrastructure and broader market overviews;
- key macroeconomic indicators and their impact on the performance and valuation of portfolio companies;
- regular updates on the operational and financial performance of portfolio companies;
- experience of investment and divestment processes;
- compliance with regulatory obligations, including climate-related regulations;
- analysis of new and emerging regulatory initiatives;
- liquidity management;
- assessment of climate risks to the portfolio, including physical, transition and litigation risks;
- consideration of scenarios that may impact the viability of the Company;
- assessment of emerging risks; and
- review of the Company's risk log of relevant incidents or issues during the year.

The Committee uses the risk framework to identify both emerging and key risks, assessing changes in risks over time. This framework is designed to manage, rather than eliminate, the risk of failing to achieve objectives or breaching our risk appetite.

Throughout the year, we closely monitor significant key risks or principal risks, which have the potential to materially impact the achievement of our strategic objectives.

The Committee evaluates the likelihood of each identified risk materialising and the potential impact it may have, with reference to the Company's strategy and business model. We assess risks over two timeframes: within three years; and beyond three years. The results are presented on a risk matrix.

For each risk, we develop mitigating controls and assess their adequacy. If necessary, additional controls are implemented and reviewed during subsequent Committee meetings.

The Committee considers the identified principal risks in greater detail in the assessment of the Company's viability. This assessment considers a number of plausible scenarios that could arise if these risks materialise, including stressed scenarios that might jeopardise the Company's viability. As the Company is an investment company, the stressed scenarios primarily focus on reduced cash flows from our investment portfolio. These scenarios could lead to debt covenant breaches and liabilities not met.

The Investment Manager models the impact of these scenarios on the Company and reports the results to the Committee. The resulting viability assessment is included in this Risk report.

## Risk categorisation

The Committee uses the following categorisation to describe risks that are identified during the risk review process.

Emerging risks	Key risks	Principal risks
An emerging risk is one that may in future be likely to have a material impact on the performance of the Company and the achievement of our long-term objectives, but that is not yet considered to be a key risk and is subject to uncertainty as to nature, impact and timing.	A key risk is considered currently to pose the risk of a material impact on the Company. These are documented in a risk register. Risks may be identified as emerging risks and subsequently become key risks. Identified key risks may cease to be considered key risks over time.	The Committee maintains a risk matrix, onto which all the key risks on the risk register are mapped by impact and likelihood. The principal risks are identified on the risk matrix as those with the highest combination of impact and likelihood scores. These are disclosed in the Principal risk and mitigations table below.

## Review during the year

In October 2024, the Committee began the latest three-year cycle of reviews with a process designed to identify and score the key risks and update the list of emerging risks currently facing the Company. This started with the 'blank sheet of paper' exercise where each Director, and several members of the Investment Manager's team, identified the top risks facing the Company.

In December 2024, the Investment Manager analysed the collected data and documented both emerging and key risks.

The key risks were scored for impact and likelihood over a three-year period, building upon the scoring of those risks in the prior year's assessment. Those key risks with the highest combination of impact and likelihood were identified as principal risks.

In January 2025, the Committee assessed the results of the risk scoring and made additional adjustments. They also considered the same key risks for a beyond three-year period and discussed the Company's risk appetite.

In April 2025, the Committee reviewed the updated risk register and risk matrix for both a three-year and beyond three-year period, alongside analysis of the portfolio exposure to increased trade tariffs.

We have a relatively diverse spread of assets in the portfolio and it is important that risk diversity is maintained as we evolve the portfolio through new investments, realisations and syndications.

Future realisations and syndications will continue to shape the portfolio's risk profile in line with our strategy. This flexibility allows us to manage exposure to more sensitive assets and adapt to changes in risk profiles over time.

We remain confident that the portfolio remains defensive and resilient, and it is well-positioned to benefit from accretive but discretionary growth opportunities, as highlighted in the Review from the Managing Partner. Our assessment indicates that the current risk appetite is appropriate.

## Risk register review process

### October 2024

Directors identify potential emerging or new key risks facing the Company

### December 2024

Analysis and interpretation of responses

### January 2025

Impact and likelihood of the identified risks considered

### April 2025

Risk register and risk matrix updated

## Emerging risks

As a long-term investor, the Company must carefully assess both identified key risks, as detailed below, and emerging or longer-term risks. Risk categorisation, including the definition of emerging risks, is outlined above.

The Board and the Investment Manager take these factors into account when evaluating portfolio performance and assessing new investments. Their goal is to identify potential risks that can either be mitigated or transformed into opportunities. These risks are identified through a variety of activities such as conversations with stakeholders, presentations given to the Board, attending industry events and horizon scanning performed by the Investment Manager.

As part of our ongoing risk management, the Committee evaluates whether emerging risks should be added to the Company's risk register.

This register is a 'live' document, regularly reviewed and updated by the Committee as new risks emerge and existing risks evolve. Examples of emerging risks considered during the year include opportunities and challenges related to AI tools, geopolitical tensions, change in renewables/energy policies from governments, emerging energy technologies, including nuclear fusion and supply chain risk from new protectionist policies and tariffs. In some instances, emerging risks may already be encompassed within broader identified key risks, such as market and economic risk.

## Key risks

The Committee assesses key risks by evaluating their impact and likelihood on a risk matrix.

Throughout the year, the Committee examined all the key risks in detail. Within the category of key risks, the principal risks identified by the Committee are outlined in the Principal risks and mitigations table. The disclosures in the Risk report do not encompass an exhaustive list of risks and uncertainties faced by the Company. Instead, they serve as a concise summary of significant key risks actively reviewed by the Board, their mitigating controls and developments in the year.

Whilst the risk landscape evolved over the course of the year, the inherent principal risk areas that the business faces remain largely consistent with the previous year and are set out in the Principal risks and mitigations table, together with further information on developments in the year and examples of material controls and processes designed to mitigate these risks. The assessment of likelihood and impact led to minor adjustments in the principal risks facing the Company, as compared with the prior financial year.

A new principal risk has been included to reflect the risk that the discount of the share price to net asset value continues for a longer period of time, reflecting the decline in the public valuation of listed companies in the infrastructure sector, which has limited access to the equity capital market.

The risk that debt markets deteriorate has been removed as a principal risk reflecting the stability of funding markets, falling interest rates across Europe and the experience of the Company in refinancing processes during the year.

Market and economic risk was considered the top risk facing the Company and was assessed to have remained stable during the year. This risk encompasses consequences such as high inflation and interest rates, elevated or volatile commodity and energy prices, supply chain constraints, the impact of trade tariffs and volatile capital markets affecting pricing, valuations and portfolio performance.

The risks related to competition and liquidity management were deemed to have decreased over the year. This follows the successful divestment of Valorem and distributions from portfolio companies, in particular Oystercatcher and TCR, all of which have significantly reduced the Company's net debt.

There were no significant changes in the remaining principal risks.

## Fraud and cyber risk

We remain vigilant to cyber- and other IT-related threats that could disrupt the Company, compromise data, or harm our reputation. The Investment Manager has a robust fraud risk assessment and anti-fraud programme in place. This programme includes proactive fraud prevention work by their Internal Audit team, mandatory training to enhance vigilance and awareness, and an independent reporting service (accessible to all staff) known as the 'hotline'.

Additionally, the Investment Manager's cyber security programme focuses on identifying and mitigating risks related to third-party frauds, such as ransomware and phishing attacks. Regular staff training and the use of IT security tools contribute to this effort.

Furthermore, we have a detailed business continuity and disaster recovery plan in place to address significant events.

We also actively request our service providers to inform us promptly of any significant cyber events that they experience.

## Climate risk

Climate risk considers both physical risks (direct impacts of climate change such as flooding events) and transition risks (changes arising from the transition to a low-carbon economy, including regulatory and financial changes) over different time horizons.

Failing to identify and mitigate these risks could lead to reduced asset attractiveness, reputational harm, and a decline in portfolio value over time.

While uncertainties persist regarding the precise impact and timing of climate change, government actions, and future regulations, we recognise that climate-related risk is not only a key risk but also an essential investment theme for the Company.

Climate regulation risk, which the Committee now assesses within the legal, tax and compliance risk, addresses the regulatory risk linked to the transition toward a low-carbon economy. It encompasses the impact of evolving regulations on the Company and the portfolio.

The proposed amendments introduced by the European Commission's Omnibus simplification package to legislation such as the Corporate Sustainability Reporting Directive ('CSRD') and the Corporate Sustainability Due Diligence Directive ('CSDDD') may reduce the anticipated burden from these reporting regimes on our portfolio.

As highlighted in the Sustainability section, of the Annual Report and Accounts, the climate-related risks – both physical and transition – are also viewed as opportunities across our portfolio.

There are no immediate acute physical or transition risks identified in the portfolio that would categorise climate risk as a principal risk. An example of transition risk is the risk of early decommissioning of oil and gas assets, which impacts certain customers of Tampnet and ESVAGT. A related transition opportunity is the potential for prolonged life of offshore platforms to facilitate sequestration of carbon dioxide in old oil or gas fields, which could benefit Tampnet and ESVAGT. Drought and flood risk impacts feedstock supply and quality which would impact Future Biogas. Although difficult to quantify, a prudent assumption for feedstock losses has been made alongside contingency for construction activities to address flood risk.

## Principle risks and mitigations

### External

Principal risk	Risk description	Risk mitigation	Developments in the year
<p><b>Market/economic</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Manage portfolio intensively</p>	<ul style="list-style-type: none"> <li>• Macroeconomic or market volatility impacts general market confidence and risk appetite which flows through to pricing, valuations and portfolio performance</li> <li>• Fiscal tightening impacts market environment</li> <li>• Risk of sovereign default lowers market sentiment and increases volatility</li> <li>• Misjudgement of inflation and/or interest rate outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Resources and experience of the Investment Manager on deal-making, asset management and hedging solutions to market volatility</li> <li>• Periodic legal and regulatory updates on the Company's markets and in-depth market and sector research from the Investment Manager and other advisers</li> <li>• Portfolio diversification to mitigate the impact of a downturn in any geography, sector or portfolio company-specific effects</li> <li>• The permanent capital nature of an investment trust allows us to look through market volatility and the economic cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Strong portfolio performance, demonstrating resilience, leading to an increase in portfolio value in the year</li> <li>• Foreign exchange exposures at the portfolio company level monitored and hedged where appropriate</li> <li>• The Company's share price traded below NAV during the year and this restricted the Company's ability to raise new capital</li> <li>• Private equity market valuations typically less affected than public equity market valuations during periods of significant public market volatility</li> </ul>
<p><b>Competition</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Disciplined approach</p>	<ul style="list-style-type: none"> <li>• Increased competition for the acquisition of assets in the Company's strategic focus areas</li> <li>• Deal processes become more competitive and prices increase</li> <li>• New entrants compete with a lower cost of capital</li> </ul>	<ul style="list-style-type: none"> <li>• Continual review of market data and review of Company return target compared to market returns</li> <li>• Ongoing analysis of the competitor landscape</li> <li>• Origination experience and disciplined approach of the Investment Manager</li> <li>• Strong track record and strength of the 3i Infrastructure brand</li> </ul>	<ul style="list-style-type: none"> <li>• Realisation of Valorem at a 31% premium to the September 2023 valuation, before the Valorem sale process was initiated</li> <li>• No new platform investments added to the portfolio during the year, with net investment of £22 million in the existing portfolio</li> </ul>
<p><b>Continuing discount to NAV</b></p> <p><b>Risk exposure movement in the year</b> New principal risk</p> <p><b>Link to Strategic priorities</b> Maintain balanced portfolio Efficient balance sheet</p>	<ul style="list-style-type: none"> <li>• The Company's share price continues to trade at a discount to NAV</li> <li>• This restricts the ability to raise new equity which reduces the ability to support the portfolio or take advantage of new investment opportunities and can cause shareholder dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Regular review of the level of discount or premium relative to the listed infrastructure sector</li> <li>• Clear communication to investors on strategy, performance and outlook</li> <li>• Regular engagement with shareholders and consideration of shareholder feedback</li> <li>• Deliver strong returns to build investor confidence</li> <li>• Consider ways to enhance share price performance through effectiveness of marketing or policies such as share buybacks</li> <li>• The Company's brokers are in regular contact with existing shareholders and prospective new investors</li> </ul>	<ul style="list-style-type: none"> <li>• Validation of NAV through sale of Valorem at a 31% premium to pre-transaction valuation, and syndication of a stake in Future Biogas to RWE at a 15% premium to pre-transaction valuation</li> <li>• Ongoing withdrawal of liquidity from listed infrastructure sector puts pressure on share prices</li> <li>• Discount is smaller than listed infrastructure comparables</li> </ul>

## Operational

Principal risk	Risk description	Risk mitigation	Developments in the year
<p><b>Loss of senior Investment Manager staff</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Maintain balanced portfolio Sustainability key driver</p>	<ul style="list-style-type: none"> <li>Members of the deal team at the Investment Manager leave, and 'deal-doing' and portfolio management capability in the short to medium term is restricted</li> </ul>	<ul style="list-style-type: none"> <li>Strength and depth of the senior team and strength of the 3i Group brand</li> <li>Performance-linked compensation packages, including an element of deferred remuneration</li> <li>Notice periods within employment contracts</li> <li>Careful management and robust planning of senior management transition</li> </ul>	<ul style="list-style-type: none"> <li>The Investment Manager's team has strength and depth</li> <li>Careful management of change in senior management, moving from Bernardo Sottomayor and Scott Moseley as joint Managing Partners to Bernardo Sottomayor as sole Managing Partner, providing continuity of leadership</li> </ul>
<p><b>Management of liquidity</b></p> <p><b>Risk exposure movement in the year</b> Decreased</p> <p><b>Link to Strategic priorities</b> Disciplined approach Efficient balance sheet</p>	<ul style="list-style-type: none"> <li>Failure to manage the Company's liquidity, including cash and available credit facilities</li> <li>Insufficient liquidity to pay dividends and operating expenses or to make new investments or support portfolio companies</li> <li>Hold excessive cash balances, introducing cash drag on the Company's returns</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting of current and projected liquidity</li> <li>Investment and planning processes consider sources of liquidity</li> <li>Flexible funding model, where liquidity can be sought from available cash balances including reinvestment of proceeds from realisations, committed credit facilities which can be increased with approval from our lenders, and the issue of new share capital</li> <li>Growth opportunities can be part or fully funded by portfolio company cash balances and/or available debt facilities</li> </ul>	<ul style="list-style-type: none"> <li>The Company has access to a £900 million RCF that was refinanced in April 2025 and now matures in June 2028. Total liquidity of £644 million comprised cash and deposits of £4 million and undrawn facilities of £640 million at 31 March 2025, a substantial increase of £249 million during the financial year</li> <li>No outstanding commitments at 31 March 2025</li> <li>Access to the equity capital markets was limited as a result of share price declines in the listed infrastructure investment trust sector and this restricted the Company's ability to raise new capital</li> </ul>
<p><b>Deliverability of return target</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Maintain balanced portfolio Sustainability key driver</p>	<ul style="list-style-type: none"> <li>Failure to ensure the investment strategy can deliver the return target and dividend policy of the Company</li> <li>Failure to adapt the strategy of the Company to changing market conditions</li> </ul>	<ul style="list-style-type: none"> <li>Market returns are reviewed regularly</li> <li>The Investment Manager and other advisers to the Company report on market positioning</li> <li>Investment process addresses expected return on new investments and the impact on the portfolio</li> <li>Consideration of megatrends in the investment process</li> <li>Consideration of risks, including ESG and climate risks, in the investment process</li> </ul>	<ul style="list-style-type: none"> <li>Total return for the year of 10.1% outperforming target return of 8-10% per annum</li> <li>FY25 dividend of 12.65 pence per share, 6.3% higher than the previous year</li> </ul>



## Investment

Principal risk	Risk description	Risk mitigation	Developments in the year
<p><b>Security of assets</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Maintain balanced portfolio Sustainability key driver</p>	<ul style="list-style-type: none"> <li>An incident, such as a cyber or terrorist attack</li> <li>Unauthorised access, use, disclosure, modification or destruction of information and/or operating systems</li> <li>Regulatory and legal risks from failure to comply with cyber-related laws and regulations, including data protection</li> </ul>	<ul style="list-style-type: none"> <li>Regular review of the Company and key service providers</li> <li>Regular review and update of cyber due diligence for potential investments</li> <li>Review of portfolio companies for cyber risk management and incident readiness</li> <li>Established governance and reporting processes, including incident escalations and breach reporting</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing focus on IT security and staff training including utilisation of specialist advisers by the key service providers</li> <li>Continued programme of phishing and penetration testing and review of disaster recovery plans in the year</li> <li>Portfolio company boards continued to focus on cyber risk management. While some portfolio companies encounter fraud attempts (with occasional success), none have materially impacted our companies</li> </ul>
<p><b>Poor investment performance</b></p> <p><b>Risk exposure movement in the year</b> No significant change</p> <p><b>Link to Strategic priorities</b> Maintain balanced portfolio Sustainability key driver</p>	<ul style="list-style-type: none"> <li>Misjudgement of the risk and return attributes of a new investment</li> <li>Material issues at a portfolio company</li> <li>Poor judgement in the realisation of an asset</li> </ul>	<ul style="list-style-type: none"> <li>Robust investment process with thorough challenge of the investment case supported by detailed due diligence</li> <li>Investment Manager's active asset management approach, including proactive management of issues arising at portfolio company level</li> <li>Monthly portfolio monitoring to identify and address portfolio issues promptly</li> <li>Experience of the Investment Manager's team in preparing for and executing realisations of investments</li> </ul>	<ul style="list-style-type: none"> <li>Resilient performance from the portfolio overall</li> <li>Increase in portfolio valuation, and the realisation of Valorem and syndication of a stake in Future Biogas at a premium to last valuation</li> <li>Active asset management including implementing changes in the leadership team and the reassessment of strategy at portfolio companies as and when appropriate</li> <li>Progress by portfolio companies along their sustainability pathways</li> </ul>

## Resilience

Our resilience comes from the effective implementation of our business model, described above. Key elements of our business model relating to resilience include the Investment Manager's disciplined approach to new investment and active asset management, the defensive characteristics of our portfolio of investments, high ESG standards, our flexible funding model and efficient balance sheet, and the capability of the Investment Manager's team.

This is underpinned by the strong institutional culture and values of our Investment Manager, high standards of corporate governance, and effective risk management.

Over the life of the Company, the Investment Manager has built a resilient and diversified portfolio with good growth potential and downside protection that delivers an attractive mix of income yield and capital appreciation for shareholders. This has been achieved through consistent delivery of our strategic priorities, described above.

### Short-term resilience

The Directors assess the Company's short-term resilience through monitoring portfolio, pipeline and finance reports. These are prepared monthly, and discussed at quarterly scheduled Board meetings and Board update calls held between scheduled meetings. Six-monthly detailed investment reviews are prepared by the Investment Manager and discussed with the Board, as part of the half-yearly and annual valuation and reporting processes. These reviews describe sources of risk at portfolio company level, and mitigating actions being taken or considered.

The resilience of key suppliers, including the Investment Manager, is considered annually, or more frequently if appropriate. The Audit and Risk Committee is provided with relevant extracts of reports from the Investment Manager's internal audit team, which includes an annual report on the Investment Manager's European infrastructure investment team. Further detail is included in the Governance section of the Annual report and accounts 2025.

The Directors manage the Company's liquidity actively, reviewing reports on current and forecast liquidity from the Investment Manager, alongside recommendations for seeking additional liquidity when appropriate. In April 2025, the RCF was refinanced on improved terms and now matures in June 2028. Further discussion on the RCF can be found in the Financial review.

The identification of material uncertainties that could cast significant doubt over the ability of the Company to continue as a going concern forms the basis of the Going concern statement below.

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and in the Financial statements and related Notes to the Annual report and accounts to 31 March 2025. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are also described in the Financial statements and related Notes to the Annual report and accounts 2025.

In addition, Note 9 to the accounts includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Directors have made an assessment of going concern, taking into account the Company's cash and liquidity position, current performance and outlook, which considered the impact of the current inflationary and interest rate environment, using the information available up to the date of issue of these Financial statements.

The Company has liquid financial resources and a strong investment portfolio, providing a predictable income yield and an expectation of medium-term capital growth.

The Company manages and monitors liquidity regularly, ensuring that it is sufficient.

At 31 March 2025, liquidity remained strong at £644 million (2024: £395 million). Liquidity comprised cash and deposits of £4 million (2024: £5 million) and undrawn facilities of £640 million (2024: £390 million). The £900 million RCF matures in June 2028, beyond 12 months of the date of this report.

The Company had no contracted investment commitments at 31 March 2025. However, the Company expects to make follow-on investments in portfolio companies to fund growth opportunities.

The Company had ongoing charges of £53 million in the year to 31 March 2025, detailed in Table 17 in the Financial review, which are indicative of the ongoing run rate in the short term. In addition, the FY25 performance fee of £18 million (2024: £26 million) is due in three equal instalments, with the first instalment payable in the next 12 months along with the second instalment of FY24's performance fee and the third instalment of FY23's performance fee, and a proposed final dividend for FY25 of £58 million which is expected to be paid in July 2025.

Although not a commitment, the Company has announced a dividend target for FY26 of 13.45 pence per share. Income and non-income cash is expected to be received from the portfolio investments during the coming year, some of which will be required to support the payment of this dividend target and the Company's other financial commitments.

The Directors have acknowledged their responsibilities in relation to the Financial statements for the year to 31 March 2025. After making the assessment on going concern, the Directors considered it appropriate to prepare the Financial statements of the Company on a going concern basis.

The Company has sufficient financial resources and liquidity and is well-positioned to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of this report. This is supported by the scenario analysis and stress testing described in the medium-term resilience section and the Viability statement. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual report and accounts.

## Medium-term resilience

The assessment of medium-term resilience, which includes modelling of stressed scenarios and a reverse stress test, considers the viability and performance of the Company in the event of specific stressed scenarios, which are assumed to occur over a three-year horizon. This stress testing forms the basis of the Viability statement.

The Directors consider that a three-year period to March 2028 is an appropriate period to review for assessing the Company's viability. This reflects greater predictability of the Company's cash flows over that time period and is aligned to the Company's risk review cycle. There is increased uncertainty surrounding economic, political and regulatory changes over the longer term.

The stress testing focuses on the principal risks, but also reflects those new and emerging risks that are considered to be of sufficient importance to require active monitoring by the Audit and Risk Committee. The scenarios used are described in the Viability statement. The medium-term resilience of the Company is assessed through analysing the impact of these scenarios on key metrics such as total return, income yield, net asset value, covenants on the RCF and available liquidity.

## Viability statement

The Directors consider the medium-term prospects of the Company to be favourable. The Company has a diverse portfolio of infrastructure investments, producing good and reasonably predictable levels of income which cover the dividend and costs. The defensive nature of the portfolio and of the essential services that the businesses in which we invest provide to their customers, are being demonstrated in the current climate. The Investment Manager has a strong track record of investing in carefully selected businesses and of driving value through an active asset management approach. The Directors consider that this portfolio can continue to meet the Company's objectives.

The Directors have assessed the viability of the Company over a three-year period to March 2028. The Directors have taken account of the current position of the Company, including its liquidity position, with £4 million of cash and £640 million of undrawn credit facilities, and the principal risks it faces, which are documented in the Principal risks and mitigations table.

The Directors have considered the potential impact on the Company of a number of scenarios in addition to the Company's business plan and recent forecasts, which quantify the financial impact of the principal risks occurring. These scenarios represent severe yet plausible circumstances that the Company could experience, including a significant impairment in the value of the portfolio and a reduction in the cash flows available from portfolio companies from a variety of causes.

The assessment was conducted over several months, during which the proposed scenarios were evaluated by the Board, the assumptions set, and the analysis produced and reviewed. Analysis included the impact of a prolonged liquidity constraint for the Company resulting from not being able to sell assets or raise equity due to unfavourable market conditions.

Other considerations included the possible impact of climate-related events and transition risks, widespread economic turmoil, escalating geopolitical conflicts, a tightening of debt markets and the failure of a large investment.

The assumptions used to model these scenarios included: a fall in value of up to 30% for some or all of the portfolio companies; a full write-down of a large asset; a reduction in cash flows from portfolio companies; a reduction in the level of new investment and/or realisations; the imposition of additional taxes on distributions from or transactions in the portfolio companies; an increase in the cost of debt by up to 3.5% and restriction in debt availability; a sustained devaluation in sterling increasing the liquidity requirements for the hedging programme and an inability for the Company to raise new equity. The implications of changes in the inflation, interest rate and foreign exchange environment were also considered, separately and in combination.

The results of this assessment showed that the Company would be able to withstand the impact of these scenarios occurring over the three-year period. The Directors also considered scenarios that would represent a serious threat to its liquidity and viability in that time period.

These scenarios were considered to be remote, such as markets closed to new equity issue, a fall in equity value of the portfolio of more than 40% whilst being fully drawn on the RCF, or an equivalent fall in income.

In such circumstances additional options may be available to mitigate the impact on the Company's liquidity and cash flow including:

- (i) sell assets
- (ii) reductions in operating and capital expenditure or raising additional debt at portfolio company level to fund distributions to the Company
- (iii) extension of debt facilities
- (iv) the potential to raise additional funds from other sources

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to March 2028.

## Long-term resilience

As described above, the long-term resilience of the Company, beyond the Viability statement period, comes from the effective implementation of our business model and consistent delivery of our strategic objectives.

Our approach to origination and portfolio construction, focus on price discipline, and active asset management approach enable us to adapt in response to new and emerging risks and challenges, including climate change and developments in megatrends.

The characteristics that are commonly found across our portfolio, described in our Investment Characteristics, support the long-term resilience of the Company.

The underlying megatrends supporting the longer-term resilience of each portfolio company are identified in the Megatrends section.

We have a long-term investment time horizon made possible by our permanent capital base that is unconstrained by the fixed investment period and fundraising cycle seen in private limited partnership funds.

Although the scenarios and stress testing to support the Viability statement are modelled over a three-year time horizon, the resilience shown by the Company, and its ability to recover from these stressed situations, supports the assessment of our resilience over a longer term than three years.

# Directors' duties

## Section 172 statement

The Company adheres to the AIC Corporate Governance Code (the 'AIC Code'), which is endorsed by the Financial Reporting Council ('FRC') and supported by the Jersey Financial Services Commission ('JFSC'). This enables the Company to report on matters set out in section 172 of the Companies Act 2006 ('s172') to the extent they do not conflict with Jersey law.

We recognise that our business can only grow and prosper by acting in the long-term interests of our key stakeholders, and that a good understanding of the issues affecting stakeholders should be an integral part of the Board's decision-making process. The insights that the Board gains through the stakeholder engagement mechanisms it has in place form an important part of the overall context for all the Board's discussions and decision-making processes.

As an externally managed investment trust, the Company has no employees or customers and its key stakeholders are its shareholders, third-party professional advisers and service providers (most notably the Investment Manager), portfolio companies, lenders, and government and regulatory bodies.

Day-to-day engagement with our stakeholders is principally managed by the Investment Manager, although, where appropriate, the Directors have direct touchpoints with stakeholders during the year.

Pursuant to s172, a director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following factors:

### **The likely consequences of any decision in the long term**

Our purpose and strategy, combined with the responsible investment approach of the Investment Manager, focus on achieving long-term success.

### **The interests of the company's employees**

Whilst we do not have any employees, our purpose includes the intention to have a positive influence on our portfolio companies and their stakeholders, which includes the employees of those portfolio companies.

### **The need to foster the company's business relationships with suppliers, customers and others**

We engage with all our stakeholders, whether directly or through the Investment Manager, in an open and transparent way to foster strong business relationships.

### **The impact of the company's operations on the community and the environment**

As owners of infrastructure businesses with majority or significant minority holdings and representation on their boards, we recognise our ability to influence our portfolio companies to ensure they act responsibly.

### **The desirability of maintaining a reputation for high standards of business conduct**

Our success relies on maintaining a positive reputation, and our values and ethics are aligned to our purpose, our strategy and our ways of working.

### **The need to act fairly towards members of the company**

The Board actively engages with its shareholders and considers their interests when implementing our strategy.

Read more in our Annual report and accounts 2025, available on our website.

# Accounts and other information

## Statement of comprehensive income

For the year to 31 March

	Notes	2025 £m	2024 £m
Net gains on investments	7	182	180
Investment income	7	203	193
Interest receivable		1	1
<b>Investment return</b>		<b>386</b>	<b>374</b>
Movement in the fair value of derivative financial instruments	5	34	73
Management and performance fees payable	2	(67)	(75)
Operating expenses	3	(4)	(4)
Finance costs	4	(31)	(35)
Exchange movements		15	14
<b>Profit before tax</b>		<b>333</b>	<b>347</b>
Income taxes	6	–	–
<b>Profit after tax and profit for the year</b>		<b>333</b>	<b>347</b>
<b>Total comprehensive income for the year</b>		<b>333</b>	<b>347</b>
<b>Earnings per share</b>			
Basic and diluted (pence)	14	36.1	37.6

## Statement of changes in equity

For the year to 31 March

2025	Notes	Stated capital account £m	Retained reserves <sup>1</sup> £m	Capital reserve <sup>1</sup> £m	Revenue reserve <sup>1</sup> £m	Total shareholders' equity £m
Opening balance at 1 April 2024		879	1,282	1,173	8	3,342
Total comprehensive income for the year		–	–	202	131	333
Dividends paid to shareholders of the Company during the year	15	–	–	–	(113)	(113)
<b>Closing balance at 31 March 2025</b>		<b>879</b>	<b>1,282</b>	<b>1,375</b>	<b>26</b>	<b>3,562</b>

2024	Notes	Stated capital account £m	Retained reserves <sup>1</sup> £m	Capital reserve <sup>1</sup> £m	Revenue reserve <sup>1</sup> £m	Total shareholders' equity £m
Opening balance at 1 April 2023		879	1,282	940	–	3,101
Total comprehensive income for the year		–	–	233	114	347
Dividends paid to shareholders of the Company during the year	15	–	–	–	(106)	(106)
<b>Closing balance at 31 March 2024</b>		<b>879</b>	<b>1,282</b>	<b>1,173</b>	<b>8</b>	<b>3,342</b>

<sup>1</sup> The Retained reserves, Capital reserve and Revenue reserve are distributable reserves. Retained reserves relate to the period prior to 15 October 2018. Further information can be found in Accounting policy H.

# Balance Sheet

As at 31 March

	Notes	2025 £m	2024 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Investments at fair value through profit or loss	7	3,790	3,842
Derivative financial instruments	10	33	49
<b>Total non-current assets</b>		<b>3,823</b>	<b>3,891</b>
<b>Current assets</b>			
Derivative financial instruments	10	49	33
Trade and other receivables	8	2	3
Cash and cash equivalents		4	5
<b>Total current assets</b>		<b>55</b>	<b>41</b>
<b>Total assets</b>		<b>3,878</b>	<b>3,932</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Derivative financial instruments	10	(3)	–
Trade and other payables	12	(20)	(32)
Loans and borrowings	11	(260)	(510)
<b>Total non-current liabilities</b>		<b>(283)</b>	<b>(542)</b>
<b>Current liabilities</b>			
Derivative financial instruments	10	(2)	(5)
Trade and other payables	12	(31)	(43)
<b>Total current liabilities</b>		<b>(33)</b>	<b>(48)</b>
<b>Total liabilities</b>		<b>(316)</b>	<b>(590)</b>
<b>Net assets</b>		<b>3,562</b>	<b>3,342</b>
<b>Equity</b>			
Stated capital account	13	879	879
Retained reserves		1,282	1,282
Capital reserve		1,375	1,173
Revenue reserve		26	8
<b>Total equity</b>		<b>3,562</b>	<b>3,342</b>
<b>Net asset value per share</b>			
Basic and diluted (pence)	14	386.2	362.3

The Financial statements and related Notes were approved and authorised for issue by the Board of Directors on 7 May 2025 and signed on its behalf by:

**Richard Laing**  
Chair

# Cash flow statement

For the year to 31 March

	2025	2024
	£m	£m
<b>Cash flow from operating activities</b>		
Purchase of investments	(52)	(104)
Proceeds from partial realisations of investments <sup>1</sup>	202	41
Proceeds from full realisations of investments	257	183
Investment income <sup>2</sup>	30	53
Operating expenses paid	(4)	(4)
Interest received	1	1
Management and performance fees paid	(92)	(86)
Amounts received on the settlement of derivative contracts	34	34
<b>Net cash flow from operating activities</b>	<b>376</b>	<b>118</b>
<b>Cash flow from financing activities</b>		
Fees and interest paid on financing activities	(29)	(35)
Dividends paid	(113)	(106)
Drawdown of revolving credit facility	239	402
Repayment of revolving credit facility	(476)	(379)
<b>Net cash flow from financing activities</b>	<b>(379)</b>	<b>(118)</b>
<b>Change in cash and cash equivalents</b>	<b>(3)</b>	<b>–</b>
Cash and cash equivalents at the beginning of the year	5	5
Effect of exchange rate movement	2	–
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>5</b>

1 Proceeds from partial realisations includes non-income cash of £172 million (2024: £14 million).

2 Investment income includes dividends of £7 million (2024: £9 million) and interest of £23 million (2024: £44 million).

# Reconciliation of net cash flow to movement in net debt

For the year to 31 March

	2025	2024
	£m	£m
Change in cash and cash equivalents	(3)	–
Drawdown of revolving credit facility	(239)	(402)
Repayment of revolving credit facility	476	379
Change in net debt resulting from cash flows	234	(23)
<b>Movement in net debt</b>	<b>234</b>	<b>(23)</b>
Net debt at the beginning of the year	(505)	(496)
Effect of exchange rate movement	15	14
<b>Net debt at the end of the year</b>	<b>(256)</b>	<b>(505)</b>



# Significant accounting policies

## Corporate information

3i Infrastructure plc (the 'Company') is a company incorporated in Jersey, Channel Islands. The Financial statements for the year to 31 March 2025 comprise the Financial statements of the Company only as explained in the Basis of preparation.

These Financial statements were authorised for issue by the Board of Directors on 7 May 2025.

## Statement of compliance

These Financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

These Financial statements have also been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991.

## Basis of preparation

In accordance with IFRS 10 Consolidated Financial Statements (as amended), entities that meet the definition of an investment entity are required to measure certain investments in subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments, rather than consolidate their results. The Company does not have any consolidated subsidiaries, which would include subsidiaries that are not themselves investment entities and whose main purpose and activities are to provide investment-related services to the Company.

The Financial statements of the Company are presented in sterling, the functional currency of the Company, rounded to the nearest million except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## Going concern

The Financial statements are prepared on a going concern basis as disclosed in the Risk report, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. The Directors have made an assessment of going concern, taking into account a wide range of information relating to present and future conditions, including the Company's cash and liquidity position, current performance and outlook, which considered the impact of the higher inflationary and interest rate environment, ongoing geopolitical uncertainties and current and expected financial commitments, using the information available up to the date of issue of these Financial statements. As part of this assessment the Directors considered:

- the analysis of the adequacy of the Company's liquidity, solvency and capital position. The Company manages and monitors liquidity regularly, ensuring it is adequate and sufficient. At 31 March 2025, liquidity remained strong at £644 million (2024: £395 million). Liquidity comprised cash and deposits of £4 million (2024: £5 million) and undrawn RCF of £640 million (2024: £390 million) with a maturity date of November 2026. The RCF was refinanced on 30 April 2025 with a maturity date in June 2028. Income and non-income cash is expected to be received from the portfolio investments during the coming year, a portion of which will be required to support the payment of the dividend target and the Company's other financial commitments;
- uncertainty around the valuation of the Company's assets as set out in the Key sources of estimation uncertainties section. The valuation policy and process was consistent with prior years. This year a key focus of the portfolio valuations at 31 March 2025 was an assessment of the impact of the macroeconomic environment on the operational and financial performance of each portfolio company. In particular, this focused on inflation, interest rates and the impact on the cost of debt, power prices and ongoing geopolitical uncertainties. We have incorporated into our cash flow forecasts a balanced view of future income receipts and expenses; and
- the Company's financial commitments. The Company had no investment commitments at 31 March 2025 (2024: none). The Company had ongoing charges of £53 million in the year to 31 March 2025, detailed in Table 17 in the Financial review, which are indicative of the ongoing run rate in the short term. The Company has a FY25 performance fee accrual of £18 million, a third of which is payable within the next 12 months. The Company has a FY24 performance fee accrual of £17 million relating to the second and third instalments of the FY24 fee, the second instalment being due within the next 12 months, an accrual of £15 million relating to the third instalment of the FY23 fee due within the next 12 months, and a proposed final dividend for FY25 of £58 million. In addition, while not a commitment at 31 March 2025, the Company has a dividend target for FY26 of 13.45 pence per share.

In addition to the considerations listed above, there are a number of actions within management control to enhance available liquidity. These include the timing of certain income receipts from the portfolio, and the level and timing of new investments or realisations.

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the Financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of approval of these Financial statements.

## Key judgements

The preparation of financial statements in accordance with IFRS requires the Directors to exercise judgement in the process of applying the accounting policies defined below. The following policies are areas where a higher degree of judgement has been applied in the preparation of the Financial statements.

- (i) **Assessment as investment entity** – Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment-related services to the Company. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:
- (a) the Company obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) the Company commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of income yield and capital appreciation;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure-related investment opportunities that they might not have had access to individually; and
- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

- (ii) **Assessment of investments as structured entities** – A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Additional disclosures are required by IFRS 12 for interests in structured entities, whether they are consolidated or not. The Directors have assessed whether the entities in which the Company invests should be classified as structured entities and have concluded that none of the entities should be classified as structured entities as voting rights are the dominant factor in deciding who controls these entities.
- (iii) **Assessment of consolidation requirements** – The Company holds significant stakes in the majority of its investee companies and must exercise judgement in the level of control of the underlying investee company that is obtained in order to assess whether the Company should be classified as a subsidiary.

The Company must also exercise judgement in whether a subsidiary provides investment-related services or activities and therefore should be consolidated or held at fair value through profit or loss. Further details are shown in significant accounting policy 'A Classification' below.

The adoption of certain accounting policies by the Company also requires the use of certain critical accounting estimates in determining the information to be disclosed in the Financial statements.

## Key sources of estimation uncertainties

### Valuation of the investment portfolio

The key area where estimates are significant to the Financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in the valuation of the investment portfolio. The portfolio is well-diversified by sector, geography and underlying risk exposures. The key risks to the portfolio are discussed in further detail in the Risk report.

The majority of assets in the investment portfolio are valued on a discounted cash flow basis, which requires assumptions to be made regarding future cash flows, terminal value and the discount rate to be applied to these cash flows. The methodology for deriving the fair value of the investment portfolio, including the key estimates, is set out in the Summary of portfolio valuation methodology section. Refer to Note 7 for further details of the valuation techniques, significant inputs to those techniques and sensitivity of the fair value of these investments to the assumptions that have been made.

The discount rate applied to the cash flows in each investment portfolio company is considered one of the most significant unobservable inputs and, in addition to inflation and interest rates, represents the key sources of estimation uncertainty that have a significant risk of causing a material impact on the 'Investments at fair value through profit or loss' within the next financial year, which is further discussed in Note 7.

The acquisition discount rate is adjusted to reflect changes in company-specific risks to the deliverability of future cash flows and is calibrated against secondary market information and other available data points, including comparable transactions. The discount rates applied to the investment portfolio at 31 March 2025 range from 10.3% to 14.0% (2024: 10.0% to 14.0%) and the weighted average discount rate applied to the investment portfolio is 11.3% (2024:11.3%). There is no change to the weighted average discount rate in the year despite the evolution of the portfolio mix following the realisation of Valorem, the follow-on investments in DNS:NET and Future Biogas and syndication of Future Biogas.

The cash flows on which the discounted cash flow valuation is based are derived from detailed financial models. These incorporate a number of other assumptions with respect to individual portfolio companies, and are not expected to cause a material adjustment within the next financial year, but include: forecast new business wins or new orders; cost-cutting initiatives; liquidity and timing of debtor payments; timing of non-committed capital expenditure and construction activity; the terms of future debt refinancing; and macroeconomic assumptions such as inflation and energy prices. Future power price projections are taken from independent forecasters, and changes in these assumptions will affect the future value of our energy generating portfolio companies. The terminal value attributes a residual value to the portfolio company at the end of the projected discrete cash flow period based on market comparables. The terminal value assumptions consider climate change risk, stranded asset risk and the impact of wider megatrends such as the transition to a lower-carbon economy and climate change. The effects of climate change, including extreme weather patterns or rising sea levels in the longer term, could impact the valuation of the assets in the portfolio in different ways.

The Summary of portfolio valuation methodology section provides further details on some of the assumptions that have been made in deriving a balanced base case of cash flows including deriving terminal values and some of the risk factors considered in the cash flow forecasts.

### New and amended standards adopted for the current year

There were no standards and amendments to standards applicable to the Company that became effective during the year that were adopted by the Company.

### Standards and amendments issued but not yet effective

As at 31 March 2025, the following new or amended standards, applicable to the Company, which have not been applied in these Financial statements, had been issued by the International Accounting Standards Board ('IASB') but are yet to become effective:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (1 January 2024)

IFRS S2 Climate-related Disclosures (1 January 2024)

Amendments to the Sustainability Accounting Standard Board ('SASB') standards to enhance their international applicability (1 January 2025)

Amendments to IAS 21 regarding the Lack of Exchangeability (1 January 2025)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments (1 January 2026)

Annual Improvements to IFRS Accounting Standards — Volume 11 (1 January 2026)

IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027)

The Company intends to adopt these standards when they become effective, but does not currently anticipate that these standards will have a significant impact on the Company's Financial statements. Current assumptions regarding the impact of future standards will remain under consideration in light of interpretation notes as and when they are issued.

## A Classification

- (i) **Subsidiaries** – Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Company only consolidates subsidiaries in the Financial statements if they are deemed to perform investment-related services and do not meet the definition of an investment entity. Investments in subsidiaries that do not meet this definition are accounted for as Investments at fair value through profit or loss, with changes in fair value recognised in the Statement of comprehensive income in the year. The Directors have assessed all entities within the structure and concluded that there are no subsidiaries of the Company that provide investment-related services or activities.
- (ii) **Associates** – Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Company's investment portfolio are carried in the Balance sheet at fair value, even though the Company may have significant influence over those entities.
- (iii) **Joint ventures** – Interests in joint ventures that are held as part of the Company's investment portfolio are carried in the Balance sheet at fair value. This treatment is permitted by IFRS 11 and IAS 28, which allows interests held by venture capital organisations where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the Statement of comprehensive income in the year.

## B Exchange differences

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated to the functional currency at the exchange rate ruling at the Balance sheet date.

Foreign exchange differences arising on translation to the functional currency are recognised in the Statement of comprehensive income. Foreign exchange differences relating to investments held at fair value through profit or loss are shown within the line Net gains on investments. Foreign exchange differences relating to other assets and liabilities are shown within the line Exchange movements.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency using exchange rates ruling at the date the fair value was determined, with the associated foreign exchange difference being recognised within the unrealised gain or loss on revaluation of the asset or liability.

## C Investment portfolio

Recognition and measurement – Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment.

The Company manages its investments with a view to profiting from the receipt of investment income and obtaining capital appreciation from changes in the fair value of investments. Therefore, all unquoted investments are measured at fair value through profit or loss upon initial recognition and subsequently carried in the Balance sheet at fair value, applying the Company's valuation policy. Acquisition-related costs are accounted for as expenses when incurred.

Net gains or losses on investments are the movement in the fair value of investments between the start and end of the accounting period, or investment disposal date, or the investment acquisition date and the end of the accounting period, including divestment-related costs where applicable, converted into sterling using the exchange rates in force at the end of the period; and are recognised in the Statement of comprehensive income.

### Income

Investment income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be an economic benefit and the income can be reliably measured.

The following specific recognition criteria must be met before the income is recognised:

- dividends from equity investments are recognised in the Statement of comprehensive income when the Company's rights to receive payment have been established. Special dividends are credited to capital or revenue according to their circumstances;
- interest income from loans that are measured at fair value through profit or loss is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value or principal amount. The remaining changes in the fair value movement of the loans are recognised separately in the line Net gains on investments in the Statement of comprehensive income;
- distributions from investments in Limited Partnerships are recognised in the Statement of comprehensive income when the Company's rights as a Limited Partner to receive payment have been established; and
- fees receivable represent amounts earned from investee companies on completion of underlying investment transactions and are recognised on an accruals basis once entitlement to the revenue has been established.

## D Fees

- (i) **Fees** – Fees payable represent fees incurred in the process of acquiring an investment and are measured on the accruals basis.
- (ii) **Management fees** – A management fee is payable to 3i plc, calculated as a tiered fee based on the gross investment value of the Company, and is accrued in the period it is incurred. Further details on how this fee is calculated are provided in Note 18.
- (iii) **Performance fee** – The Investment Manager is entitled to a performance fee based on the total return generated in the period in excess of a performance hurdle of 8%. The fee is payable in three equal annual instalments and is accrued in full in the period it is incurred. Further details are provided in Note 18.
- (iv) **Finance costs** – Finance costs associated with loans and borrowings are recognised on an accruals basis using the effective interest method.

## E Treasury assets and liabilities

Short and long-term treasury assets and short and long-term treasury liabilities are used to manage cash flows and the overall costs of borrowing. Financial assets and liabilities are recognised in the Balance sheet when the relevant company entity becomes a party to the contractual provisions of the instrument.

- (i) **Cash and cash equivalents** – Cash and cash equivalents in the Balance sheet and Cash flow statement comprise cash at bank, short-term deposits with an original maturity of three months or less and amounts held in AAA-rated money market funds which are readily convertible into cash and there is an insignificant risk of changes in value. Money market funds are accounted for at amortised cost under IFRS 9. However, due to their short-term and liquid nature, this is the same as fair value. Interest receivable or payable on cash and cash equivalents is recognised on an accruals basis.
- (ii) **Bank loans, loan notes and borrowings** – Loans and borrowings are initially recognised at the fair value of the consideration received, net of issue costs associated with the borrowings. Where issue costs are incurred in relation to arranging debt finance facilities, these are capitalised and disclosed within Trade and other receivables and amortised over the life of the loan.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

- (iii) **Derivative financial instruments** – Derivative financial instruments are used to manage the risk associated with foreign currency fluctuations in the valuation of the investment portfolio. This is achieved by the use of forward foreign currency contracts. Such instruments are used for the sole purpose of efficient portfolio management. All derivative financial instruments are held at fair value through profit or loss.

Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to the fair value at each reporting date. All changes in the fair value of derivative financial instruments are taken to the Statement of comprehensive income.

The maturity profile of derivative contracts is measured relative to the financial contract settlement date of each contract, and the derivative contracts are disclosed in the Financial statements as either current or non-current accordingly.

## F Other assets

Assets, other than those specifically accounted for under a separate policy, are stated at their consideration receivable less impairment losses. Such assets are short-term in nature and the carrying value of these assets is considered to be approximate to their fair value. Assets are reviewed for recoverability and impairment using the expected credit loss model simplified approach. The Company will recognise the asset's lifetime expected credit losses at each reporting period where applicable in the Statement of comprehensive income. An impairment loss is reversed at subsequent financial reporting dates to the extent that the asset's carrying amount does not exceed its carrying value, had no impairment been recognised.

Assets with maturities less than 12 months are included in current assets and assets with maturities greater than 12 months after the Balance sheet date are classified as non-current assets.

## G Other liabilities

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the financial reporting date. Such liabilities are short-term in nature and the carrying value of these liabilities is considered to be approximate to their fair value.



## H Equity and reserves

- (i) **Share capital** – Share capital issued by the Company is recognised at the fair value of proceeds received and is credited to the Stated capital account. Direct issue costs net of tax are deducted from the fair value of the proceeds received.
- (ii) **Equity and reserves** – The Stated capital account of the Company represents the cumulative proceeds recognised from share issues or new equity issued on the conversion of warrants made by the Company net of issue costs and reduced by any amount that has been transferred to Retained reserves, in accordance with Jersey Company Law, in previous years.

Share capital is treated as an equity instrument, on the basis that no contractual obligation exists for the Company to deliver cash or other financial assets to the holder of the instrument.

On 15 October 2018, the Company became UK tax domiciled and, with effect from that date, was granted UK-approved investment trust status. Financial statements prepared under IFRS are not strictly required to apply the provisions of the Statements of Recommended Practice issued by the UK Association of Investment Companies for the financial statements of Investment Trust Companies (the 'AIC SORP'). However, where relevant and appropriate, the Directors have looked to follow the recommendations of the AIC SORP. From this date, the retained profits of the Company have been applied to two new reserves, being the Capital reserve and the Revenue reserve. These are in addition to the existing Retained reserves which incorporate the cumulative retained profits of the Company (after the payment of dividends) plus any amounts that have been transferred from the Stated capital account of the Company to 15 October 2018. The Directors do not believe a separate presentation of revenue and capital in the Statement of comprehensive income would materially change a user's understanding of the financial statements.

The Directors have exercised their judgement in applying the AIC SORP and a summary of these judgements is as follows:

- Net gains on investments are applied wholly to the Capital reserve as they relate to the revaluation or disposal of investments;
  - Dividends are applied to the Revenue reserve, except under specific circumstances where a dividend arises from a return of capital or proceeds from a refinancing, when they are applied to the Capital reserve
  - Fees payable are applied to the Capital reserve where the service provided is, in substance, an intrinsic part of an intention to acquire or dispose of an investment;
  - Movement in the fair value of derivative financial instruments is applied to the Capital reserve as the derivative hedging programme is specifically designed to reduce the volatility of sterling valuations of the non-sterling denominated investments;
  - Management fees are applied to the Revenue reserve as they reflect ongoing asset management. Where a transaction fee element is due on the acquisition of an investment, it is applied to the Capital reserve;
  - Performance fees are applied wholly to the Capital reserve as they arise mainly from capital returns on the investment portfolio;
  - Operating costs are applied wholly to the Revenue reserve as there is no clear connection between the operating expenses of the Company and the purchase and sale of an investment;
  - Finance costs are applied wholly to the Revenue reserve as the existing borrowing is not directly linked to an investment; and
  - Exchange movements are applied to the Revenue reserve where they relate to exchange on non-portfolio assets.
- (iii) **Dividends payable** – Dividends on ordinary shares are recognised in the period in which the Company's obligation to make the dividend payment arises. For the period to 15 October 2018, dividends were deducted from Retained reserves. For subsequent periods, dividends are deducted first from the Revenue reserve, then from the Capital reserve, and finally from the Retained reserves if required.

## I Income taxes

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the Statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

To enable the tax charge to be based on the profit for the year, deferred tax is provided in full on temporary timing differences, at the rates of tax expected to apply when these differences crystallise. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which temporary differences can be set off. In practice, some assets that are likely to give rise to timing differences will be treated as capital for tax purposes.

Given that capital items are exempt from tax under the Investment Trust Company rules, deferred tax is not expected to be recognised on these balances. All deferred tax liabilities are offset against deferred tax assets, where appropriate, in accordance with the provisions of IAS 12.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

# Notes to the accounts

## 1 Operating segments

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment in core-plus infrastructure. The internal information shared with the Directors on a monthly basis to allocate resources, assess performance and manage the Company, presents the business as a single segment comprising the total portfolio of investments.

The Company is an investment holding company and does not consider itself to have any customers. Given the nature of the Company's operations, the Company is not considered to be exposed to any operational seasonality or cyclicity that would impact the financial results of the Company during the year or the financial position of the Company at 31 March 2025.

## 2 Management and performance fees payable

	2025	2024
Year to 31 March	£m	£m
Management fee	49	49
Performance fee	18	26
	<b>67</b>	<b>75</b>

Total management and performance fees payable by the Company for the year to 31 March 2025 were £67 million (2024: £75 million). Note 18 provides further details on the calculation of the management fee and performance fee.

## 3 Operating expenses

Operating expenses include the following amounts:

	2025	2024
Year to 31 March	£m	£m
Audit fees	0.8	0.8
Directors' fees and expenses	0.6	0.6

In addition to the fees described above, audit fees of £0.1 million (2024: £0.1 million) are payable by unconsolidated subsidiary entities for the year to 31 March 2025 to the Company's auditor.

### Services provided by the Company's auditor

During the year, the Company obtained the following services from the Company's auditor, Deloitte LLP.

	2025	2024
Audit services	£m	£m
Statutory audit <sup>1</sup> Company	0.6	0.6
UK and Jersey unconsolidated subsidiaries <sup>2</sup>	0.1	0.1

1 Amounts exclude VAT.

2 These amounts are payable from unconsolidated subsidiary entities and do not form part of operating expenses but are included in the Net gains on investments.

### Non-audit services

Deloitte LLP and its associates rendered non-audit services to the Company, totalling £109,454 for the year to 31 March 2025 (2024: £103,902). These services included agreed-upon procedures related to management and performance fees £9,340 (2024: £8,981), sustainability KPIs for the RCF reporting £32,076 (2024: £29,500) and a review of the interim financial statements £68,038 (2024: £65,421). In line with the Company's policy, Deloitte LLP provided non-audit services to certain unconsolidated investee companies. The fees for these services are typically borne by the respective investee companies or unconsolidated subsidiaries and are therefore not included in the Company's expenses. Details on how such non-audit services are monitored and approved can be found in the Governance section.



## 4 Finance costs

	2025	2024
Year to 31 March	£m	£m
Finance costs associated with the debt facilities	30	32
Professional fees payable associated with the arrangement of debt financing	1	3
	<b>31</b>	<b>35</b>

The finance costs associated with the debt facilities have decreased for the year to 31 March 2025 as a result of lower average drawings and decreased EURIBOR rates. The average monthly drawn position during the year was £558 million (2024: £586 million) and the average monthly total available facilities was £342 million (2024: £314 million).

## 5 Movement in the fair value of derivative financial instruments

	2025	2024
Year to 31 March	£m	£m
Movement in the fair value of foreign exchange forward contracts	34	73

The movement in the fair value of derivative financial instruments is included within Profit before tax but not included within Investment return.

## 6 Income taxes

	2025	2024
Year to 31 March	£m	£m
<b>Current taxes</b>		
Current year	–	–
<b>Total income tax charge in the Statement of comprehensive income</b>	<b>–</b>	<b>–</b>

### Reconciliation of income taxes in the Statement of comprehensive income

The tax charge for the year is different from the standard rate of corporation tax in the UK, currently 25% (2024: 25%), and the differences are explained below:

	2025	2024
Year to 31 March	£m	£m
Profit before tax	333	347
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	83	87
Effects of:		
Non-taxable capital profits due to UK-approved investment trust company status	(54)	(63)
Non-taxable dividend income	(2)	(2)
Dividends designated as interest distributions	(27)	(21)
Utilisation of previously unrecognised tax losses	–	(1)
<b>Total income tax charge in the Statement of comprehensive income</b>	<b>–</b>	<b>–</b>

The Company's affairs are directed so as to allow it to meet the requisite conditions to continue to operate as an approved investment trust company for UK tax purposes. The approved investment trust status allows certain capital profits of the Company to be exempt from tax in the UK and also permits the Company to designate the dividends it pays, wholly or partly, as interest distributions. These features enable approved investment trust companies to ensure that their investors do not ultimately suffer double taxation of their investment returns, ie once at the level of the investment fund vehicle and then again in the hands of the investors.

As at 31 March 2025, the Company had unused tax losses of £10 million (2024: £12 million) available for offset against future profits and these losses may be carried forward indefinitely. In view of the restrictions on utilising brought forward losses introduced from 1 April 2017, combined with the uncertainty as to whether the Company will generate sufficient taxable profits, not covered by its Investment Trust exemption, in the foreseeable future, no deferred tax asset has been recognised in respect of these losses. Where relevant, deferred tax assets and liabilities are calculated using the corporation tax rate in the UK of 25% (2024: 25%).

## 7 Investment at fair value through profit or loss and financial instruments

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	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted and in active markets)	Quoted equity investments
Level 2	Inputs other than quoted prices included in Level 1 that are observable in the market either directly (ie as prices) or indirectly (ie derived from prices)	Derivative financial instruments held at fair value
Level 3	Inputs that are not based on observable market data	Unquoted investments and unlisted funds

For assets and liabilities that are recognised in the Financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) for each reporting period.

The table below shows the classification of financial instruments held at fair value into the fair value hierarchy at 31 March 2025. For all other assets and liabilities, their carrying value approximates to fair value. During the year ended 31 March 2025, there were no transfers of financial instruments between levels of the fair value hierarchy (2024: none).

Trade and other receivables in the Balance sheet includes £1 million of deferred finance costs relating to the arrangement fee for the RCF (2024: £2 million). This has been excluded from the table below as it is not categorised as a financial instrument.

### Financial instruments classification

	As at 31 March 2025			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial assets</b>				
Investments at fair value through profit or loss	–	–	3,790	3,790
Trade and other receivables	–	1	–	1
Derivative financial instruments	–	82	–	82
	–	83	3,790	3,873
<b>Financial liabilities</b>				
Derivative financial instruments	–	(5)	–	(5)
	–	(5)	–	(5)

	As at 31 March 2024			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial assets</b>				
Investments at fair value through profit or loss	–	–	3,842	3,842
Trade and other receivables	–	1	–	1
Derivative financial instruments	–	82	–	82
	–	83	3,842	3,925
<b>Financial liabilities</b>				
Derivative financial instruments	–	(5)	–	(5)
	–	(5)	–	(5)

## Reconciliation of financial instruments categorised within Level 3 of fair value hierarchy

	As at 31 March	
	2025	2024
	£m	£m
Level 3 fair value reconciliation		
<b>Opening fair value</b>	<b>3,842</b>	3,641
Additions	213	256
Disposal proceeds and repayment	(459)	(224)
Movement in accrued income	12	(11)
Fair value movement (including exchange movements)	182	180
<b>Closing fair value</b>	<b>3,790</b>	3,842

The fair value movement (including exchange movements) is equal to the Net gains on investments shown in the Statement of comprehensive income. This includes an amount of £28 million relating to Valorem which was sold during the year. The remaining amount of £154 million is unrealised movements on investments and foreign exchange movements and is attributable to investments held at the end of the year.

The holding period of the investments in the portfolio is expected to be greater than one year. Therefore, investments are classified as non-current unless there is an agreement to dispose of the investment within one year and all relevant regulatory or other third-party approvals have been received. It is not possible to identify with certainty whether any investments may be sold within one year.

Investment income of £203 million (2024: £193 million) comprises dividend income of £7 million (2024: £9 million) and interest of £196 million (2024: £184 million).

### Unquoted investments

The Company invests in private companies which are not quoted on an active market. These are measured in accordance with the IPEV guidelines with reference to the most appropriate information available at the time of measurement. Further information regarding the valuation of unquoted investments can be found in the Summary of portfolio valuation methodology section.

The Company's policy is to fair value both the equity and shareholder debt investments in infrastructure assets together where they will be managed and valued as a single investment, were invested at the same time and cannot be realised separately. The Directors consider that equity and debt share the same characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes. As at 31 March 2025, the fair value of unquoted investments was £3,790 million (2024: £3,842 million). Individual portfolio asset valuations are shown in the Portfolio summary.

The fair value of the investments is sensitive to changes in the macroeconomic assumptions used as part of the portfolio valuation process. As part of its analysis, the Board has considered the potential impact of a change in a number of the macroeconomic assumptions used in the valuation process. By considering these potential scenarios, the Board is well-positioned to assess how the Company is likely to perform if affected by variables and events that are inherently outside of the control of the Board and the Investment Manager.

The majority of the assets held within Level 3 are valued on a discounted cash flow basis, hence the valuations are sensitive to the discount rate assumed in the valuation of each asset. Other significant unobservable inputs include the inflation rate assumptions, the interest rate assumptions used to project the future cash flows, and the forecast cash flows themselves. The sensitivity to the inflation rate and interest rates is described below, and the sensitivity to the forecast cash flows is captured in the Market risk section in Note 9.

A discussion of discount rates applied can be found in the Summary of portfolio valuation methodology section. Increasing the discount rate used in the valuation of each asset by 1% would reduce the value of the portfolio by £343 million (2024: £352 million). Decreasing the discount rate used in the valuation of each asset by 1% would increase the value of the portfolio by £391 million (2024: £404 million).

The majority of assets held within Level 3 have revenues that are linked, partially linked or in some way correlated to inflation. The long-term CPI inflation rate assumption across all jurisdictions is 2.0% (2024: 2.0%). The long-term RPI assumption for the UK is 2.5% (2024: 2.5%). The impact of increasing the short-term inflation rate assumption by 1% for the next two years would increase the value of the portfolio by £47 million (2024: £54 million). Decreasing the inflation rate assumption used in the valuation of each asset by 1% for the next two years would decrease the value of the portfolio by £48 million (2024: £56 million). The timing and quantum of price increases will vary across the portfolio and the sensitivity may differ from that modelled. Changing the inflation rate assumption may result in consequential changes to other assumptions used in the valuation of each asset.

The valuations are sensitive to changes in interest rates, which may result from: (i) unhedged existing borrowings within portfolio companies; (ii) interest rates on uncommitted future borrowings assumed within the asset valuations; and (iii) cash deposits held by portfolio companies. These comprise a wide range of interest rates from short-term deposit rates to longer-term borrowing rates across a broad range of debt products. Increasing the cost of borrowing assumption for unhedged borrowings and any future uncommitted borrowing and the cash deposit rates used in the valuation of each asset by 1% would reduce the value of the portfolio by £192 million (2024: £220 million). Decreasing the interest rate assumption for unhedged borrowings used in the valuation of each asset by 1% would increase the value of the portfolio by £190 million (2024: £214 million). This calculation does not take account of any offsetting variances which may be expected to prevail if interest rates changed, including the impact of inflation discussed above.

### Over-the-counter derivatives

The Company uses over-the-counter foreign currency derivatives to hedge foreign currency movements. The derivatives are held at fair value which represents the price that would be received to sell or transfer the instruments at the balance sheet date. The valuation technique incorporates various inputs, including foreign exchange spot and forward rates, and uses present value calculations. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

### Valuation process for Level 3 valuations

The valuations on the Balance sheet are the responsibility of the Board of Directors of the Company. The Investment Manager provides a valuation of unquoted investments, debt and unlisted funds held by the Company on a half-yearly basis. This is performed by the valuation team of the Investment Manager and reviewed by the valuation committee of the Investment Manager. The valuations are also subject to quality assurance procedures performed within the valuation team. The valuation team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. On a half-yearly basis, the Investment Manager presents the valuations to the Board. This includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments and investments with significant fair value changes. Any changes in valuation methods are discussed and agreed with the Audit and Risk Committee before the valuations on the Balance sheet are approved by the Board.

## 8 Trade and other receivables

	As at 31 March	
	2025	2024
	£m	£m
<b>Current assets</b>		
Other receivables	1	1
Capitalised finance costs	1	2
	<b>2</b>	<b>3</b>

## 9 Financial risk management

A full review of the Company's objectives, policies and processes for managing and monitoring risk is set out in the Risk report. This Note provides further detail on financial risk management, cross-referring to the Risk report where applicable and providing further quantitative data on specific financial risks.

Each investment made by the Company is subject to a full risk assessment through a consistent investment approval process. The Board's Management Engagement Committee, Audit and Risk Committee and the Investment Manager's investment process are part of the overall risk management framework of the Company.

The funding objective of the Company is that each category of investment ought to be broadly matched with liabilities and shareholders' funds according to the risk and maturity characteristics of the assets, and that funding needs are to be met ahead of planned investment.

### Capital structure

The Company has a continuing commitment to capital efficiency. The capital structure of the Company consists of cash held on deposit and in AAA-rated money market funds, borrowing facilities and shareholders' equity. The Company's Articles require its outstanding borrowings, including any financial guarantees to support subsequent obligations, to be limited to 50% of the gross assets of the Company. The type and maturity of the Company's borrowings are analysed in Note 11 and the Company's equity is analysed into its various components in the Statement of changes in equity. Capital is managed so as to maximise the return to shareholders, while maintaining a strong capital base that ensures that the Company can operate effectively in the marketplace and sustain future development of the business. The Board is responsible for regularly monitoring capital requirements to ensure that the Company is maintaining sufficient capital to meet its future investment needs.

The Company is regulated by the Jersey Financial Services Commission under the provisions of the Collective Investment Funds (Jersey) Law 1988 as a listed closed-ended collective investment fund and is not required as a result of such regulation to maintain a minimum level of capital.

Capital is allocated for investment in infrastructure across the UK and continental Europe. As set out in the Company's Investment policy, the maximum exposure to any one investment is 25% of gross assets (including cash holdings) at the time of investment.

### Credit risk

The Company is subject to credit risk on the debt component of its unquoted investments, cash, deposits, derivative contracts and receivables. The maximum exposure to credit risk as a result of counterparty default equates to the current carrying value of these financial assets. Throughout the year and the prior year, the Company's cash and deposits were held in AAA-rated money market funds. The counterparties selected for the derivative financial instruments were all banks with a minimum of a BBB+ credit rating with at least one major rating agency.

The credit quality of unquoted investments, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual portfolio companies. The credit risk relating to these assets is based on their enterprise value and is reflected through fair value movements. This incorporates the impact from macroeconomic factors such as inflation, interest rate rises and energy prices. The performance of underlying investments is monitored by the Board to assess future recoverability.

For those assets and income entitlements that are not past due, it is believed that the risk of default is small and capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the investment. If the portfolio company has failed and there is no expectation to recover any residual value from the investment, the Company's policy is to record an impairment for the full amount of the loan. When the net present value of the future cash flows predicted to arise from the asset, discounted using the effective interest rate method, implies non-recovery of all or part of the Company's investment, a fair value movement is recorded equal to the valuation shortfall.

As at 31 March 2025, the Company had no loans or receivables or debt investments considered past due (2024: nil).

The Company actively manages counterparty risk. Counterparty limits are set and closely monitored by the Board and a regular review of counterparties is undertaken by the Investment Manager and reported to the Board. As at 31 March 2025, the Company did not consider itself to have a significant exposure to any one counterparty and held deposits and derivative contracts with a number of different counterparties to reduce counterparty risk (2024: same).

Due to the size and nature of the investment portfolio, there is the potential for concentration risk. This risk is managed by diversifying the portfolio by sector and geography.

### Liquidity risk

Further information on how liquidity risk is managed is provided in the Risk report. The table below analyses the maturity of the Company's contractual liabilities.

	As at 31 March 2025				Total £m
	Payable on demand £m	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	
<b>Liabilities</b>					
Loans and borrowings <sup>1</sup>	–	(13)	(268)	–	(281)
Trade and other payables	(1)	(30)	(14)	(6)	(51)
Derivative contracts	–	(2)	(1)	(2)	(5)
<b>Total undiscounted financial liabilities</b>	<b>(1)</b>	<b>(45)</b>	<b>(283)</b>	<b>(8)</b>	<b>(337)</b>

<sup>1</sup> Loans and borrowings include undrawn commitment fees and interest payable on the RCF referred to in Note 11. The maturity date of the RCF for the purposes of this disclosure is 3 November 2026, which was the position at the balance sheet date. The RCF was refinanced on 30 April 2025 with a maturity date in June 2028.

	As at 31 March 2024				Total £m
	Payable on demand £m	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	
<b>Liabilities</b>					
Loans and borrowings <sup>1</sup>	–	(29)	(29)	(528)	(586)
Trade and other payables	(1)	(42)	(23)	(9)	(75)
Derivative contracts	–	–	–	(5)	(5)
<b>Total undiscounted financial liabilities</b>	<b>(1)</b>	<b>(71)</b>	<b>(52)</b>	<b>(542)</b>	<b>(666)</b>

<sup>1</sup> Loans and borrowings include undrawn commitment fees and interest payable on the RCF referred to in Note 11.

The derivative contracts liability shown is the net cash flow expected to be paid on settlement. In order to manage the contractual liquidity risk, the Company has free cash and debt facilities in place.

### Market risk

The valuation of the Company's investment portfolio is largely dependent on the underlying trading performance of the companies within the portfolio, but the valuation of the portfolio and the carrying value of other items in the Financial statements can also be affected by interest rate, currency and market price fluctuations. The Company's sensitivities to these fluctuations are set out below.

### (i) Interest rate risk

Further information on how interest rate risk is managed is provided in the Risk report.

An increase of 100 basis points in interest rates over 12 months (2024: 100 basis points) would lead to an approximate decrease in net assets and net profit of the Company of £3 million (2024: £5 million). This exposure relates principally to changes in interest payable on the drawn RCF balance at the year end. The daily average cash balance of the Company, which is more representative of the cash balance during the year, was £18 million (2024: £25 million) and the weighted-average interest earned was 3.9% (2024: 4.6%).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance of portfolio companies caused by interest rate fluctuations as disclosed in Note 7. This risk is considered a component of market risk described in section (iii). The Company does not hold any fixed rate debt investments or borrowings and is therefore not exposed to fair value interest rate risk.

### (ii) Currency risk

Further information on how currency risk is managed is provided in the Risk report. The currency denominations of the Company's net assets are shown in the table below. The sensitivity analysis demonstrates the exposure of the Company's net assets to movements in foreign currency exchange rates. The hedging strategy is discussed in the Financial review.

	As at 31 March 2025						Total £m
	GBP <sup>1</sup>	EUR	NOK	DKK	USD	SGD <sup>2</sup>	
	£m	£m	£m	£m	£m	£m	
<b>Net assets</b>	<b>747</b>	<b>1,247</b>	<b>397</b>	<b>584</b>	<b>404</b>	<b>183</b>	<b>3,562</b>
<b>Sensitivity analysis</b>							
Assuming a 10% appreciation in sterling against the euro, Norwegian krona, Danish krona, US dollar and Singapore dollar exchange rates:							
Impact of exchange movements on net profit and net assets	<b>178</b>	<b>(114)</b>	<b>(36)</b>	<b>(53)</b>	<b>(36)</b>	<b>(17)</b>	<b>(78)</b>

1 Sterling impact relates to the impact of fair value movement in derivatives held by the Company to hedge foreign currency fluctuations in the valuation of the investment portfolio. The notional amount of the derivatives is disclosed in Note 10.

2 Following a restructure of Oystercatcher, the currency denomination of the holding company for the investment in Advorio Singapore Limited changed from EUR to SGD during the year.

	As at 31 March 2024						Total £m
	GBP <sup>1</sup>	EUR	NOK	DKK	USD		
	£m	£m	£m	£m	£m	£m	
<b>Net assets</b>	<b>693</b>	<b>1,408</b>	<b>346</b>	<b>539</b>	<b>356</b>	<b>3,342</b>	
<b>Sensitivity analysis</b>							
Assuming a 10% appreciation in sterling against the euro, Norwegian krona, Danish krona and US dollar exchange rates:							
Impact of exchange movements on net profit and net assets	<b>104</b>	<b>(128)</b>	<b>(31)</b>	<b>(49)</b>	<b>(32)</b>	<b>(136)</b>	

1 Sterling impact relates to the impact of fair value movement in derivatives held by the Company to hedge foreign currency fluctuations in the valuation of the investment portfolio. The notional amount of the derivatives is disclosed in Note 10.

The impact of an equivalent depreciation in sterling against the EUR, NOK, DKK, USD and SGD exchange rates has the inverse impact on net profit and net assets from that shown above. The risk exposure at the year end is considered to be representative of this year as a whole.

### (iii) Market risk

Further information about the management of external market risk and its impact on price or valuation, which arises principally from unquoted investments, is provided in the Risk report. A 10% increase in the fair value of those investments would have the following direct impact on net profit and net assets. The impact of a change in all cash flows has an equivalent impact on the fair value, as set out below.

	2025	2024
<b>Year to 31 March</b>	<b>£m</b>	<b>£m</b>
Increase in net profit and net assets	<b>379</b>	<b>384</b>

The impact of a 10% decrease in the fair value of those investments would have the inverse impact on net profit and net assets from that shown above. The risk exposure at the year end is considered to be representative of this year as a whole.

By the nature of the Company's activities, it has large exposures to individual assets that are susceptible to movements in price. This risk concentration is managed within the Company's investment strategy, as discussed in the Risk report.

#### (iv) Fair values

The fair value of the investment portfolio is described in detail in the Summary of portfolio valuation methodology section and in Note 7. The fair values of the remaining financial assets and liabilities approximate to their carrying values (2024: same).

The sensitivity analysis in respect of the interest rate, currency and market price risks is considered to be representative of the Company's exposure to financial risks throughout the period to which they relate (2024: same).

## 10 Derivative financial instruments

	As at 31 March	
	2025	2024
	£m	£m
<b>Non-current assets</b>		
Foreign exchange forward contracts	33	49
<b>Current assets</b>		
Foreign exchange forward contracts	49	33
<b>Non-current liabilities</b>		
Foreign exchange forward contracts	(3)	–
<b>Current liabilities</b>		
Foreign exchange forward contracts	(2)	(5)

#### Foreign exchange forward contracts

The Company uses foreign exchange forward contracts to minimise the effect of fluctuations in the investment portfolio from movements in exchange rates, and also to fix the value of certain expected future cash flows arising from distributions made by investee companies.

The fair value of these contracts is recorded in the Balance sheet. No contracts are designated as hedging instruments and consequently all changes in fair value are taken through profit or loss.

As at 31 March 2025, the notional amount of the forward foreign exchange contracts held by the Company was £1,956 million (2024: £1,814 million).

## 11 Loans and borrowings

The Company had a £900 million RCF at 31 March 2025. In April 2025, the £900 million RCF was refinanced with improved terms and now matures in June 2028.

The RCF is secured by a floating charge over the bank accounts of the Company. Interest is payable at SONIA or EURIBOR plus a fixed margin on the drawn amount. This fixed margin is subject to a small adjustment annually based upon performance against agreed sustainability metrics. As at 31 March 2025, the Company had £260 million of drawings under the RCF (2024: £510 million). The RCF has one financial covenant: a loan-to-value ratio.

The changes in the Company's liabilities arising from financing activities are shown in the table below.

	As at 31 March	
	2025	2024
	£m	£m
Opening liability	510	501
Additions	239	402
Repayments	(476)	(379)
Exchange movements	(13)	(14)
<b>Closing liability</b>	<b>260</b>	<b>510</b>



## 12 Trade and other payables

	As at 31 March	
	2025	2024
	£m	£m
<b>Non-current liabilities</b>		
Performance fee	20	32
<b>Current liabilities</b>		
Management and performance fees	30	42
Accruals and other creditors	1	1
	<b>51</b>	<b>75</b>

The carrying value of all liabilities is representative of fair value (2024: same).

## 13 Issued capital

	As at 31 March 2025		As at 31 March 2024	
	Number	£m	Number	£m
<b>Authorised, issued and fully paid</b>				
Opening balance	922,350,000	1,598	922,350,000	1,598
<b>Closing balance</b>	<b>922,350,000</b>	<b>1,598</b>	<b>922,350,000</b>	<b>1,598</b>

### Reconciliation to Stated capital account

	As at 31 March 2025		As at 31 March 2024	
		£m		£m
Proceeds from issue of ordinary shares		1,598		1,598
Transfer to retained reserves on 20 December 2007		(693)		(693)
Cost of issue of ordinary shares		(26)		(26)
<b>Stated capital account closing balance</b>		<b>879</b>		<b>879</b>

As at 31 March 2025, the residual value on the Stated capital account was £879 million (2024: £879 million).

## 14 Per share information

The earnings and net asset value per share attributable to the equity holders of the Company are based on the following data:

<b>Year to 31 March</b>	<b>2025</b>	<b>2024</b>
<b>Earnings per share (pence)</b>		
Basic and diluted	36.1	37.6
<b>Earnings (£m)</b>		
Profit after tax for the year	333	347
<b>Number of shares (million)</b>		
Weighted average number of shares in issue	922.4	922.4
Number of shares at the end of the year	922.4	922.4

	As at 31 March	
	2025	2024
<b>Net asset value per share (pence)</b>		
Basic and diluted	386.2	362.3
<b>Net assets (£m)</b>		
Net assets	3,562	3,342

## 15 Dividends

	Year to 31 March 2025		Year to 31 March 2024	
	Pence per share	£m	Pence per share	£m
<b>Declared and paid during the year</b>				
Interim dividend paid on ordinary shares	<b>6.325</b>	<b>58</b>	5.950	55
Prior year final dividend paid on ordinary shares	<b>5.950</b>	<b>55</b>	5.575	51
	<b>12.275</b>	<b>113</b>	11.525	106

The Company proposes paying a final dividend of 6.325 pence per share (2024: 5.95 pence) which will be payable to those shareholders that are on the register on 13 June 2025. On the basis of the shares in issue at year end, this would equate to a total final dividend of £58 million (2024: £55 million).

The final dividend is subject to approval by shareholders at the AGM in July 2025 and has therefore not been accrued in these Financial statements.

## 16 Commitments

As at 31 March 2025, the Company had no commitments (2024: nil).

## 17 Contingent liabilities

As at 31 March 2025, the Company had no contingent liabilities (2024: nil).

## 18 Related parties

### Transactions between 3i Infrastructure and 3i Group

3i Group holds 29.2% (2024: 29.2%) of the ordinary shares of the Company. This classifies 3i Group as a 'substantial shareholder' of the Company as defined by the UK Listing Rules. During the year, 3i Group received dividends of £33 million (2024: £31 million) from the Company.

3i Investments plc, a subsidiary of 3i Group, is the Company's Alternative Investment Fund Manager and provides its services under an Investment Management Agreement ('IMA'). 3i plc, another subsidiary of 3i Group, together with 3i Investments plc, provides support services to the Company (which are ancillary and related to the investment management service), which it is doing pursuant to the terms of the IMA.

Fees under the IMA consist of a tiered management fee and time weighting of the management fee calculation and a one-off transaction fee of 1.2% payable in respect of new investments. The applicable tiered rates are shown in the table below. The management fee is payable quarterly in advance.

Gross investment value	Applicable tier rate
Up to £1.25bn	1.4%
£1.25bn to £2.25bn	1.3%
Above £2.25bn	1.2%

For the year to 31 March 2025, £49 million (2024: £49 million) was payable, including one-off transaction fees payable in respect of new investments, and advance payments of £50 million were made, resulting in an amount due from 3i plc of £1 million (2024: nil). In consideration of the provision of support services under the IMA, the Company pays the Investment Manager an annual fixed fee. The cost for the support services incurred for the year to 31 March 2025 was £1 million (2024: £1 million). There was no outstanding balance payable as at 31 March 2025 (2024: nil).

Under the IMA, a performance fee is payable to the Investment Manager equal to 20% of the Company's total return in excess of 8%, payable in three equal annual instalments. The second and third instalments will only be payable if either (a) the Company's performance in the year in which that instalment is paid also triggers payment of a performance fee in respect of that year, or (b) if the Company's performance over the three years, starting with the year in which the performance fee is earned, exceeds the 8% hurdle on an annual basis. There is no high water mark requirement.

The performance hurdle requirement was exceeded for the year to 31 March 2025 and therefore a performance fee of £18 million was recognised (2024: £26 million). The outstanding balance payable as at 31 March 2025 was £50 million (2024: £74 million), which includes the second and third instalments of the FY24 fee and the third instalment of the FY23 fee.

Year	Performance fee £m	Outstanding balance at 31 March £m	Payable in FY26 £m
FY25	18	18	6
FY24	26	17	9
FY23	45	15	15

Under the IMA, the Investment Manager's appointment may be terminated by either the Company or the Investment Manager giving the other not less than 12 months' notice in writing, or by giving the other six months' notice in writing if the Investment Manager has ceased to be a member of 3i Group, or with immediate effect by either party giving the other written notice in the event of insolvency or material or persistent breach by the other party. The Investment Manager may also terminate the agreement on two months' notice given within six months of a change of control of the Company.

### Regulatory information relating to fees

3i Investments plc acts as the AIFM to the Company. In performing the activities and functions of the AIFM, the AIFM or another 3i company may pay or receive fees, commissions or non-monetary benefits to or from third parties of the following nature:

- payments for third-party services: The Company may retain the services of third-party consultants; typically this is for an independent director or other investment management specialist expertise. The amount paid varies in accordance with the nature of the service and the length of the service period and is usually, but not always, paid or reimbursed by the portfolio companies. The payment may involve a flat fee, retainer or success fee. Such payments, where borne by the Company, are included within Operating expenses. In some circumstances, the AIFM may retain the services of third-party consultants which are paid for by the AIFM and not recharged to the Company; and
- payments for services from 3i companies: Other 3i companies may provide investment advisory and other services to the AIFM or other 3i companies and receive payment for such service.

## 19 Unconsolidated subsidiaries and related undertakings

Name	Place of incorporation and operation	Ownership interest
<b>Investment holding companies:</b>		
3i Tampnet Holdings Limited	UK	100%
3iN Attero Holdco Limited	UK	100%
3i Amalthea Topco Limited	UK	100%
3i Green Gas Limited	Jersey	100%
3i Envol Limited	Jersey	72%
3i Oystercatcher Holdco Limited	UK	100%
Oystercatcher Holdings Limited	UK	100%
Oystercatcher Holdco Limited	UK	100%
Oystercatcher Luxco 1 S.à r.l.	Luxembourg	100%
Oystercatcher Luxco 2 S.à r.l.	Luxembourg	100%
3i India Infrastructure Fund A LP	UK	100%
<b>DNS:NET Group:</b>		
DNS Holdings GmbH	Germany	64%
DNS Bidco GmbH	Germany	64%
DNS:NET Internet Service GmbH	Germany	64%
Antennen-Schulze GmbH	Germany	64%
<b>ESVAGT Group:</b>		
ERRV Holdings ApS	Denmark	83%
ERRV ApS	Denmark	83%
ESVAGT A/S	Denmark	83%
ESVAGT Holdings Inc	USA	83%
ESVAGT Norge AS	Norway	83%
ESVAGT Holdings Ltd	UK	83%
ESVAGT UK Ltd	UK	83%
<b>Future Biogas Group:</b>		
Green Gas Holdco 1 Limited	UK	77%
Green Gas Holdco 2 Limited	UK	77%
Future Biogas Holdco Limited	UK	72%
Future Biogas Midco Limited	UK	72%
Future Biogas Bidco Limited	UK	72%
Future Biogas Group Limited	UK	72%
Future Biogas Limited	UK	72%
Future Biogas Systems Limited	UK	72%
Ironstone Energy Limited	UK	72%
Moor Bio-Energy Limited	UK	72%
Little Oak Biogas Limited	UK	72%
Heath Farm Energy Limited	UK	72%
Ridge Road Energy Limited	UK	72%
Meridian Biogas Limited	UK	72%
Riccall Renewables Limited	UK	72%
Beckby Biogas Limited	UK	72%
Bluestone Biogas Limited	UK	72%
Carrstone Renewables Limited	UK	72%
<b>FLAG Group:</b>		
GCX Topco Limited	UK	98%
GCX Midco Limited	UK	98%
GCX Bidco Limited	UK	98%
GCX Holdings Limited	Bermuda	98%

GCX Global Limited	Bermuda	98%
FLAG Telecom Limited	Bermuda	98%
FLAG Telecom Asia Limited	Hong Kong	98%
FLAG Telecom UK Limited	UK	98%
GCX India Services Limited	India	98%
FLAG Atlantic France SAS	France	98%
FLAG Telecom Australia Pty Limited	Australia	98%
FLAG Telecom Deutschland GmbH	Germany	98%
FLAG Atlantic UK Limited	UK	98%
FLAG Telecom Singapore Pte Limited	Singapore	98%
GCXG India Private Limited	India	98%
FLAG Telecom Taiwan Limited	Taiwan	59%
FLAG Telecom Development Limited	Bermuda	98%
FLAG Telecom Hellas AE	Greece	98%
FLAG Telecom Development Services Company LLC	Egypt	98%
FLAG Telecom Network Services DAC	Ireland	98%
FLAG Telecom Ireland DAC	Ireland	98%
FLAG Telecom Ireland Network DAC	Ireland	98%
FLAG Telecom Network USA Limited	USA	98%
FLAG Telecom España Network SAU	Spain	98%
FLAG Telecom Japan Limited	Japan	98%
GCX Managed Services Limited	Bermuda	98%
Vanco Group Limited	UK	98%
Vanco UK Limited	UK	98%
Vanco Global Limited	UK	98%
Vanco International Limited	UK	98%
Vanco ROW Limited	UK	98%
Vanco GmbH	Germany	98%
Vanco SAS	France	98%
Vanco (Asia Pacific) Pte Limited	Singapore	98%
Vanco SpZoo	Poland	98%
Euronet Spain SA	Spain	98%
Vanco Switzerland A.G.	Switzerland	98%
Vanco Sweden AB	Sweden	98%
Vanco Srl	Italy	98%
Net Direct SA (Proprietary) Limited	South Africa	98%
Vanco (Shanghai) Co. Ltd	China	98%
Vanco Japan KK	Japan	98%
Vanco South America Ltda	Brazil	98%
Vanco India Ops Private Limited	India	98%
Vanco Australasia Pty Limited	Australia	98%
Vanco BV	The Netherlands	98%
Vanco Deutschland GmbH	Germany	98%
VNO Direct Limited	UK	98%
Vanco US, LLC	USA	98%
Vanco Solutions Inc.	USA	98%
Yipes Holdings, Inc.	USA	98%
Reliance Globalcom Services Inc.	USA	98%
YTV Inc.	USA	98%

**Infinis Group:**

Infinis Energy Group Holdings Limited	UK	100%
Infinis Energy Management Limited	UK	100%
Infinis Limited	UK	100%
Infinis (Re-Gen) Limited	UK	100%
Novera Energy (Holdings 2) Limited	UK	100%

Novera Energy Generation No. 1 Limited	UK	100%
Novera Energy Operating Services Limited	UK	100%
Gengas Limited	UK	100%
Novera Energy Generation No. 2 Limited	UK	100%
Costessey Energy Limited	UK	100%
Infinis Alternative Energies Limited	UK	100%
Infinis Energy Services Limited	UK	100%
Infinis Energy Storage Limited	UK	100%
Infinis (Shoreside) Limited	UK	100%
Balbougie Energy Centre II Limited	UK	100%
Infinis (Peel Road) Energy Storage Limited	UK	100%
Barbican Holdco Limited	UK	100%
Barbican Bidco Limited	UK	100%
Alkane Energy Limited	UK	100%
Alkane Energy UK Limited	UK	100%
Seven Star Natural Gas Limited	UK	100%
Regent Park Energy Limited	UK	100%
Leven Power Limited	UK	100%
Rhymney Power Limited	UK	100%
Alkane Energy CM Holdings Limited	UK	100%
Alkane Energy CM Limited	UK	100%
Infinis Solar Holdings Limited	UK	100%
Infinis Solar Developments Limited	UK	100%
Durham Solar 1 Limited	UK	100%
Infinis Solar Limited	UK	100%
Aura Power Solar UK6 Limited	UK	100%
Infinis (California) Limited	UK	100%
Infinis (Oaklands) Limited	UK	100%
Infinis (Ford Oaks) Limited	UK	100%

#### **Ionisos Group:**

Epione Holdco SAS	France	96%
Epione Bidco SAS	France	96%
Ionisos Mutual Services SAS	France	96%
Ionisos SAS	France	96%
Ionisos GmbH	Germany	96%
Ionisos Baltics OÜ	Estonia	96%
EBD Irradiation Services AG	Switzerland	96%

#### **Joulz Group:**

Joulz Holdco B.V.	The Netherlands	99%
Joulz Manco B.V.	The Netherlands	77%
Joulz Bidco B.V.	The Netherlands	99%
Joulz B.V.	The Netherlands	99%
Joulz Meetbedrijf B.V.	The Netherlands	99%
Joulz Infradiensten B.V.	The Netherlands	99%
Joulz Laadoplossingen B.V.	The Netherlands	99%
Joulz Zonne-energie B.V.	The Netherlands	99%
Joulz Zonne-energie Beheer B.V.	The Netherlands	99%
Dutch Durables Energy 2 B.V.	The Netherlands	99%
Dutch Durables Energy 5 B.V.	The Netherlands	99%
Dutch Durables Energy 6 B.V.	The Netherlands	99%

#### **SRL Group:**

Amalthea Holdco Limited	UK	92%
-------------------------	----	-----

Amalthea Midco Limited	UK	92%
Amalthea Bidco Limited	UK	92%
Jupiter Bidco Limited	UK	92%
SRL Traffic Systems Limited	UK	92%
SRL GmbH	Germany	92%
SRL Traffic Systems Limited	Ireland	92%

**TCR Group:**

Envol Holdings Limited	Jersey	71%
Envol Midco Limited	UK	71%
Envol Investments Limited	UK	71%
TCR Group Shared Services SDN, BHD.	Malaysia	71%
TCR New Zealand	New Zealand	71%
TCR APAC (Singapore) Pte Limited	Singapore	71%
TCR Ground Support Equipment Canada Inc.	Canada	71%
DCL Aviation Group Inc.	Canada	71%
TCR GSE Singapore Pte Limited	Singapore	71%
TCR AD LLC	UAE	71%
TCR Middle East LLC	Saudi Arabia	71%
TCR CapVest S.A.	Belgium	71%
TCR GSE Australia PLY Limited	Australia	71%
EEM Solution PLY Limited	Australia	71%
Adaptalift GSE Pty Limited	Australia	71%
Adaptalift GSE Singapore Pte Limited	Singapore	71%
TCR Solution SDN, BHD.	Malaysia	71%
TCR International USA, Inc.	USA	71%
TCR Americas LLC	USA	71%
TCR International N.V.	Belgium	71%
KES B.V.	The Netherlands	71%
Trailer Construction & Repairing Netherland (TCR) B.V.	The Netherlands	71%
TCR Belgium N.V.	Belgium	71%
TCR France SAS	France	71%
Aerobatterie SAS	France	71%
Aerolima IMMS S.à r.l.	Luxembourg	71%
Aerolima Ingénierie SAS	France	71%
TCR UK Limited	UK	71%
Technical Maintenance Solutions UK Limited	UK	71%
TCR-GmbH Trailer, Construction, Repairing and Equipment Rental	Germany	71%
Trailer Construction & Repairing Ireland Limited	Ireland	71%
TCR Italia S.p.A.	Italy	71%
TCR Norway AS	Norway	71%
TCR Sweden AB	Sweden	71%
TCR Denmark ApS	Denmark	71%
TCR Finland OY	Finland	71%
Trailer Construction and Repairing Iberica S.A.U.	Spain	71%

**Dormant entities:**

3i Osprey LP	UK	69%
--------------	----	-----

The list above comprises the unconsolidated subsidiary undertakings of the Company as at 31 March 2025.

There are no current commitments or intentions to provide financial or other support to any of the unconsolidated subsidiaries, including commitments or intentions to assist the subsidiaries in obtaining financial support, except for those disclosed in Note 16 (2024: none). No such financial or other support was provided during the year (2024: none).



## Investment policy (unaudited)

The Company aims to build a diversified portfolio of equity investments in entities owning infrastructure businesses and assets. The Company seeks investment opportunities globally, but with a focus on Europe, North America and Asia.

The Company's equity investments will often comprise share capital and related shareholder loans (or other financial instruments that are not shares but that, in combination with shares, are similar in substance). The Company may also invest in junior or mezzanine debt in infrastructure businesses or assets.

Most of the Company's investments are in unquoted companies. However, the Company may also invest in entities owning infrastructure businesses and assets whose shares or other instruments are listed on any stock exchange, irrespective of whether they cease to be listed after completion of the investment, if the Directors judge that such an investment is consistent with the Company's investment objectives.

The Company will, in any case, invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.

The Company may also consider investing in other fund structures (in the event that it considers, on receipt of advice from the Investment Manager, that that is the most appropriate and effective means of investing), which may be advised or managed either by the Investment Manager or a third party. If the Company invests in another fund advised or managed by 3i Group, the relevant proportion of any advisory or management fees payable by the investee fund to 3i plc will be deducted from the annual management fee payable under the Investment Management Agreement and the relevant proportion of any performance fee will be deducted from the annual performance fee, if payable, under the Investment Management Agreement.

For the avoidance of doubt, there will be no similar set-off arrangement where any such fund is advised or managed by a third party.

For most investments, the Company seeks to obtain representation on the Board of Directors of the investee company (or equivalent governing body) and in cases where it acquires a majority equity interest in a business, that interest may also be a controlling interest.

No investment made by the Company will represent more than 25% of the Company's gross assets, including cash holdings, at the time of making the investment. It is expected that most individual investments will exceed £50 million. In some cases, the total amount required for an individual transaction may exceed the maximum amount that the Company is permitted to commit to a single investment. In such circumstances, the Company may consider entering into co-investment arrangements with 3i Group (or other investors who may also be significant shareholders), pursuant to which 3i Group and its subsidiaries (or such other investors) may co-invest on the same financial and economic terms as the Company. The suitability of any such co-investment arrangements will be assessed on a transaction-by-transaction basis.

Depending on the size of the relevant investment and the identity of the relevant co-investor, such a co-investment arrangement may be subject to the related party transaction provisions contained in the UK Listing Rules and may therefore require shareholder consent.

The Company's Articles require its outstanding borrowings, including any financial guarantees to support subsequent obligations, to be limited to 50% of the gross assets of the Company (valuing investments on the basis included in the Company's accounts).

In accordance with UK Listing Rules requirements, the Company will only make a material change to its Investment policy with the approval of shareholders.

# Portfolio valuation methodology (unaudited)

A description of the methodology used to value the investment portfolio of the Company is set out below in order to provide more detailed information than is included within the accounting policies and the Investment Manager's review for the valuation of the portfolio. The methodology complies in all material aspects with the International Private Equity and Venture Capital valuation guidelines which are endorsed by the British Private Equity and Venture Capital Association and Invest Europe.

## Basis of valuation

Investments are reported at the Directors' estimate of fair value at the reporting date in compliance with IFRS 13 Fair Value Measurement. Fair value is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

## General

In estimating fair value, the Directors seek to use a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the overall portfolio. The methodology that is the most appropriate may consequently include adjustments based on informed and experience-based judgements, and will also consider the nature of the industry and market practice. Methodologies are applied consistently from period to period, except where a change would result in a better estimation of fair value. Given the uncertainties inherent in estimating fair value, a degree of caution is applied in exercising judgements and making necessary estimates.

Investments may include portfolio assets and other net assets/liabilities balances. The methodology for valuing portfolio assets is set out below. Any net assets/liabilities within intermediate holding companies are valued in line with the Company accounting policy and held at fair value or approximate to fair value.

## Quoted investments

Quoted equity investments are valued at the closing bid price at the reporting date. In accordance with International Financial Reporting Standards, no discount is applied for liquidity of the stock or any dealing restrictions. Quoted debt investments will be valued using quoted prices provided by third-party broker information where reliable or will be held at cost less fair value adjustments.

## Unquoted investments

**Unquoted investments are valued using one of the following methodologies:**

- Discounted Cash Flow ('DCF');
- Proportionate share of net assets;
- Sales basis; and
- Cost less any fair value adjustments required.

## DCF

DCF is the primary basis for valuation. In using the DCF basis, fair value is estimated by deriving the present value of the investment using reasonable assumptions and estimation of expected future cash flows, including contracted and uncontracted revenues, expenses, capital expenditure, financing and taxation, and the terminal value and date, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the investment. The terminal value attributes a residual value to the investee company at the end of the projected discrete cash flow period. The discount rate will be estimated for each investment derived from the market risk-free rate, a risk-adjusted premium and information specific to the investment or market sector.

## Proportionate share of net assets

Where the Company has made investments into other infrastructure funds, the value of the investment will be derived from the Company's share of net assets of the fund based on the most recent reliable financial information available from the fund. Where the underlying investments within a fund are valued on a DCF basis, the discount rate applied may be adjusted by the Company to reflect its assessment of the most appropriate discount rate for the nature of assets held in the fund. In measuring the fair value, the net asset value of the fund is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, illiquid nature of the investments and other specific factors of the fund.

## Sales basis

The expected sale proceeds will be used to assign a fair value to an asset in cases where offers have been received as part of an investment sales process. This may either support the value derived from another methodology or may be used as the primary valuation basis. A marketability discount is applied to the expected sale proceeds to derive the valuation where appropriate.

## Cost less fair value adjustment

Any investment in a company that has failed or, in the view of the Board, is expected to fail within the next 12 months, has the equity shares valued at nil and the fixed income shares and loan instruments valued at the lower of cost and net recoverable amount.

# Glossary

**AI** refers to artificial intelligence.

**Alternative Investment Fund ('AIF')** 3i Infrastructure plc is an AIF managed by 3i Investments plc.

**Alternative Investment Fund Manager ('AIFM')** is the regulated manager of an AIF. For 3i Infrastructure plc, this is 3i Investments plc.

**AIFMD** refers to the Alternative Investment Fund Managers Directive, a regulatory framework which applies to the management of AIFs managed and marketed in and into the EU.

**Approved Investment Trust Company** is a particular UK tax status maintained by 3i Infrastructure plc. An Approved Investment Trust Company is a UK tax resident company which meets certain conditions set out in the UK tax rules, which include a requirement for the company to undertake portfolio investment activity that aims to spread investment risk and for the company's shares to be listed on an approved exchange. The 'approved' status for an Investment Trust must be agreed by the UK tax authorities and its benefit is that certain profits of the company, principally its capital profits, are not taxable in the UK.

**Asset IRR** refers to the internal rate of return of the existing and realised portfolio since the inception of the Company. The asset IRR to 31 March 2025 is 18% (2024:18%). This calculation incorporates the cost of each investment, cash income, proceeds on disposal, capital returns, valuation as at 31 March 2025, including accrued income and an allocation of foreign exchange hedging.

**Association of Investment Companies ('AIC')** is a UK trade body for closed-ended investment companies.

**Board** is the Board of Directors of the Company.

**Capex** refers to capital expenditure which is money a company uses to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. Capex is often used to undertake new projects or investments by a company which add some future economic benefit to the operation.

**Capital reserve** recognises all profits that are capital in nature or have been allocated to capital. These profits are distributable by way of a dividend.

**Company** refers to 3i Infrastructure plc.

**CPI** refers to the consumer price index and is measure of inflation

**CSRD** is the Corporate Sustainability Reporting Directive.

**Discounting** means the reduction in present value at a given date of a future cash transaction at an assumed rate, using a discount factor reflecting the time value of money.

**EBITDA**, or earnings before interest, taxes, depreciation and amortization, is a measure of a company's financial performance

**Edge data centres** are strategically located facilities designed to bring data storage and processing closer to end users.

**EO** refers to ethylene oxide, a method of sterilisation used by Ionisos.

**ERRV** is an Emergency Rescue and Response Vessel.

**ESG** refers to environmental, social and governance.

**EV**, or electric vehicle, is a vehicle that can be powered by an electric motor.

**External auditor** refers to the independent auditor, Deloitte LLP.

**Fair value through profit or loss ('FVTPL')** is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains and losses on assets and liabilities measured as FVTPL are recognised directly in the Statement of comprehensive income.

**FCA** refers to the Financial Conduct Authority who regulate financial services firms and financial markets in the UK.

**FTTH** refers to fibre-to-the-home. This describes the fibre-optic connection to individual homes or buildings.

**FY15, FY16, FY19, FY22, FY23, FY24, FY25, FY26, FY27, FY28, FY29, FY30, FY31, FY32, FY33** refers to the financial years to 31 March 2015, 31 March 2016, 31 March 2019, 31 March 2022, 31 March 2023, 31 March 2024, 31 March 2025 31 March 2026, 31 March 2027, 31 March 2028, 31 March 2029, 31 March 2030, 31 March 2031, 31 March 2032 and 31 March 2033 respectively.

**GAAP** refers to generally accepted accounting principles.

**GHG** refers to greenhouse gases.

**International Financial Reporting Standards ('IFRS')** are accounting standards issued by the International Accounting Standards Board ('IASB'). The Company's Financial statements are required to be prepared in accordance with IFRS, as adopted by the UK.

**Initial Public Offering ('IPO')** is the mechanism by which a company admits its stock to trading on a public stock exchange. 3i Infrastructure plc completed its IPO in March 2007.

**Investment income** is that portion of income that is directly related to the return from individual investments and is recognised as it accrues. It is comprised of dividend income, income from loans and receivables, and fee income. It is recognised to the extent that it is probable that there will be an economic benefit and the income can be reliably measured.

**IRR** refers to the internal rate of return and is a metric used to estimate the profitability of investments.

**Key Performance Indicator ('KPI')** is a measure by reference to which the development, performance or position of the Company can be measured effectively.

**Long-term sustainable returns** are returns that can be sustained into the long term.

**M&A** or mergers and acquisitions refers to the consolidation of companies or their major assets through financial transactions between companies.

**Money multiple** is calculated as the cumulative distributions or realisation proceeds plus any residual value divided by invested or paid-in capital.

**Net annualised return** is the annualised growth rate in NAV per share to 31 March 2025, including ordinary and special dividends paid. The net annualised return since the inception of the Company to 31 March 2025 was 14% (2024:14%) and since the change in strategy in FY16 to 31 March 2025 was 17% (2024:18%).

**Net asset value ('NAV')** is a measure of the fair value of all the Company's assets less liabilities.

**NAV per share** is the NAV divided by the total number of shares in issue.

**Net gains on investments** is the movement in the fair value of investments between the start and end of the accounting period, or investment disposal date, or the investment acquisition date and the end of the accounting period, including divestment-related costs where applicable, converted into sterling using the exchange rates in force at the end of the period.

**Ongoing charges** A measure of the annual recurring operating costs of the Company, expressed as a percentage of average NAV over the reporting period.

**Public Private Partnership ('PPP')** is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

**Retained reserves** recognise the cumulative profits to 15 October 2018, together with amounts transferred from the Stated capital account.

**Revenue reserve** recognises all profits that are revenue in nature or have been allocated to revenue.

**Revolving credit facility ('RCF')** refers to the £900 million facility provided by the Company's lenders.

**RPI** refers to the retail price index and is a measure of inflation.

**SBTi** refers to the Science Based Targets initiative, a corporate climate action organisation.

**SORP** means the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts.

**SOV** is a service operation vessel.

**Stated capital account** The Stated capital account of the Company represents the cumulative proceeds recognised from share issues or new equity issued on the conversion of warrants made by the Company net of issue costs and reduced by any amount that has been transferred to Retained reserves, in accordance with Jersey Company Law, in previous years.

**Sustainability KPIs** Sustainability metrics in relation to the sustainability-linked revolving credit facility. The facility includes targets across ESG themes aligned with our purpose.

**TCFD** is the Task Force on Climate-related Financial Disclosures.

**Total return** measured as a percentage, is calculated against the opening NAV, net of the final dividend for the previous year, and adjusted (on a time-weighted average basis) to take into account any equity issued and capital returned in the year.

**Total Shareholder Return ('TSR')** is the measure of the overall return to shareholders and includes the movement in the share price and any dividends paid, assuming that all dividends are reinvested on their ex-dividend date.

**TWh** refers to Terawatt hours and is a unit of energy representing one trillion watt hours.

**For further information see our website**

[www.3i-infrastructure.com](http://www.3i-infrastructure.com)