Our portfolio

ESVAGT
Page 25

Our portfolio

High-quality, diverse and differentiated portfolio.

TCR

TCR is the largest independent lessor of airport ground support equipment ('GSE') and operates at over 230 airports across more than 20 countries. Since inception, TCR has defined the market for leased GSE, providing high-quality assets and a full service leasing, maintenance and fleet management offering to its clients, which are predominantly independent ground handling companies, airlines and airports.

Read more online

ESVAGT

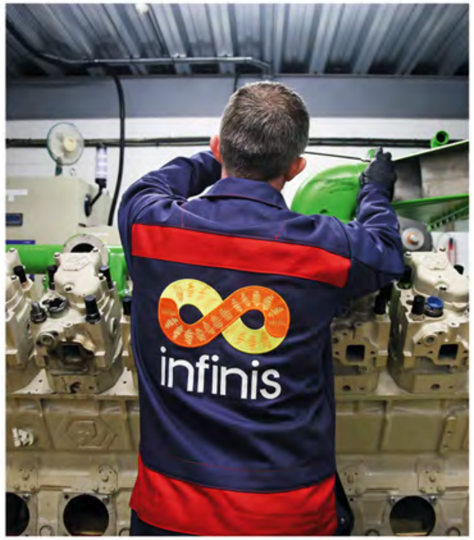
ESVAGT is the pioneer and market leader in the provision of purpose-built, high-performance maintenance vessels ('SOVs') to offshore wind farms, with nine bespoke vessels in operation and a further four under construction. These vessels transport maintenance technicians to wind turbines and other offshore wind equipment, under long-term contracts. ESVAGT is also a leading provider of emergency rescue and response vessels ('ERRVs') to the offshore energy sector in the North Sea and Barents Sea.

Read more online

infinis

Infinis is the largest generator of low-carbon electricity from captured methane in the UK, with a portfolio of renewable baseload and low-carbon flexible generation across 137 sites and a total installed capacity exceeding 500MW. The business is rapidly transforming through an active solar and battery development pipeline.

Read more online



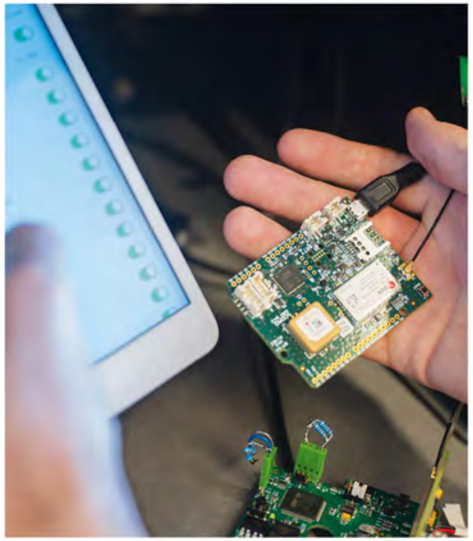
Our portfolio continued

FLAG owns one of the most comprehensive fibre-optic subsea cable networks globally. Its 81,800km of cables constitute one of the few networks with significant available capacity to serve the rapidly growing demand for data traffic on the Europe-Asia and inter-Asia routes. In April 2025, the company rebranded from Global Cloud Xchange ('GCX') to Fibre Links Around the Globe ('FLAG'), representing its renewed commitment to global connectivity. FLAG now shares its name with several of its cables, including the FLAG Europe-Asia, FLAG-Atlantic and FLAG North Asia Loop.

Read more online

Tampnet owns and operates the world's largest offshore, high-capacity communication network, which is located in the North Sea and the Gulf of Mexico. It provides customers with mission-critical reliable communications, including high-speed, low-latency and resilient data connectivity offshore through an established and comprehensive network of fibre-optic cables, 4G base stations, and microwave links.

Read more online



Joulz provides essential energy infrastructure equipment and services to industrial and commercial customers in the Netherlands. It owns and leases medium voltage electricity infrastructure and electricity and gas meters. Since acquisition, Joulz has expanded into EV charging, solar power and battery storage. It delivers integrated solutions that support the energy transition by helping customers decarbonise their operations and adopt more sustainable energy practices.

Read more online

Ionisos is the third-largest cold sterilisation provider in Europe, operating a network of 11 facilities. The business provides essential sterilisation services to the medical, pharmaceutical and cosmetics industries, serving a highly diversified customer base of around 1,000 clients. Cold sterilisation is essential for pharmaceutical and medical device products that would be damaged by the heat or humidity of traditional sterilisation methods.

Read more online

Our portfolio continued

DNSNET Anschluss Zukunft.

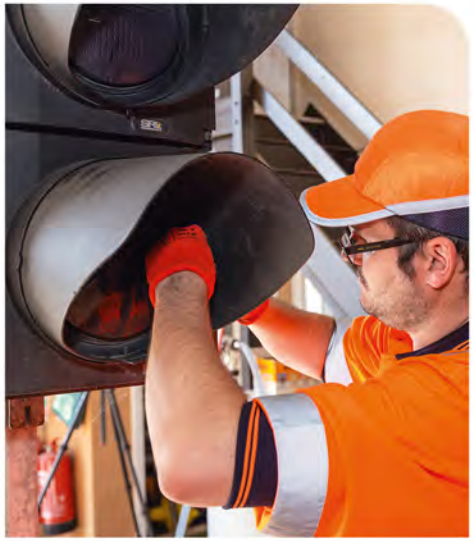
DNS:NET is an independent fibre network owner and operator based in Berlin, Germany. It provides both residential and commercial internet services across Berlin, Brandenburg and Saxony-Anhalt. DNS:NET is expanding into nearby underserved regions with limited high-speed broadband access and is well-regarded for its strong local brand and commitment to improving regional connectivity.

Read more online

SRL traffic systems

SRL is the largest temporary traffic equipment rental company in the UK. Its market-leading reputation is underpinned by a nationwide network of depots, offering 24/7, year-round service for rapid deployment and reactive maintenance. SRL's product portfolio includes traffic and pedestrian signals, variable message signs and CCTV, alongside integrated solutions such as Urban64 and an innovative monitored solution, REMOS.

Read more online



Oystercatcher

Oystercatcher is the holding company through which the Company holds a 45% interest in Advario Singapore Limited ('ADS'). Located on Jurong Island, the facility has a storage capacity exceeding 1.3 million cubic metres and specialises in storing and blending refined clean petroleum products for a range of blue-chip customers. Its strategic position offers seamless access via pipelines, seagoing vessels and barges, enhancing connectivity within the Jurong Island petrochemical complex.

Read more online

futurebiogas

Future Biogas is one of the largest AD plant developers and operators in the UK. It converts feedstocks into renewable energy, either generating electricity or upgrading biogas to biomethane for injection into the national gas network. Annually, Future Biogas produces approximately 700GWh of biogas across 12 sites.

Read more online

Our portfolio continued

Digitalisation

Data traffic is growing exponentially as high bandwidth consumer and business applications drive data consumption. Subsea cables carry an estimated 98% of all internet traffic. Our portfolio company FLAG is taking advantage of the acceleration in digitalisation trends.

Our portfolio continued

FLAG

FLAG owns one of the largest independent subsea platforms supported by favourable demand tailwinds and in a stable competitive environment.

With 3i support, we have invested more than $90m in our network over the last three years.

Carl Grivner
CEO, FLAG

The demand for data is rising rapidly, driven by the expansion of cloud services, rising traffic demands, and advancements in and widespread deployment of AI, all of which are driving the need for increased capacity and resilient infrastructure connectivity. Commercial and enterprise data needs are accelerating as business functions and services become increasingly decentralised and outsourced, creating a greater need for fast and symmetrical connectivity.

FLAG is uniquely positioned to benefit from these trends due to its strong established relationships and diversified network connecting North America, Europe, Middle East and Asia.

FLAG operates one of the most comprehensive subsea cable networks globally with 81,800km of underwater cabling providing high-bandwidth, integrated (subsea and terrestrial) connectivity to customers in over 150 countries (cable in approximately 40 countries) through 41 landing stations. These customers include hyperscalers, webscalers, international carriers and local enterprises, all of whom require increased capacity and built-in infrastructure redundancy to support their growing needs.

The FLAG platform has performed robustly since 3iN acquired it in 2022, with EBITDA growing by a compounded annual growth rate of 11% between FY22 and FY25, whilst EBITDA margins have improved from 19% to 29% over the same period. The company has invested over $90 million in capital expenditure that is expected to drive higher EBITDA in the long term.

81,800km

FLAG fibre-optic subsea cable networks globally

Our portfolio continued

Delivering renewable energy platforms

We invest in high-quality renewable energy businesses that operate in growing markets with strong earnings potential. Our investments have consistently followed this strategy successfully to grow their installed asset bases with revenues secured by contracts, while identifying new opportunities for expansion.

Our portfolio continued

Backing exceptional companies and management teams, driving strong earnings growth and deploying strategic value-enhancing capital expenditure creates a powerful compounding growth effect.

Tim Short
Partner, 3i Investments plc

Watch video online

futurebiogas

Future Biogas shares many similarities with Valorem but is at an earlier stage. At the time of our investment in 2023, it was one of the largest biomethane producers in the UK and had a strong operational track record but lacked its own asset base. The company has since successfully transitioned from being a third-party plant operator and developer to an asset-owning platform.

It acquired eight of the 11 anaerobic digestion plants it previously operated and is developing a 1TWh pipeline of new sites. This is in addition to the construction of a new plant for AstraZeneca, which is the UK's first subsidy-free, industrial-scale biomethane supply.

Achievements to date

700GWh
Annual biogas produced

1TWh
Development pipeline

infinis

We invested in Infinis in 2016. It was already the UK's leading generator of electricity from captured landfill methane, operating over 100 sites nationwide, but we also saw significant untapped potential in the business.

Working closely with the management team, we established a development team to roll-out solar across their sites, making use of spare grid connections and thereby transitioning Infinis from a pure-play landfill gas business into a fast-growing renewable development platform. The company has delivered positive earnings growth during this period, and is well-positioned for further growth as we bring the pipeline into operation.

Achievements to date

113MW
Operational solar capacity

1.4GW
Solar and battery development pipeline

VALOREM

Investment realised during FY25

Since our initial investment in 2016, Valorem was transformed from an asset developer to one of Europe's leading independent renewable power producers.

It diversified from its original focus on onshore wind in France to be a solar and hydro energy generator in France, Finland, Greece and Poland.

Valorem's asset base grew more than fivefold to over 850MW, earnings increased fourfold, and its development pipeline expanded to 6.6GW – enough to power approximately three million homes.

Achievements to date of sale

850MW
Operational and under-construction asset base

6.6GW
Development pipeline

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)

Portfolio assets	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[5]	Underlying portfolio income in the year	**Portfolio total return in the year[1]**
TCR	608	16[2]	(60)[4]	5	77	(7)	**639**	12	21	**103**
ESVAGT	531	51[2]	–	1	(3)	4	**584**	(1)	52	**52**
Infinis	421	–	(2)[4]	–	61	–	**480**	–	18	**79**
FLAG	345	24[2]	–	9	11	(7)	**382**	4	33	**41**
Tampnet	343	6[2]	–	1	32	(3)	**379**	3	13	**45**
Joulz	306	9[2,3]	(2)[4]	–	27	(6)	**334**	8	7	**36**
Ionisos	306	17[2]	–	(8)	(6)	(6)	**303**	8	10	**6**
DNS:NET	164	34[2,3]	–	2	(2)	(3)	**195**	4	16	**15**
SRL	240	20[2]	–	3	(70)	–	**193**	–	23	**(47)**
Oystercatcher	248	–	(108)[4]	–	43	(4)	**179**	4	2	**45**
Future Biogas	100	35[2,3]	(30)[4]	1	16	–	**122**	–	5	**21**
Valorem	230	1[2]	(257)	(2)	33	(5)	**–**	5	3	**36**
Total portfolio reported in the Financial statements	3,842	213	(459)	12	219	(37)	**3,790**	47	203	**432**

1 This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the year.
2 Capitalised interest totalling £161 million across the portfolio.
3 These amounts include follow-on investments in DNS:NET (£20 million), Future Biogas (£30 million) and Joulz (£2 million).
4 Shareholder loan repayment (non-income cash), return of equity or syndication proceeds.
5 Allocated foreign exchange hedging comprises fair value movements on derivatives and foreign exchange on Euro borrowings.

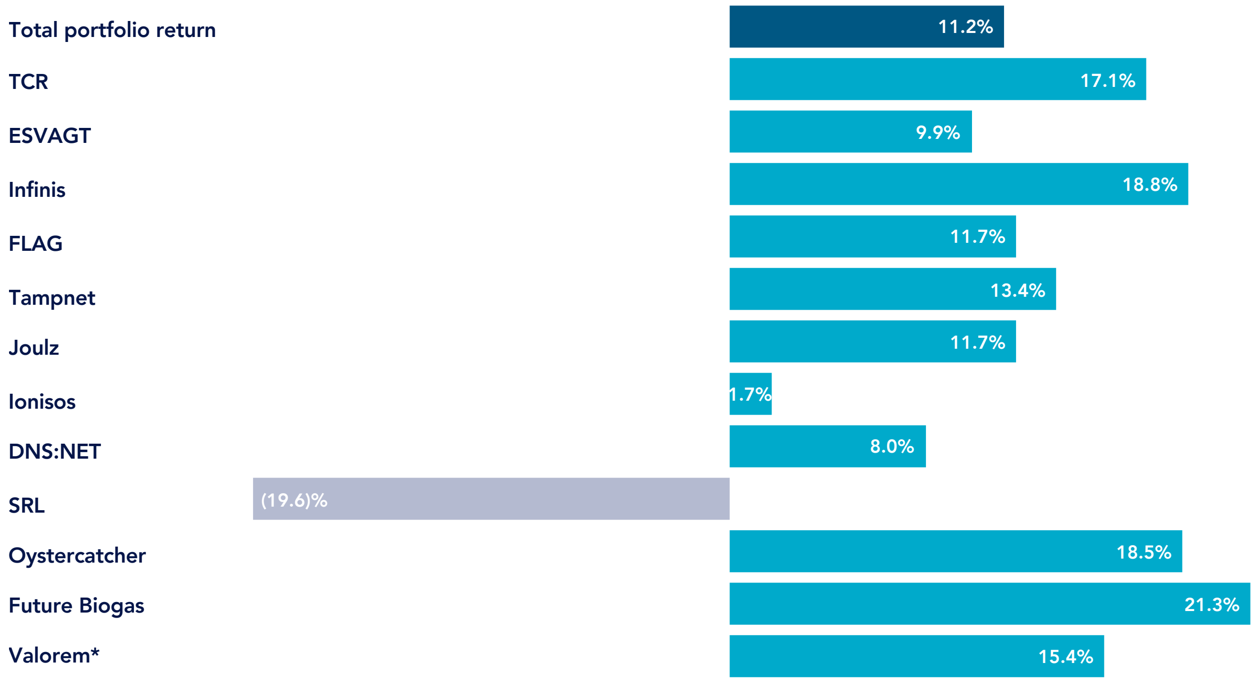
Portfolio review continued

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.

Chart 1 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.

Chart 1: Portfolio return by asset (year to 31 March 2025)



* Divested in January 2025 and return not annualised.

Portfolio review continued

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 Chart 2 below. The portfolio summary shown in Table 1 on page 32 details the analysis of these movements by asset. Changes to portfolio valuations arise due to several factors, as shown in Table 2 on page 37.

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

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.

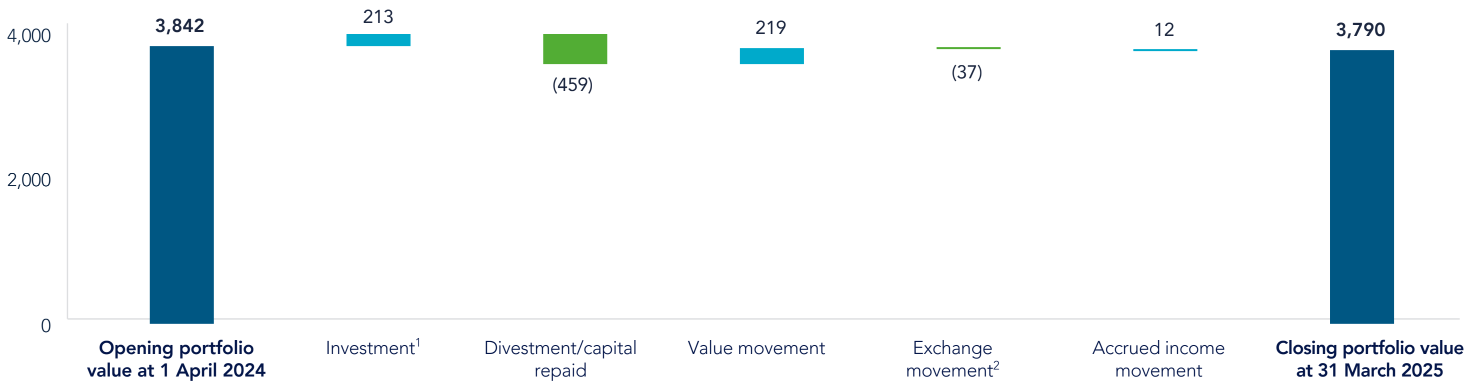
ESVAGT is the market leader in European offshore wind Service Operation Vessel ('SOV') provision, currently operating nine vessels, with an additional four SOVs under construction - three in Europe and one in the US. These vessels are specifically designed to serve long-term charter agreements.

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.

Chart 2: Reconciliation of the movement in portfolio value (year to 31 March 2025, £m)



1 Includes capitalised interest.
2 Excludes movement in the foreign exchange hedging programme.

Portfolio review continued

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.

Portfolio review continued

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.

Portfolio review continued

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 2: Components of value movement (year to 31 March 2025, £m)

Value movement component	Value movement in the year	Description
Planned growth	218	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	9	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	–	Value movement relating to changes in the discount rates applied to the portfolio cash flows.
Macroeconomic assumptions	(8)	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.
Total value movement before exchange	219	
Foreign exchange retranslation	(37)	Movement in value due to currency translation to year-end date.
Total value movement	182	
Allocated foreign exchange hedging	47	
Total value movement after hedging	229	

Portfolio review continued

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.

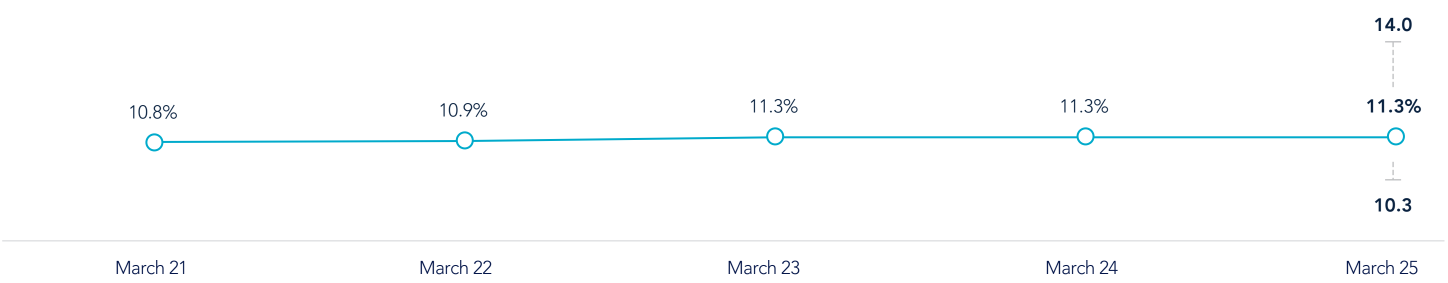
Discount rate

Chart 3 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.

Chart 3: Portfolio weighted average discount rate (31 March, %)



Portfolio review continued

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. Chart 4 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%).

Investment track record

As shown in Chart 5, 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.

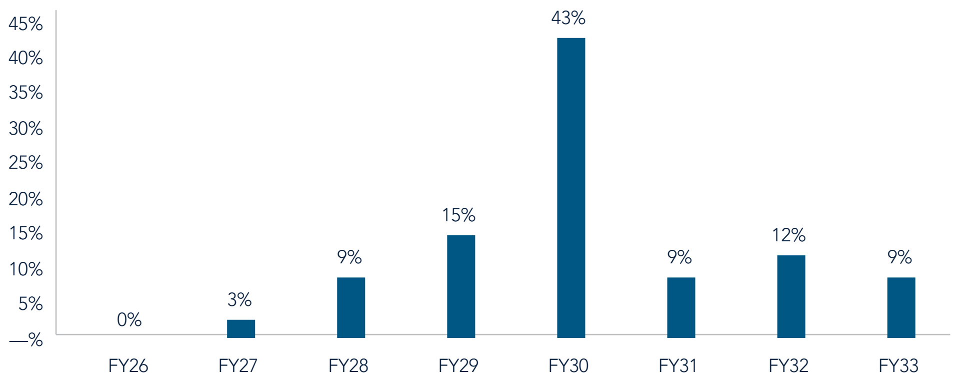
These returns were underpinned by substantial cash generation in the form of income or capital profits.

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 Chart 5.

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 Chart 5 include an allocation of foreign exchange hedging where applicable.

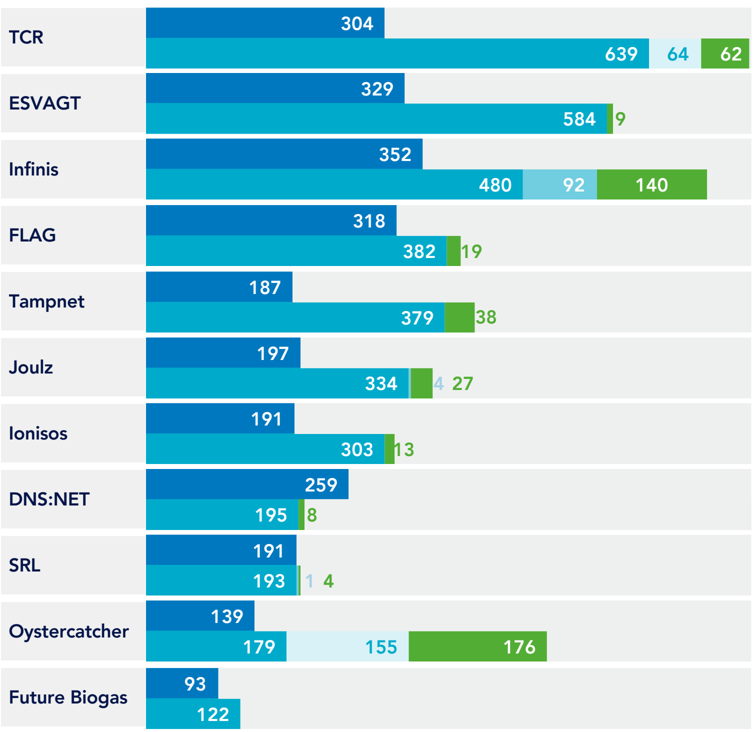
Chart 4: Portfolio company leverage (% of debt maturing in each financial year)



Portfolio review continued

Chart 5: Portfolio asset returns throughout holding period

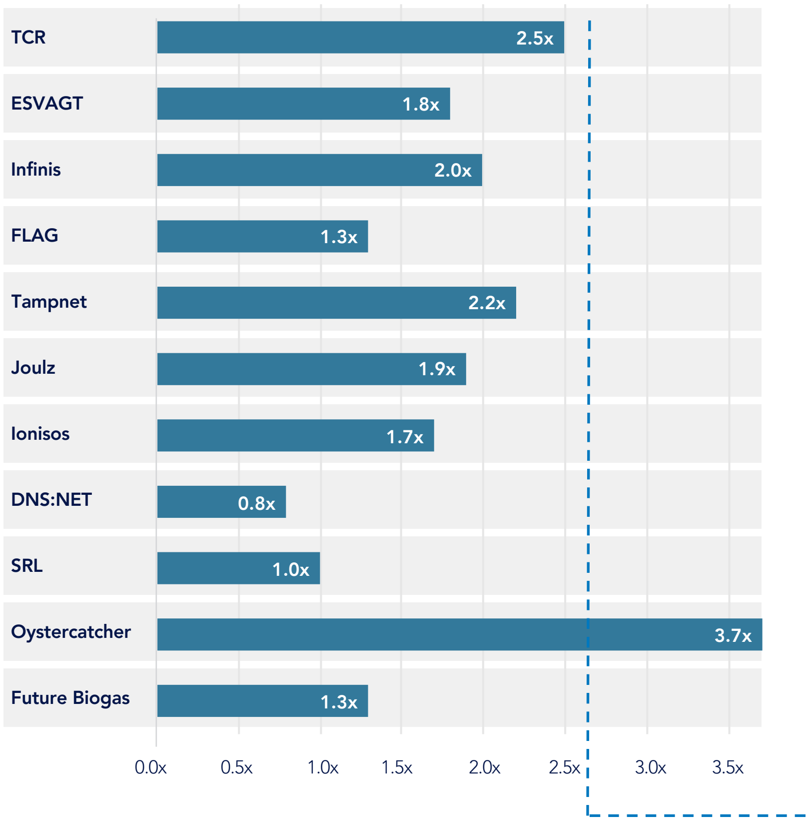
Current portfolio (£m)



Total cost | Value including accrued income | Proceeds on disposals/capital returns | Cash income

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

Money multiple of current portfolio



Realised assets (Total return)

Money multiple	IRR	Realised assets
3.6x	21%	Valorem
2.7x	22%	Attero
1.7x	27%	WIG
5.9x	40%	XLT
4.5x	31%	Elenia
3.3x	16%	AWG
3.3x	41%	Eversholt
1.9x	22%	Projects
1.2x	8%	Others[1]
0.6x	(6)%	India Fund[2]
2.6x		Weighted average

1 Others include junior debt portfolio, T2C and Novera.
2 India Fund refers to the 3i India Infrastructure Fund.