3i Group plc

Annual report and accounts 2025

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Our purpose

We generate attractive returns for our shareholders and co-investors by investing in private equity and infrastructure assets.

As proprietary capital investors, we have a long-term, responsible approach.

We aim to compound value through thoughtful origination, disciplined investment and active management of our assets, driving sustainable growth in our investee companies.

For more information and regular updates **www.3i.com**

For definitions of our financial terms used throughout this report, please see our Glossary on pages 214 to 216.

Performance highlights

"I am pleased to report that 3i delivered another strong set of results in the financial year to 31 March 2025, consistent with our excellent track record of growth since the restructuring in 2012."

FY2025 performance

2,542p

NAV per share
(31 March 2024: 2,085p)

25%

Total return on equity
(2024: 23%)

73.0p

Dividend per share
(2024: 61.0p)

Alternative Performance Measure ("APM")

3i prepares its statutory financial statements in accordance with UK-adopted international accounting standards. However, we also report a non-GAAP "Investment basis" which we believe aids users of our report to assess the Group's underlying operating performance.

The Investment basis is an APM and is described on page 75. Total return, which is defined as Total comprehensive income for the year and net assets are the same under the Investment basis and IFRS and we provide a reconciliation of our Investment basis financial statements to the IFRS statements from page 76.

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. These include: Gross investment return ("GIR") as a percentage of opening value, cash realisations, cash investment, operating cash profit, net (debt)/cash and gearing. These APMs are referred to throughout the report and their purpose, calculation and reconciliation to IFRS can be found on page 79.

Chair's statement

FY2025 marks another strong year for 3i and is our fifth consecutive year of annual returns exceeding 20%. This sustained performance highlights our ability to generate consistent, long-term compounding growth, while continuing to enhance our dividend, despite ongoing macro-economic challenges and geopolitical uncertainties.

Performance

In our financial year to 31 March 2025 ("FY2025"), the Group generated a total return of £5,049 million (2024: £3,839 million) or 25% (2024: 23%) on opening shareholders' funds. Net asset value ("NAV") increased to 2,542 pence per share (31 March 2024: 2,085 pence per share).

Action remained on its impressive growth trajectory and was the primary driver of the Group's performance in FY2025. Royal Sanders, another long-term hold asset, also performed strongly, alongside a number of our other larger assets in the broader portfolio, more than offsetting weaker trading for an isolated number of companies with specific end-market challenges. We also saw a step up in our transaction activity across our portfolio, with a number of new investments and strong realisations, against what remains a difficult environment across the private market.

Market environment

The global economic environment remained difficult for most of our financial year, shaped by ongoing geopolitical tensions and subdued growth across most major economies. Against this backdrop, consumer sentiment remains cautious, with affordability still a key driver of spending behaviour. Our value-for-money and private label businesses maintained a strong focus on the customer and all performed well during FY2025. Action delivered another year of sector-leading results across its key performance indicators and continued momentum in its European store roll-out. We once again took the opportunity to increase our stake in Action in FY2025. Across the broader portfolio we saw good performance from a number of our larger assets across the healthcare, industrial and infrastructure sectors.

The global M&A market experienced an improvement in our financial year, as inflation and interest rates stabilised. While transaction activity increased across most sectors, investor sentiment remained cautious reflecting geopolitical uncertainties. We maintained a highly selective and cautious approach to capital deployment and realisations in the year. Our activity centred on strategic reinvestments within our portfolio, new investments in sectors we know well and targeted bolt-on acquisitions for several of our existing portfolio companies. We also completed three realisations across our portfolios at or beyond a money multiple of 2x.

Dividend

Our policy is to maintain or grow the dividend year on year, subject to the strength of our balance sheet and the outlook for investments and realisations. Cash generation remains strong, with cash inflows of £2.4 billion from our portfolio companies in FY2025.

In line with our policy and in recognition of the Group's financial performance, the Board recommends a second FY2025 dividend of 42.5 pence (2024: 34.5 pence), subject to shareholder approval, which will take the total dividend to 73.0 pence (2024: 61.0 pence).

Based on the recommended dividend and the expected payment in July 2025, we will have paid a total of £4.6 billion to shareholders in dividends since our restructuring was announced in June 2012, growing our total dividend by a compound annual growth rate of 18% over this period.

Board and people

We were pleased to welcome Hemant Patel to the Board on 3 February 2025 as an additional non-executive Director. He is the Chief Financial Officer of Whitbread plc and brings deep and highly relevant financial and commercial experience from his different roles in retail and consumer businesses.

Sustainability

We were pleased to announce in May 2024 that our near-term science-based emissions reduction targets ("science-based targets") had been validated by the Science Based Targets initiative ("SBTi") in March 2024. These targets cover our direct greenhouse gas ("GHG") emissions (Scope 1 and 2, market-based), as well as those related to our portfolio. We have made significant progress in relation to our portfolio engagement target, with seven portfolio companies across 3i Group and 3i Infrastructure plc ("3iN") having set approved science-based targets as at 31 March 2025, including most notably Action.

Outlook

We enter FY2026 with a carefully constructed portfolio that is underpinned by two very strong long-term hold assets that are delivering consistent compounding growth and a broader portfolio that is operating in sectors that have proven their resilience through many periods of market disruption.

Whilst we expect the ongoing market uncertainty to disrupt transactions across the wider private market, we will continue to be disciplined in our approach to new investment and realisations under these conditions in FY2026.

David Hutchison
Chair

14 May 2025

At a glance

3i is an investment company specialising in Private Equity and Infrastructure. We invest in mid-market companies headquartered in Europe and North America. Our largest investment, Action, is an example of our successful strategy of compounding value over the long term, delivering consistent returns for our shareholders.

3i Group investment portfolio value as at 31 March 2025

£25.6bn

(2024: £21.6bn)

Private Equity
£23.6bn

Infrastructure
£1.5bn

Scandlines
£0.5bn

Total assets under management as at 31 March 2025

£38.7bn

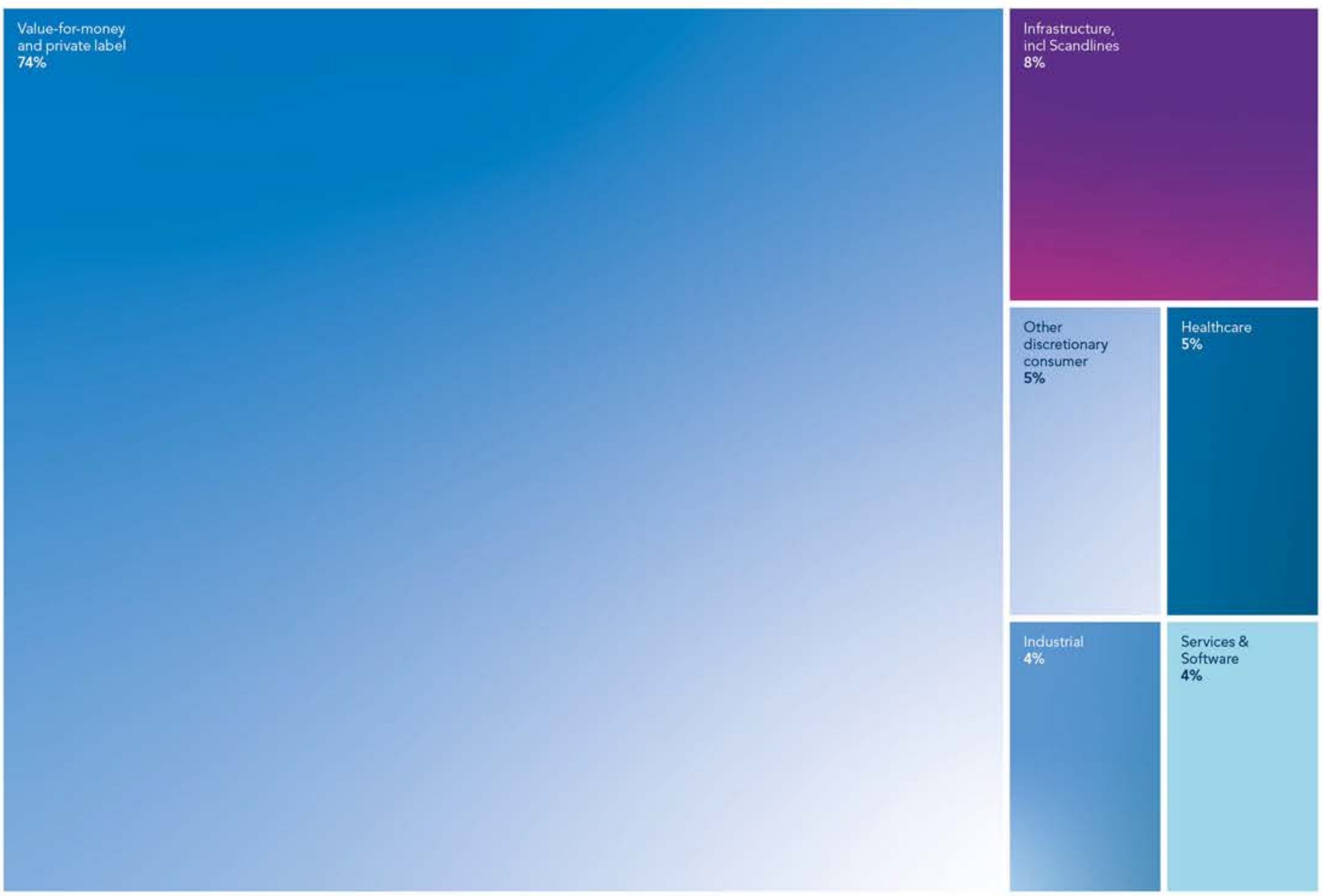
(2024: £34.7bn)

Private Equity
£31.9bn

Infrastructure
£6.3bn

Scandlines
£0.5bn

3i Group investment portfolio by sector
as at 31 March 2025



At a glance continued

Pages 20-23
Read more about Action case study

Valuation at
31 March 2025

£17.8bn

Cash proceeds
received in FY2025

£1.6bn

What is Action?

Action is the fastest growing non-food discount retailer in Europe. At the end of March 2025, Action had 2,967 stores. Action offers its customers an ever-changing variety of 6,000 products at the lowest price.

Our investment in Action

Following our initial investment in 2011, we have actively managed Action through its pan-European roll-out, with the business achieving revenue of €13.8 billion in 2024.

At 31 March 2025, our investment in Action formed 76% of our Private Equity portfolio value. The business has returned over £4.6 billion of proceeds over our holding period.

Pages 12-13
Read more about Our thematic approach to investment

Private Equity

Our Private Equity business is funded principally from our proprietary capital, with some funding from co-investors for selected assets. Its principal focus is to generate attractive capital returns.

Private equity sectors

- Consumer & Private Label
- Healthcare
- Industrial
- Services & Software

Infrastructure

Our Infrastructure business manages assets on behalf of third-party investors and 3i's proprietary capital, with the objective of generating attractive capital returns and earning fund management fees and portfolio income for the Group.

Infrastructure sectors

- Communications
- Utilities
- Transport/ Logistics
- Social Infrastructure
- Energy

Chief Executive's statement

"In FY2025, we generated a total return on shareholders' funds of £5,049 million, or 25%, ending the year with a NAV per share of 2,542 pence. This is the fifth consecutive year we have delivered a total return over 20%; over this same period, our average annual total return was 30%."

Simon Borrows
Chief Executive

FY2025 was another successful year for 3i, continuing our track record of consistently delivering strong shareholder returns, against what remains a challenging macro-economic and geopolitical backdrop.

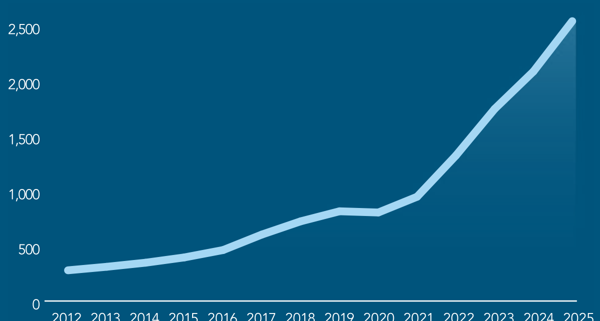
Our FY2025 result was underpinned by the powerful compounding growth from our long-term hold assets Action and Royal Sanders, and by the performance of several other larger portfolio companies. This reinforces our conviction in allocating additional capital to our best performing assets.

Amid some improvement in private market transaction activity, we maintained a highly selective and disciplined investment approach, strategically deploying capital into several existing and new portfolio companies. We also executed a number of strong realisations across Private Equity and Infrastructure, which met or exceeded our target money multiple return of 2x.

Long-term performance

Since our restructuring in June 2012, our NAV per share has increased by over 800%, rising from 279 pence at 31 March 2012 to 2,542 pence as of 31 March 2025. Over this same time period, in absolute terms, we have generated over £25 billion of total return. This exceptional growth reflects the strength and consistency of our strategy of allocating a significant portion of our capital over a number of years into our best assets, whilst also investing capital in sectors in which we have significant expertise and a proven track record. Our long-term hold investments, Action and Royal Sanders, are delivering sustainable, long-term compounding growth, whilst a number of our other larger portfolio companies in the consumer and private label and healthcare sectors are either already beginning to show similar characteristics or have the potential to achieve this outcome. This positions the Group well to sustain attractive NAV growth over the long term.

NAV per share 31 March 2012 – 31 March 2025



Action continued to be the main driver of the Group's overall financial performance in FY2025, underpinned by another excellent year of earnings growth, substantial cash generation and strategic expansion. This result was particularly impressive, as the business operated against a backdrop of muted economic growth across many of its markets. As a result of this strong performance Action undertook another refinancing and pro-rata buyback exercise, returning significant proceeds to 3i. 3i, in turn, recycled a portion of these proceeds into further Action equity. Additionally, we completed the final payment of the associated carried interest liability, ensuring that the full economic benefit of Action's performance is now passed through to shareholders with no dilution. Royal Sanders, our other long-term hold asset, continued its impressive trajectory of organic growth, coupled with further value-accretive bolt-on acquisitions.

Our proprietary capital model and disciplined balance sheet strategy offer a distinct competitive advantage in navigating an increasingly complex macro-economic and geopolitical landscape. We have remained extremely disciplined in capital deployment, completing three new Private Equity investments in sectors that we know well. We also continued our focus on deploying capital into some of our most successful portfolio companies. Our Private Equity portfolio companies remained acquisitive, completing 12 bolt-on acquisitions.

In Infrastructure, 3iN completed a strong realisation at a money multiple of 3.6x, two sizeable refinancings and further investments across two portfolio companies, whilst our North American Infrastructure Fund ("NAIF") completed three bolt-on acquisitions through existing portfolio companies.

We generated total realised proceeds and portfolio income of £2.4 billion across our portfolios in FY2025, including £1.6 billion of total refinancing and dividend proceeds from Action and two strong Private Equity realisations, both at sterling money multiples of 2x or greater.

Private Equity performance

In the year to 31 March 2025, our Private Equity portfolio, including Action, generated a GIR of £5,113 million, or 26% on opening value (2024: £4,059 million or 25%). In the last 12 months ("LTM") to the end of 31 December 2024, 97% of our portfolio companies by value grew earnings.

Long-term hold portfolio companies

Action

Action generated a GIR of £4,551 million, or 32%, on its opening value.

Action, Europe's fastest-growing non-food discount retailer and our largest portfolio company, delivered strong growth in 2024, underpinned by its customer-centric value-for-money proposition. Action's commitment to consistently share the benefits of scale with customers, through highly competitive pricing and a dynamic and flexible product assortment, enabled the business to reduce prices across 2,000 products in 2024. As a result, Action maintained, and in a number of markets increased, its price advantage over its competitors in 2024.

Action had 2,967 stores across 12 European countries at the end of March 2025, and is making good progress across its more recent expansion markets, Italy, Portugal and Spain.

Pages 20-23
Read more about Action

In the 12 months to 29 December 2024, Action generated net sales of €13,781 million (2023: €11,324 million) 22% ahead of 2023, and like-for-like ("LFL") sales growth of 10.3% (2023: 16.7%). Transaction volumes accounted for 102% of the LFL sales growth over the year as the business benefitted from new customer gains and more frequent visits from existing customers. Operating EBITDA was €2,076 million (2023: €1,615 million) in 2024, 29% ahead of 2023. Action's improved EBITDA margin of 15.1%, compared to 14.3% in the previous year, reflects scale benefits and its continuous focus on cost control.

Action added 352 new stores in 2024, another store opening record, taking its total store footprint to 2,918 at 29 December 2024. The largest contributions to store growth in the year were from some of Action's more recent expansion markets, such as Italy and Spain, which added 65 and 40 new stores respectively, whilst Action's newest country, Portugal, opened a further 10 stores. Importantly, the payback period for new stores remains materially below one year. Action's estimate of additional white space potential, in existing and identified in-scope countries, increased to c.4,850 stores, including Switzerland, where the first store opened in April 2025.

In the first three periods of 2025 (P3 2025 ending 30 March 2025), Action added a further 49 new stores, meaning the business had 2,967 stores across 12 countries at that date.

To support its vast and growing store network, Action continues to invest in its IT infrastructure, systems and distribution channels. In 2024, the business opened two new distribution centres ("DCs") in Illescas, Spain and Altedo, Italy, increasing its DC network to 15 across Europe, with a further three new DCs planned for 2025. Action also invested in a new enterprise resource planning ("ERP") system, which was successfully implemented at the end of 2024. The implementation had a minor impact on store availability in the first quarter of 2025 and the issues were resolved by March 2025.

Action continues to make good progress in delivering its sustainability programme, which is focused on the four pillars of people, planet, product and partnerships. It created over 10,000 jobs in 2024, and continues to invest in its people. It delivered a 51% reduction of CO_2 emissions from its own operations (Scope 1 and 2) against 2021 and 90% of its electricity is now sourced from renewables. The business continues to improve its product circularity and expand its community partnerships. For further details on Action's sustainability progress, see page 50-51.

Action continued to optimise its debt profile throughout the year. In July 2024, it successfully completed a refinancing event with proceeds used for a capital restructuring. The company raised €2.1 billion equivalent of incremental term debt, comprising a US$1.5 billion term loan and a €700 million term loan. At the same time, it undertook a pro-rata share redemption, returning £1,164 million in gross proceeds to 3i. Alongside some existing LPs in the 3i 2020 Co-Investment Programme, 3i took the opportunity to increase its ownership in Action. Including a subsequent small purchase of an LP stake, 3i reinvested £768 million into Action, increasing its gross equity stake from 54.8% to 57.9%.

In November 2024 and March 2025, Action completed leverage-neutral amend-and-extend and repricing transactions across all €6.6 billion of its senior-term debt facilities. This extended maturities on €2,545 million of Action's term debt and delivered approximately €33 million in recurring annual interest cost savings.

Action's conversion of EBITDA to free cash flow remains strong, with cash conversion of 81% in 2024. The business made two dividend distributions to all shareholders in December 2024 and March 2025, returning £433 million to 3i. In total, 3i received over £1.6 billion in cash from Action in FY2025. After paying the dividends, Action had a cash balance of €347 million as of 30 March 2025 and a net debt-to-run-rate earnings ratio of 2.7x.

Royal Sanders, our other Private Equity long-term hold asset, delivered very strong organic and acquisitive growth in the year, completing two further bolt-on acquisitions.

Page 24
Read more about Royal Sanders

At 31 March 2025, we valued our 57.9% stake in Action at £17,831 million. This valuation reflects the continued strong growth in Action's LTM run-rate EBITDA, its low leverage and an unchanged LTM run-rate EBITDA valuation multiple of 18.5x, net of the liquidity discount. Further detail on the Action run-rate EBITDA methodology can be found on page 31. We benchmark our long-term, through-the-cycle view on Action's multiple against a broad peer group of discounters, with a higher weighting towards the top quartile subset of North American value-for-money retailers, noting that Action's operating KPIs continue to be better than those of its peer group.

In the first three periods of 2025, Action delivered net sales of €3,521 million and operating EBITDA of €464 million, both 17% ahead of the same period last year, primarily driven by the increased volume of transactions. LFL sales growth was 6.2% and the operating EBITDA margin was 13.2%.

Royal Sanders

Showing its strategic potential, Royal Sanders generated strong performance in 2024, driven by volume growth and prior bolt-on acquisitions, including Karium which completed earlier in the year. At the end of FY2025, Royal Sanders completed the acquisition of Treaclemoon, an established UK-based value-for-money personal care brand with a strong strategic fit with its existing portfolio of brands. This was Royal Sanders' eighth bolt-on acquisition since 3i's investment. These strategic acquisitions, combined with strong operational execution, have contributed significantly to Royal Sanders' performance and success.

Private Equity portfolio companies

During the year, we refined our Private Equity sector-led investment, origination and active management approach, aligning our resources to focus on the consumer and private label, healthcare, industrial and services and software sectors.

Healthcare portfolio companies

Cirtec Medical delivered strong top-line growth in 2024, fuelled by increasing customer demand across its product portfolio and enhanced operational efficiency. The business made good progress on several key initiatives in the year and maintains a robust pipeline of new opportunities across its target markets.

The broader bioprocessing market experienced an anticipated recovery in demand through the second half of 2024 and into the first quarter of 2025, as post-pandemic destocking subsided. Against this backdrop, SaniSure saw a solid rebound in bookings while also making substantial progress on multiple strategic initiatives and investing to strengthen its long-term market position.

Our contract development and manufacturing organisation ("CDMO") ten23 health is making good progress in establishing itself as a significant presence in the pharmaceutical industry. We continued to support this platform, investing a further £54 million in FY2025. The remaining business of Q Holding, Q Medical Devices, also performed well in the year.

Consumer and private label portfolio companies

European Bakery Group ("EBG") maintained resilient performance during the year, despite persistent pressures on input pricing and wage inflation. Following robust cash generation, EBG returned £22 million to 3i within 12 months of its additional investment in support of the acquisition of coolback in 2023.

Audley Travel performed strongly across its US and UK markets in 2024. Its order book into 2025 is strong, albeit we are monitoring the impact on US travel sentiment, following heightened uncertainty in US policy. MPM continued to grow well across its markets in 2024. Whilst MPM has a significant presence in the US, we expect the business to be able to mitigate the impacts of current proposed changes in US tariffs.

Mepal delivered encouraging performance across its omnichannel offering and Luqom made good progress in operational and financial delivery in 2024 and continues to win market share in a relatively subdued market. The prolonged impact of low discretionary consumer confidence continued to impact the franchisee base in some countries for BoConcept for the majority of 2024. Recent order intake in the final quarter of 2024 and into the start of 2025 has been more stable.

Industrial portfolio companies

After a challenging 2023, Tato's sales volumes and profitability recovered well in 2024, despite relatively muted demand across its end-markets and a more challenging competitive environment. The business continues to generate a good level of cash flow, and returned a further £13 million of dividends to 3i in FY2025, meaning we have received £75 million in total dividend distributions over the last seven years. AES delivered another year of consistent financial, strategic and operational performance, as a result of increased demand in energy and industrials, its most prominent markets. The business continued to target strategic acquisitions, completing two bolt-on acquisitions in FY2025, and also returned dividends of £4 million to 3i. Dynatect's performance was stable, despite delays in the ramp-up of a significant contract.

Services and software portfolio companies

Against a fairly muted third-party maintenance ("TPM") market, Evernex saw a positive TPM top-line performance in 2024 and remains well positioned for an anticipated normalisation of market conditions in the near term. Also operating in the IT services market, MAIT's 2024 outcome was resilient despite a more cautious climate among customers. The business completed another three bolt-on acquisitions in FY2025, taking its total to 13 since we first invested in 2021. Since our investment in xSuite in 2022, the business has made good progress in its development towards a SaaS model. During the year, we invested £5 million to support xSuite's bolt-on acquisition of tangro, which is also performing well.

Due to persisting market uncertainty, the expected recruitment process outsourcing market recovery has not yet materialised. As a result, Wilson continued to see significant challenges across its markets. Although the business continues to generate new wins and optimise its operations, we expect the near term to remain difficult. We invested £6 million to support the business during the year and recognised an unrealised value reduction of £88 million.

Private Equity investment

The Private Equity transaction market saw a steady improvement in 2024 driven by easing debt markets and stabilising interest rates. Our investment approach remained disciplined and consistent, as we continued to use our network and local expertise to source high-quality, well-priced opportunities, including value-enhancing bolt-on acquisitions for our portfolio companies.

In addition to the reinvestment in Action, in FY2025 we completed three new private equity investments totalling £318 million. We invested £121 million in WaterWipes, a global, premium, limited ingredient wet wipe brand, reinforcing our strategy of backing international branded consumer businesses. Our £98 million investment in Constellation, a specialist in hybrid cloud and cybersecurity managed services, aligns with our focus on IT services. We have a long and successful investment track record in inspection and testing, and we were pleased to invest £99 million in OMS Prüfservice, a leading provider of electrical testing services for B2B customers in the DACH region.

Across the Private Equity portfolio, we completed 12 bolt-on acquisitions in the year for six portfolio companies, the majority of which were self-funded.

Read more about our investment activity starting on page 25

Private Equity realisations

We completed two significant realisations during the year, generating total proceeds of £659 million. Since acquiring nexeye in 2017, the company has driven growth both organically and through a buy-and-build strategy, expanding its store base from approximately 400 to over 700 across five countries. As a result, both sales and EBITDA doubled under our ownership. This realisation, which completed in July 2024, delivered a modest profit over its 31 March 2024 valuation, generating proceeds of £382 million. When combined with distributions received during our ownership, this resulted in a sterling money multiple of 2.0x.

We also completed the realisation of WP, an asset we had held since 2015. Throughout our ownership, we supported its international growth strategy by expanding into new product categories and executing four bolt-on acquisitions, nearly doubling its EBITDA. The transaction generated total proceeds of £280 million, including interest income of £3 million, reflecting an 18% profit over its 31 March 2024 valuation. Including the £45 million received earlier in our ownership period, this resulted in a sterling money multiple of 2.2x.

Read more about our realisation activity starting on page 25

Infrastructure performance

In the year to 31 March 2025, our Infrastructure portfolio generated a GIR of £52 million, or 3% on the opening portfolio value (2024: £99 million, 7%) reflecting good performance from our infrastructure funds and increased dividend income primarily from 3iN. However, this result was significantly impacted by 3iN's share price performance that continues to underwhelm, with a decrease of 3% in the year to 318 pence at 31 March 2025, even though the underlying 3iN portfolio continues to trade well and deliver strong realisations, at good uplifts to opening value.

In the year to 31 March 2025, 3iN generated a total return on opening NAV of 10.1%, again exceeding its 8 to 10% return objective, and delivered its dividend target of 12.65 pence, a 6.3% increase on last year. 3iN's underlying portfolio continues to benefit from its exposure to long-term sustainable growth trends.

Our proprietary capital investment in Smarte Carte achieved record-high revenue and EBITDA in 2024, driven by strong performance across its business segments. Notably, the company's new long-term carts contract at London's Heathrow Airport performed well.

We continued to advance our sustainability agenda, focusing on climate change.

Pages 39–68
Read more on sustainability

Scandlines performance

The performance of Scandlines was resilient in FY2025, and our investment generated a GIR of £46 million, or 9% of opening portfolio value (2024: £10 million, 2%). Leisure revenues were strong, whilst freight volumes were softer compared to the prior year. The business continued to be cash generative and returned £22 million of dividends to 3i. Since our reinvestment in 2018, we have received £232 million of total distributions.

Sustainability

We continue to make good progress on our climate agenda. Our science-based targets, which cover our direct GHG emissions and those associated with our portfolio, were approved by the SBTi in March 2024. We are particularly pleased with the progress we made in FY2025 towards the achievement of our portfolio engagement target, which involves 3i using its influence to encourage portfolio companies to set their own science-based targets. Seven of our portfolio companies across 3i Group and 3iN have now set approved science-based targets. Notably, Action had its near-term science-based targets approved in February 2025.

We continue to refine our assessment of climate-related risks and opportunities in our investment and portfolio management processes. This helps us support portfolio companies in positioning themselves on the right side of climate transition, while safeguarding 3i and its portfolio companies from a broad range of operational, commercial and reputational risks. In addition to our focus on climate-related issues, we have also improved our assessment of nature considerations within our portfolio, alongside our continued focus on human rights.

Charitable donations

3i continues to support charities which relieve poverty, address homelessness, promote education and youth development and support elderly and disabled people. We donated £1.2 million across these initiatives as part of our ordinary charitable activities. Our portfolio companies also supported a variety of charities relevant to them and their operations, with donations totalling £4.8 million.

Balance sheet and foreign exchange movement

Our proprietary capital strategy affords us the benefit of agility in capital deployment and flexibility in holding periods, which puts us in a good position to optimise returns over the long term. We successfully executed the final payments of the carried interest liability related to Action, totalling £428 million over the year. This marks an important milestone for the Group and our shareholders, eliminating a substantial financial obligation from the balance sheet and ensuring that going forward, Action's returns flow through to shareholders with no dilution.

We ended FY2025 with net debt of £771 million and 3% gearing, after returning £625 million of cash dividends to shareholders in the year and with liquidity, including our undrawn RCF, of £1,323 million. We remain disciplined on costs and generated an operating cash profit of £469 million in the year, or £36 million excluding dividends received from Action. Due to the strengthening of sterling against the euro and US dollar in the year, we recorded a total foreign exchange translation loss of £259 million (March 2024: £316 million loss), including a gain on foreign exchange hedging of £82 million (March 2024: £116 million gain).

In April 2025, we increased the notional value of the Group's Euro foreign exchange hedging programme by €400 million, securing favourable rates, taking our total Euro hedge to €3.0 billion.

Outlook

We expect the market environment in FY2026 to remain complex, with heightened geopolitical uncertainty as major economies respond to changes in US policy.

Over many years we have deliberately allocated our capital into some of our best performing assets, such as Action and Royal Sanders, as well as assets in sectors such as value-for-money, private label consumer, healthcare and infrastructure, all of which have proven their resilience over many years of market shocks and headwinds. This provides us with confidence in the overall portfolio's ability to continue to operate effectively through volatile conditions and generate resilient returns for our shareholders. Similarly, over the same period of time, our policy of taking a long-term view on valuation multiples has been consistently applied across market peaks and troughs. This approach remains very relevant in the current market conditions.

We expect transaction activity across the private market to be slower over the near term given the increased macro-economic and geopolitical uncertainty. We will maintain our pricing discipline and continue to be highly selective across new investment and realisation opportunities as we continue to optimise long-term value growth for our shareholders.

We remain confident in our ability to compound growth across the portfolio in the years to come, and I would like to close by thanking the team at 3i and the teams in our portfolio companies for another year of strong performance.

Simon Borrows
Chief Executive

14 May 2025

Our thematic approach to investment

We adopt a thematic approach to origination and portfolio construction, backing businesses that benefit from structural trends which can support long-term sustainable growth.

Value-for-money and discount

The last decade has seen a significant shift towards value concepts, shaped by economic and behavioural forces.

Macro-economic pressures, including inflation and wage stagnation, have combined with the emergence of efficient discount retailers that can deliver quality essentials at a good price and with the subsequent rise of the 'smart shopper' to underpin a significant shift to value concepts. Amid increasing uncertainty, consumers remain discerning and continue to seek quality at a good price, sometimes at the expense of brand loyalty. We believe that these behaviours, which were further embedded during the recent cost of living crisis, will endure, as shown by consumer behaviour during and in the immediate aftermath of the 2007-2008 financial crisis.

3i response

Value-for-money and discount has long been a winning theme for our Private Equity portfolio. We highlight a few examples here. **Action** has grown from a focus on its Dutch home market to a pan-European discount retailer by providing a good-quality and surprising assortment of products, including many everyday necessities, at a very low price.

Royal Sanders, a private label and contract manufacturer of personal care products, is growing strongly by offering products at a variety of price points to a broad range of customers, including value retailers. **European Bakery Group**, which produces bake-off bread and snack products for food retailers and foodservice customers, benefits from similar dynamics.

Pages 20-23
Read more about Action

Energy transition, energy security and resource scarcity

The response to climate change and other environmental issues is a defining theme of our time.

The transition towards a low-carbon economy is gathering pace in some countries, leading to increased demand for cheaper electricity and associated services. At the same time, natural resources are growing more scarce and governments, businesses and consumers are focusing on developing and supporting more sustainable consumption models, which embed more circularity and shared resources and offer significant cost benefits.

3i response

We have exposure to this theme in our Infrastructure business, with investments in businesses like **Infinis**, which generates renewable energy, **Herambiente**, which sorts and recycles waste and generates power from the waste that cannot be recycled, and **Future Biogas**, one of the UK's largest anaerobic digestion plant developers and biogas producers.

TCR, also in our Infrastructure portfolio, provides pooled ground support equipment at airports, reducing the amount of equipment required.

A number of our Private Equity portfolio companies are making investments in the circular economy theme, either by adapting their business models or by offering products or services that directly support a circular economy model. For example, **Evernex** repairs, reuses and recycles IT equipment to extend its lifespan, therefore supporting clients in reducing their carbon emissions.

Our thematic approach to investment continued

Digitalisation, digital transformation and big data

Digital transformation leverages data to drive innovation and efficiency, enhance decision-making, and enable sustainable growth.

Technology is developing rapidly and changing business operating models across many sectors. Digitalisation is part of daily life, extending to all spheres of human activity and interactions. It is also intertwined with climate change and is a precondition to many of the available decarbonisation pathways.

The rapid development of artificial intelligence is accelerating these trends, creating opportunities not previously possible. However, the benefits of this shift are not evenly distributed. Certain sectors remain vulnerable to disruption, and segments of society risk being left behind, highlighting the need for inclusive digital strategies.

3i response

We have been careful to select investments that benefit from this theme, while avoiding areas likely to be impacted by disruption. In our Private Equity portfolio, **MAIT** provides end-to-end digitalisation solutions for manufacturing customers, offering product lifecycle management, enterprise resource planning software as well as managed services and cloud solutions. **xSuite** provides accounts payable invoice process automation applications. **Evernex** maintains IT equipment that is critical for customers' business continuity. **Luqom**, **VakantieDiscounter** and **Konges Sløjd** benefit from the ongoing shift to the online channel.

Our Infrastructure business is also exposed to this trend. **Tampnet** operates an offshore communication network in the North Sea and Gulf of Mexico; and **FLAG** (formerly Global Cloud Xchange) owns one of the world's largest subsea fibre optic networks.

Demographic and social change

Ageing populations are projected to cause significant social disruption in our investment markets.

Increasing life expectancy and reduced birth rates in most of our core markets are resulting in ageing and often declining populations, as well as issues stemming from growing generational imbalances. These structural, long-term trends are profoundly changing consumer behaviour and preferences, and are resulting in policy responses and scientific research to meet the challenges of greater longevity and the increasing prevalence of age-related chronic illness.

3i response

Our Private Equity healthcare investments, including **Cirtec Medical**, an outsourced medical device manufacturer, as well as **SaniSure** and **ten23 health**, which deliver products and services to the biopharmaceutical and life sciences industry, provide solutions to the disruption caused by an ageing population and by scientific breakthroughs making more advanced medical and pharmaceutical treatments possible. **Ionisos**, in our Infrastructure portfolio, provides cold sterilisation services to the medical and pharmaceutical industries, amongst others.

Some of our portfolio companies with a consumer focus are also exposed to this trend. **Audley Travel** caters to an older and wealthier demographic cohort that is becoming more dominant. **Konges Sløjd** and **WaterWipes**, on the other hand, have developed their offering to appeal to the rising middle classes and older parents having higher disposable income when they reach parenthood.

Our business model

We aim to compound value over time by investing in mid-market companies to create a diverse portfolio and by holding our best investments over the longer term.

What enables us to create value

Sectors

Private equity

- Consumer & Private Label
- Healthcare
- Industrial
- Services & Software

Infrastructure

- Communications
- Energy
- Social Infrastructure
- Transport/Logistics
- Utilities

Our investment approach

Permanent capital and long-term stewardship

Our proprietary capital affords us a medium to long-term investment horizon. We aim to compound our proprietary capital value through conviction in our best investments.

Careful portfolio construction

We approach portfolio construction with great care, with a focus on resilience across market cycles and target sectors and regions where we have deep expertise, strong networks, and a proven track record.

Our strategy remains flexible, adapting to market shifts, regulatory changes, and broader societal and environmental trends. We screen investment opportunities against our Responsible Investment policy and embed an assessment of sustainability risks and opportunities across our investment and portfolio management processes. We have been signatories to the UN Principles of Responsible Investment since 2011.

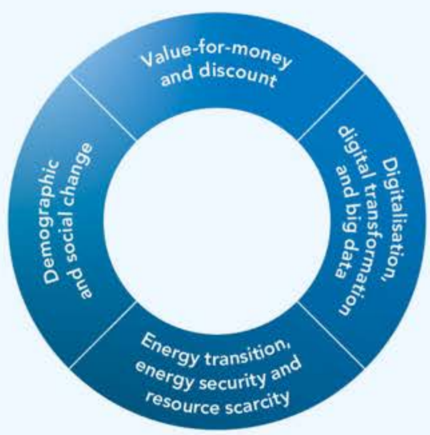
Pages 42-51
Invest responsibly

Active asset management

We engage with portfolio companies' management teams to manage risks and invest in initiatives that support long-term sustainable growth. We have majority or significant minority stakes in our core portfolio companies and are represented on their boards. We therefore have the influence to drive long-term, sustainable growth in our portfolio.

Thematic origination

Our Private Equity and Infrastructure teams invest in businesses supported by long-term structural growth trends.



Our strong values and institutional culture

We promote a strong culture of integrity among our employees and embed that culture in our policies and processes.

Our people

The recruitment, development and retention of a capable and diverse team is fundamental to our success.

223 people

22 nationalities

Global network

We have had local teams on the ground across the UK, continental Europe and the US for many decades, which have built strong networks within their local business communities. We view diversity as a strength and a plurality of perspectives enhances our origination, value creation and decision making.

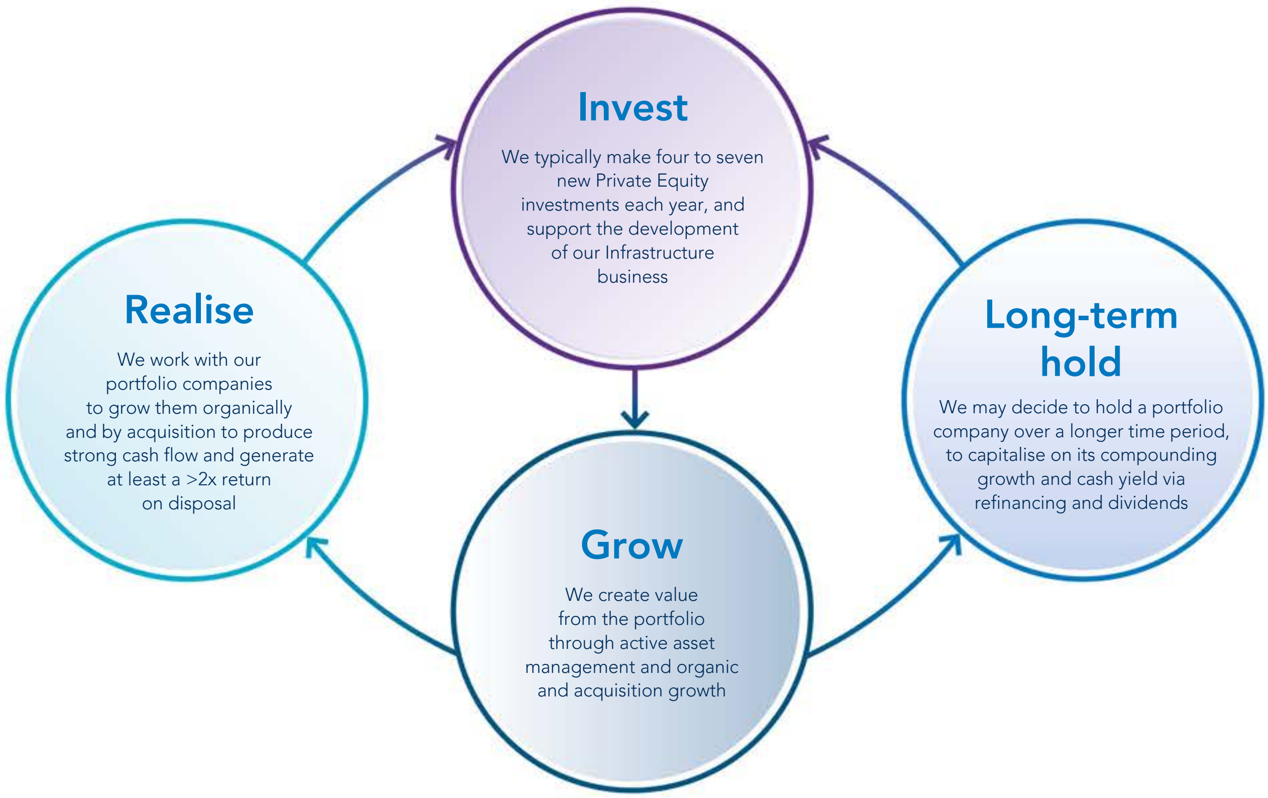
Our brand and reputation

As an investment company with a history of 80 years, our brand strength and long-term approach underpin our reputation as a responsible investor and business.

80 years history

We aim to at least cover our cash operating costs with cash income from our portfolios and from fund management fees generated by our Infrastructure business.

How we create value



Who benefits

Shareholders

Our model is capable of delivering mid-teen returns to shareholders through the investment cycle

25%	73.0p	0.4%
Total return on opening shareholders' funds in FY2025	**Dividend per share for FY2025**	**Operating costs as a percentage of our FY2025 AUM**

Portfolio companies

We work in close partnership with our portfolio companies to provide expertise and support, enabling them to grow sustainably and to contribute positively to the communities in which they operate

Our people

Our people are our most important resource. We foster the professional development and wellbeing of our employees

Strategic objectives

Grow investment portfolio earnings

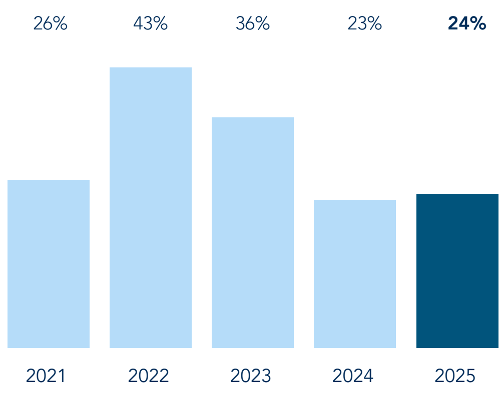
Realise investments with good cash-to-cash returns

Key performance indicators[1,2,4]

Gross investment return ("GIR") as % of opening portfolio value

The performance of the proprietary investment portfolio expressed as a percentage of the opening portfolio value.

Link to strategic objectives



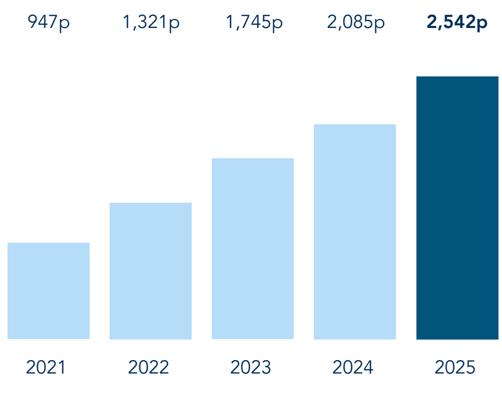
FY2025 progress and FY2026 outlook

- Group GIR of 24%, driven by £4,839 million of unrealised value growth and £600 million of portfolio income
- Private Equity GIR of £5,113 million, or 26%, predominantly driven by Action's GIR of £4,551 million
- Infrastructure GIR of £52 million, or 3%, reflecting 3iN dividend income and performance across our infrastructure funds, offsetting weaker 3iN share price performance
- Scandlines GIR of £46 million, or 9%, reflecting resilient performance in the year and cash distributions
- Our portfolios have started FY2026 with good momentum

NAV per share

The measure of the fair value per share of our investments and other assets after the net cost of operating the business and dividends paid in the year.

Link to strategic objectives



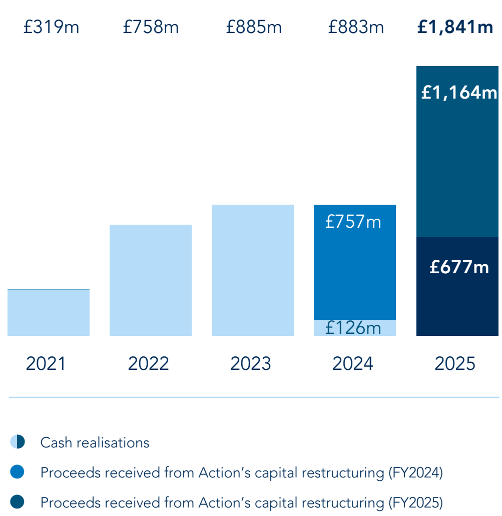
FY2025 progress and FY2026 outlook

- 22% increase in NAV per share to 2,542 pence (31 March 2024: 2,085 pence), after payment of 65 pence dividend per share in the year
- Our portfolios have started FY2026 with good momentum

Cash realisations[5]

Support our returns to shareholders, as well as our ability to invest in new opportunities.

Link to strategic objectives



FY2025 progress and FY2026 outlook

- Cash proceeds of £1,841 million including £1,164 million of proceeds received from Action's capital restructuring and £659 million from the realisations of nexeye and WP
- Realisations and refinancings in FY2026 are subject to supportive market conditions and to portfolio company performance remaining resilient

Key performance indicators continued

Maintain an operating cash profit

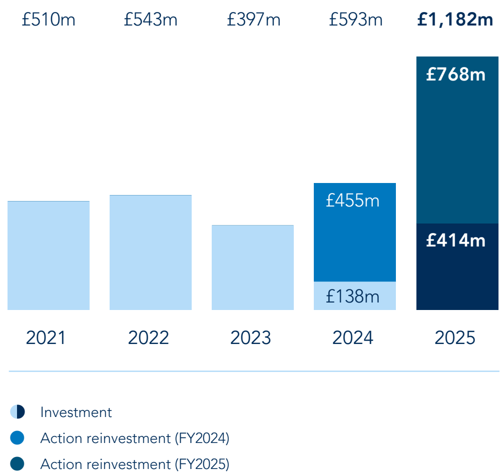
Use our strong balance sheet

Increase shareholder distributions

Cash investment

Identifying and investing in new and further investments is a key driver of the Group's ability to deliver attractive returns.

Link to strategic objectives



FY2025 progress and FY2026 outlook

- Invested £1,182 million, including the £768 million reinvestment into Action and £318 million across three new investments
- Completed 12 bolt-on acquisitions for the Private Equity portfolio, one of which, for xSuite, we supported with further investment of £5 million
- Solid pipeline of new investment opportunities and bolt-on acquisitions

Operating cash profit[3]

By covering the cash operating cost of running our business with cash income, we reduce the potential dilution of capital returns.

Link to strategic objectives

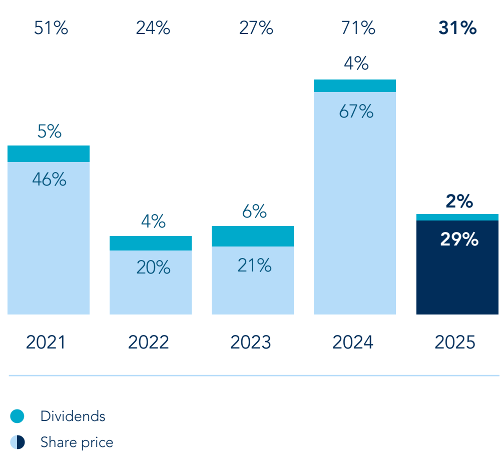
FY2025 progress and FY2026 outlook

- Generated total cash income of £598 million (2024: £594 million) of which £470 million (2024: £456 million) is from Private Equity, £106 million (2024: £113 million) from Infrastructure and £22 million from Scandlines (2024: £25 million). Private Equity includes £433 million of dividends from Action (2024: £375 million)
- Cash operating expenses of £129 million (2024: £127 million)
- Good cash income expected to continue from Action, Infrastructure and Scandlines

Total shareholder return

The return to our shareholders through the movement of the share price and dividends paid during the year.

Link to strategic objectives



FY2025 progress and FY2026 outlook

- TSR of 31% driven by a share price increase of 29% and by dividend payments of 65.0 pence in the year
- Strong balance sheet supports a total FY2025 dividend of 73.0 pence per share

1 A number of our KPIs are calculated using financial information which is not defined under IFRS and therefore they are classified as APMs. Further details on these APMs are included in our Financial review on page 79.
2 Further information on how these KPIs are factored into decisions concerning the Executive Directors' remuneration is included in the Directors' remuneration report on page 135.
3 Cash operating expenses includes lease payments.
4 Key risks which could potentially impact the respective KPIs can be found on pages 88 to 93, which summarise the Group's current principal risks.
5 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £1,827 million of realised proceeds, of which £1 million related to withholding tax. In addition, £5 million of cash proceeds were received, which had been recognised as realised proceeds in FY2024.

Business review

What's in this section

Private Equity

At a glance

Gross investment return

£5,113m or 26%

(2024: £4,059m or 25%)

Cash investment

£1,177m

(2024: £556m)

Realised proceeds

£1,827m

(2024: £866m)

Portfolio dividend income

£450m

(2024: £439m)

Portfolio growing earnings

97%[1]

(2024: 93%)

Portfolio value

£23,558m

(2024: £19,629m)

1 LTM adjusted earnings to 31 December 2024. Includes 30 portfolio companies.

We invest our proprietary capital in mid-market businesses headquartered in Europe and North America. Once invested, we work closely with our portfolio companies to deliver ambitious growth plans and aim to compound value from our best investments over the longer term.

Against a complex and uncertain macro-economic and geopolitical environment across Europe and the US, our Private Equity portfolio delivered a GIR of £5,113 million, or 26%, on the opening portfolio value (2024: £4,059 million or 25%) in the year to 31 March 2025. This return included a £273 million foreign exchange translation loss, net of a gain from foreign exchange hedging.

Action had another very strong year and was the principal driver of the return, generating GIR of £4,551 million or 32% of its opening value. We also received significant realised proceeds from Action, with a portion of these proceeds reinvested to acquire an additional stake in the business. Our other long-term hold Private Equity asset, Royal Sanders, delivered another year of strong organic and acquisitive growth.

Across the remaining portfolio, a number of assets within the consumer and private label sectors performed well and we saw an encouraging trajectory for several of our healthcare assets. The majority of our industrial assets continue to pay cash dividends and performed well, whilst our services and software assets were largely resilient against a difficult IT market backdrop. We saw underperformance from a limited number of assets exposed to weaker end markets.

We maintained disciplined pricing, completing three new investments, invested further capital across several existing portfolio companies and enhanced our existing portfolio through 12 strategic bolt-on acquisitions. In addition to proceeds received from Action, we also generated significant realised proceeds from the exit of two portfolio companies at money multiples of 2x or greater.

Overall, the Private Equity portfolio value increased to £23,558 million at 31 March 2025 (31 March 2024: £19,629 million).

Table 1: Gross investment return for the year to 31 March

Investment basis	2025 £m	2024 £m
Realised profits over value on the disposal of investments	**50**	–
Unrealised profits on the revaluation of investments	**4,803**	3,874
Dividends	**450**	439
Interest income from investment portfolio	**69**	80
Fees receivable	**14**	7
Foreign exchange on investments	**(340)**	(437)
Movement in fair value of derivatives	**67**	96
Gross investment return	**5,113**	4,059
Gross investment return as a % of opening portfolio value	**26%**	25%

Private Equity continued

Building great businesses with long-term sustainable growth potential

Action, the fastest growing non-food discount retailer in Europe and our largest portfolio company, had stores in 12 countries, employed 79,681 people and generated annual revenue of €13.8 billion in 2024. Action continues to invest in its systems and organisation to support its volume-driven growth and future ambitions.

Customer-centric approach

'Always the lowest price' is central to Action's customer value proposition. On average 18.7 million customers visit Action stores each week, driven by Action's range of essential and surprise assortment of good quality products, at the lowest prices.

In 2024, Action continued to reduce its prices, with 2,000 price reductions across its assortment. Two thirds of its products retailed at a price point of less than €2, and the business has largely maintained or increased its price position against its competitors across its markets.

Action also has a comprehensive programme of store relocation, enlargement and refurbishment to maintain and enhance its customers' shopping experience.

Good quality products

Action has a simple, efficient, and scalable operating model. It offers 6,000 products across 14 categories, with two thirds of the assortment changing frequently.

Action's continuous investment in quality has resulted in a number of award-winning private label products in 2024 and early 2025.

Case study: Consumer & Private Label

ACTION

For more information
company.action.com

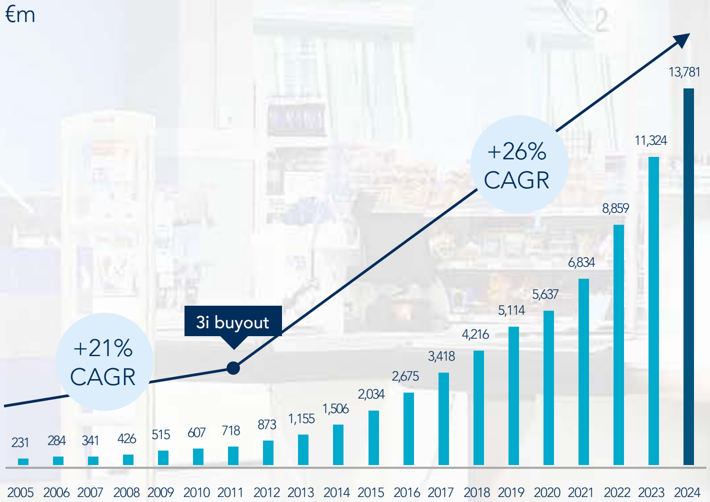
352
Stores added
during 2024

10,641
New jobs created
during 2024

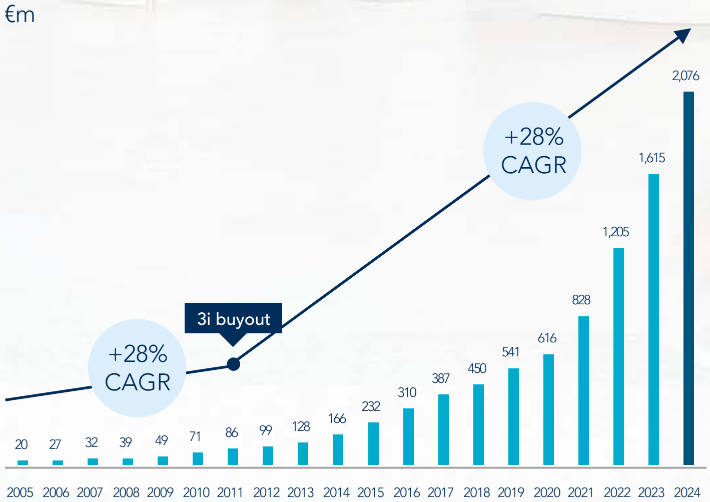
18.7m
Average number of customers that visited Action stores every week
during 2024

Private Equity continued

Net sales[1]
€m



Operating EBITDA[1]
€m



Source: Company information

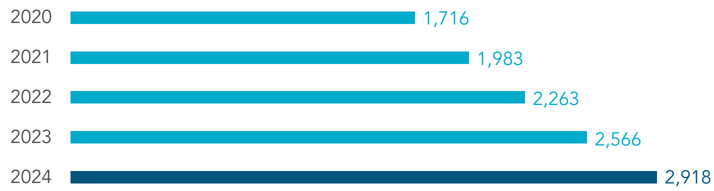
1 Including impact of 53rd week in 2015 and 2020.

Private Equity continued

International store roll-out

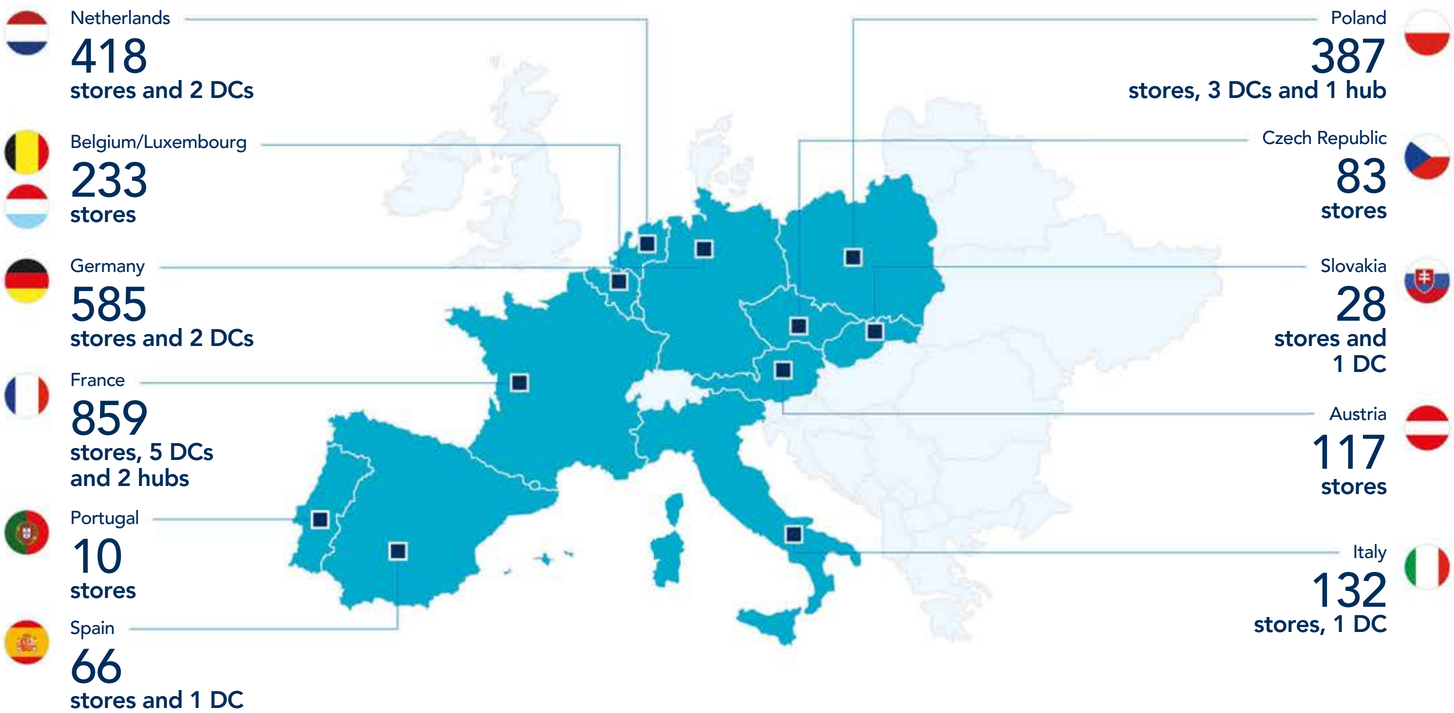
At 29 December 2024, Action had a total of 2,918 stores across 12 countries, after adding 352 stores during the year. In April 2025, Action opened its first store in Switzerland and plans to open stores in Romania later in the year. Action has significant further growth opportunities, with the latest estimate of potential new stores totalling approximately 4,850 across both existing and new markets in Europe.

Number of stores



Geographical spread of stores, distribution centres and hubs[1]

at 29 December 2024



Investment in future growth

Action continued to invest in its distribution network in 2024, with the addition of two new distribution centres in Italy and Spain. At the end of 2024, Action had 15 distribution centres and three hubs across Europe, with three new distribution centres planned in 2025.

In 2024, Action successfully implemented a new ERP system and started the 'Fit-For-Growth' programme to define a scalable, simple and efficient future international organisation.

People

Action is a large employer, with 79,681 employees across its stores, distribution centres and offices at the end of 2024. The business created 10,641 jobs in 2024 and continues to invest in the ongoing development and engagement of its employees, with over 3,507 internal promotions and over 292,000 training hours delivered across its workforce in 2024.

Digital

On a weekly basis, an average of 13.6 million customers use the Action app and visit the Action website, providing a multi-channel touchpoint for customers to conduct their research online and then continue their journey with in-store purchases. Action has a comprehensive technology roadmap for the next five years which will act as a key enabler of its growth plans.

Partnership

In 2024, Action's support for its charity partners and other donations totalled €2.6 million. Action continues to work with its long-term international partners, SOS Children's Villages and the Johan Cruyff Foundation. The Action Scholarship Fund provided financial support to 179 Action families in 2024.

Sustainability

Action made further progress in the implementation of its sustainability programme in 2024. Further information is available in the Sustainability section of this report on pages 50 and 51.

1 Action opened its first store in Switzerland in April 2025 and therefore has stores in 13 countries.

Private Equity continued

Action financial metrics

Last 12 periods to P12 2024 (2023) | First three periods to P3 2025 (2024)

Net sales

Year	Last 12 periods	Year	First three periods
2023	€11,324m	2024	€3,004m
2024	**€13,781m**	2025	**€3,521m**

Operating EBITDA

Year	Last 12 periods	Year	First three periods
2023	€1,615m	2024	€397m
2024	**€2,076m**	2025	**€464m**

Operating EBITDA margin

Year	Last 12 periods	Year	First three periods
2023	14.3%	2024	13.2%
2024	**15.1%**	2025	**13.2%**

LFL sales growth

Year	Last 12 periods	Year	First three periods
2023	16.7%	2024	9.8%
2024	**10.3%**	2025	**6.2%**

Case study: Consumer & Private Label

Year invested

2018

Location

Netherlands

For more information www.royalsanders.com

Royal Sanders, our other long-term hold asset, is a leading European private label and contract manufacturing producer of personal care products. The business has seven production facilities across Europe and focuses on 10 major consumer product categories.

Since our investment in 2018, we have supported Royal Sanders' successful international expansion strategy, organically and by accessing new markets, with eight bolt-on acquisitions which have contributed strongly to its growth. As a best-in-class operator in its sector, the business is also highly cash generative, returning a total of £231 million in distributions to 3i over the seven-year period.

Royal Sanders bolt-on activity in FY2025

Royal Sanders completed its acquisitions of Karium and Treaclemoon in the year. Both companies are based in the UK and have a strong strategic fit with Royal Sanders' existing brands business, enabling it to expand its footprint in the personal care market.

Karium is a platform of established brands in the hair care, body care and skin care categories. It serves a broad range of major retailers across the grocery, value and food, drug and mass merchandiser channels.

Treaclemoon is a value-for-money personal care brand with a market presence of over 15 years. Its products are sold through major UK retailers as well as through international distributors.

Investment and realisation activity

We maintained a selective and disciplined investment approach, allocating £881 million to our existing portfolio companies and £318 million across three new investments.

In July 2024, Action raised €2.1 billion through a refinancing event and completed a capital restructuring with a pro-rata share redemption. As a result, 3i received total proceeds of £1,164 million. Alongside several existing LPs in the 2020 Co-Investor Programme, 3i took the opportunity to acquire an additional stake in Action. Including a small subsequent purchase of an existing LP stake later in the year, 3i reinvested £768 million, increasing its gross equity stake from 54.8% to 57.9%.

In July 2024, we invested £98 million to acquire Constellation, a hybrid cloud and cybersecurity managed services provider based in France. In addition to Endexar, which was acquired on closing, Constellation has completed three bolt-on acquisitions since our investment and remains well positioned to be a key consolidator in a fragmented French IT services market. In January 2025, we invested £121 million for the acquisition of WaterWipes, a global, premium, limited ingredient, natural wet wipe brand focused on the baby category, with new product innovation in the adult category. Finally, in February 2025, we completed the £99 million investment in OMS Prüfservice, the largest specialised service provider in testing of electrical systems and equipment for B2B customers in the DACH region.

We invested a further £54 million in ten23 health, as we continue to develop the CDMO platform and a further £39 million in Royal Sanders. We also provided £6 million of capital to support Wilson through challenging trading conditions. EBG returned £22 million of funding within 12 months of our investment to support its acquisition of coolback in 2023.

Our buy-and-build strategy remains fundamental to the successful delivery of the investment case for many of our portfolio companies. In FY2025, we completed 12 bolt-on acquisitions across six portfolio companies, with only one requiring additional 3i investment. Further details of selected bolt-on acquisitions can be found on pages 24 and 27.

We completed two realisations in FY2025, generating total proceeds of £659 million. In July 2024 we completed the sale of nexeye for proceeds of £382 million, achieving a modest profit over its 31 March 2024 valuation. When combined with distributions received during our investment period, this resulted in a sterling money multiple of 2.0x. We also completed the realisation of WP in October 2024, delivering total proceeds of £280 million which, including interest income of £3 million, represented an 18% premium to its 31 March 2024 valuation. Including the £45 million received earlier in our ownership, this resulted in a sterling money multiple of 2.2x. Further details for both of these portfolio companies can be found on page 30.

In total, in the year to 31 March 2025, our Private Equity team invested £1,177 million (2024: £556 million) and generated total proceeds of £1,827 million (2024: £866 million).

Case study: Consumer & Private Label

WaterWipes

Year invested
2025

Location
Ireland

Investment
£121m

For more information
www.waterwipes.com

WaterWipes is a global, premium, natural wet wipe brand focused on the baby and child category, with new product innovation in the adult category.

It has c.300 employees and is based in Drogheda, Ireland. Its products are sold in over 50 countries, with double-digit growth across both offline and online channels.

Made from natural ingredients, WaterWipes' superior-quality wet wipes are globally accredited by skin health and allergy institutions and endorsed by healthcare professionals. This has earned the brand market-leading levels of customer loyalty and advocacy, driving consistent growth for over a decade.

WaterWipes is the clear premium-segment leader in the c.€12 billion personal care wet wipes market, which is forecast to grow strongly driven by increased hygiene awareness post-Covid and demand for convenience. 3i will support the company's growth, including its expansion in the US, Europe and new markets.

Private Equity continued

Case study: Services & Software

constellation

Year invested
2024

Location
France

Investment
£98m

For more information
www.constellation.fr

Constellation, founded in 2016 and headquartered in Saint-Cloud, France, is an IT managed services provider specialised in hybrid cloud and cyber security, with c.780 employees and a national footprint of 13 agencies.

It supports c.600 mid-sized customers by managing their core IT infrastructure and overseeing cyber security through its Security Operations Centre.

The company has consistently delivered double-digit organic growth, driven by a strong value proposition and superior service quality that helps retain and attract new customers.

Constellation has completed 23 acquisitions since 2016. Endexar, a provider of SAP managed services, was acquired on closing and since then, three further bolt-ons have completed: ILKI, a cloud architecture specialist; and Feelserv and Armonie, both hybrid cloud managed service providers.

The business is well positioned to be a key consolidator in a fragmented IT services French market, and our investment will enable it to further accelerate its growth, both organically and through add-ons.

Case study: Services & Software

OMS PRÜFSERVICE

Year invested
2025

Location
Germany

Investment
£99m

For more information
www.oms-pruefservice.de

Private Equity continued

OMS Prüfservice ("OMS"), is the largest specialised service provider in testing electrical systems and equipment for B2B customers in the DACH region.

The business has over 900 employees and operates in 43 locations across Germany, Austria and Switzerland.

The company tests the electrical safety of portable and fixed equipment in offices and manufacturing facilities, as well as e-mobility infrastructure and photovoltaic systems. Its fully tailored proprietary software platform, INSPEKTRA, enables it to digitalise and automate its testing processes, maximising efficiency and optimising its services to an individual customer level.

OMS is well positioned for future growth, due to its geographic footprint, the increasing digitalisation of workplaces and increased outsourcing, due to the demand for skilled technicians. 3i is investing to drive further growth in OMS's core business, while exploring new opportunities.

Case study: Services & Software bolt-on acquisitions

Year invested

2021

Location

Germany

For more information
www.mait.de

MAIT is a leading provider of innovative and pioneering digital solutions in the DACH region, focusing on software in product lifecycle management, enterprise resource planning as well as managed services and cloud solutions.

Since our investment in 2021, we have supported MAIT in making 13 acquisitions[1] that complement its offering in product lifecycle management and enterprise resource planning solutions, including three bolt-on acquisitions in the year, in CAD 'N ORG and ISAP in April 2024, and TFH Technical Services in November 2024.

CAD 'N ORG is a provider of software and consulting services, offering complementary software modules, such as a data validation tool which ensures appropriate data quality.

ISAP is a provider of consulting services, established for over 30 years, supporting medium sized manufacturing companies with tailor-made digitalisation strategies.

TFH technical services is a Dutch consulting provider specialising in the implementation and use of lifecycle management software solutions.

1 Includes asset deals.

Private Equity continued

Investments

	Portfolio company	Business description	Date	Proprietary capital investment £m
New investment	**Constellation**	IT managed services provider	July 2024	98
	WaterWipes	Global, premium, natural wet wipe brand	January 2025	121
	OMS Prüfservice	Specialised service provider for electrical equipment testing	February 2025	99
	Total new investment			**318**
Reinvestment	**Action**	General merchandise discount retailer	Various	768
	Total reinvestment			**768**
Other further investment	**ten23 health**	Biologics focused CDMO	Various	54
	Royal Sanders	Private label and contract manufacturing producer of personal care products	October 2024	39
	Other	Various	Various	4
	Total other further investment			**97**
Further investment to finance portfolio bolt-on acquisitions	**xSuite**	tangro: Specialist in inbound document management software	June 2024	5
	Total further investment to finance portfolio bolt-on acquisitions			**5**
Further investment to support portfolio companies	**Wilson**	Global provider of recruitment process outsourcing and other talent solutions	Various	6
	Other	Various	Various	5
	Total further investment to support portfolio companies			**11**
FY2025 Private Equity gross investment				**1,199**
Return of investment	**European Bakery Group**	Industrial bakery group specialised in bake-off bread and snack products	July 2024	(22)
	Total return of investment			**(22)**
FY2025 Private Equity net investment				**1,177**

Investments continued

Private Equity portfolio bolt-on acquisitions funded from the portfolio company balance sheets

Portfolio company	Name of acquisition	Business description of bolt-on investment	Date
MAIT	CAD 'N ORG	Provider of software and consulting services	April 2024
MAIT	ISAP	Provider of consulting services	April 2024
Royal Sanders	Karium	Platform of established brands across the hair care, body care and skin care categories	June 2024
AES	Condition Monitoring Services	Reliability service provider	August 2024
Constellation	ILKI	Cloud architecture specialist	October 2024
AES	PSS Marine Seal	Manufacturer of advanced sealing solutions tailored for the marine industry	October 2024
Evernex	Ultra Support	UK-based third-party maintenance provider	November 2024
MAIT	TFH Technical Services	Consulting provider specialising in the implementation and use of product lifecycle management software solutions	November 2024
Constellation	Feelserv	Hybrid cloud managed services	January 2025
Constellation	Armonie	Hybrid cloud managed services	February 2025
Royal Sanders	Treaclemoon	Value-for-money personal care brand	February 2025

Realisations

Investment	Country	Calendar year first invested	3i realised proceeds £m	Profit in the year[1] £m	Profit over opening value[2] %	Money multiple[3]	IRR
Full realisations							
nexeye	Netherlands	2017	382	10	3%	2.0x	10%
WP	Netherlands	2015	277	42	18%	2.2x	9%
Total realisations			**659**	**52**			
Refinancing							
Action	Netherlands	2011	1,164	–	– %	n/a	n/a
Other realisations							
Other	n/a	n/a	4	(2)	n/a	n/a	n/a
Total Private Equity realisations			**1,827**	**50**			

1 Cash proceeds realised in the period less opening value.
2 Profit in the year over opening value.
3 Cash proceeds over cash invested. Money multiples are quoted on a GBP basis.

Private Equity continued

Case study: Industrial

Realisation in October 2024

WP innovative packaging

Net proceeds received[1]

£280m

Sterling money multiple

(Total cash return over cost)

2.2x

For more information
www.WP.com

WP is a leading provider of innovative plastic packaging solutions, with over 4,000 employees and 23 facilities in 15 countries.

The company supplies the world's leading A-brands and private label players.

We invested £147 million in WP, supporting its international growth strategy through expansion into new product categories and strengthened its position in its existing segments. WP also completed four bolt-on acquisitions during our period of ownership, significantly reinforcing its presence in Latin America and Europe, and delivered consistent growth, almost doubling its EBITDA.

In October 2024, we sold our investment in WP at an 18% profit over 31 March 2024 value, generating proceeds of £280 million[1] which, combined with the £45 million of proceeds received during the period of our ownership, resulted in a sterling money multiple of 2.2x.

1 Including interest income of £3 million. An additional £8 million of deferred consideration was received post year-end in April 2025.

Case study: Consumer & Private Label

Realisation in July 2024

nexeye

Net proceeds received

£382m

Sterling money multiple

(Total cash return over cost)

2.0x

For more information
www.nexeye.com

nexeye is a European value for-money optical retail platform, operating under the Hans Anders, eyes+more and Direkt Optik labels.

We invested £205 million in the business throughout our ownership.

It is headquartered in Gorinchem, the Netherlands, with c.3,500 employees and c.720 stores in the Netherlands, Belgium, Germany, Austria and Sweden.

During our investment, nexeye transformed from a local optical discounter to the value-for-money leader in the North-West European optical retail market. In 2019, it acquired eyes+more, which added Germany as a key growth market. Since the acquisition, nexeye more than doubled eyes+more's store footprint in Germany.

nexeye invested in new stores, refurbished the existing network, strengthened the management team and transformed its digital infrastructure to a best-in-class setup. Under 3i ownership, nexeye shifted its business model towards digitally generated appointments, accelerated its digital marketing and CRM capabilities and drove store productivity through digital planning. As a result, sales and EBITDA doubled under our ownership.

In July 2024, we completed the sale of nexeye, returning proceeds of £382 million, which, combined with distributions received during our ownership, resulted in a sterling money multiple of 2.0x.

Long-term hold portfolio companies: Action and Royal Sanders

As detailed in the Chief Executive's statement and in the Action case study, Action delivered another year of very strong performance and we reflected this in our valuation of Action at 31 March 2025.

At 31 March 2025, Action was valued using its LTM run-rate EBITDA to the end of P3 2025 of €2,328 million, which includes the usual adjustment to reflect stores opened in the last 12 months.

Action run-rate adjustment

Action achieves significant growth in its first years of opening stores. Since 2013, we have included a run-rate adjustment in the calculation of Action's valuation earnings. This adjustment is to ensure we reflect the full-year profitability for each new store opened in the year. Action's performance and growth since the inclusion of this adjustment continue to validate this rationale. We apply our valuation multiple to an LTM earnings number adjusted as set out above, to ensure the growth embedded in new stores opened in the year is captured.

Action continues to outperform the peers we use to benchmark its performance across its most important KPIs, supporting our valuation multiple of 18.5x net of the liquidity discount (31 March 2024: 18.5x).

Action ended P3 2025 with cash of €347 million and a net debt to run-rate earnings ratio of 2.7x, after paying two dividend distributions in FY2025, of which 3i received £433 million.

At 31 March 2025, the valuation of our 57.9% stake in Action was £17,831 million (31 March 2024: 54.8%, £14,158 million) and we recognised unrealised profits from Action of £4,324 million (March 2024: £3,609 million) as shown in Table 2.

Royal Sanders, a leading European private label and contract manufacturing producer of personal care products, was the largest contributor to our Private Equity performance growth in FY2025, excluding Action. The company delivered strong organic growth across its customers in 2024. Royal Sanders has been a driving force in consolidating a highly fragmented industry, successfully executing eight bolt-on acquisitions since our investment, including the acquisitions of Karium and Treaclemoon in FY2025. The bolt-on acquisitions have outperformed their initial investment cases and the business has a strong pipeline of other targets.

An overview of the key drivers of the value movement for our long-term hold assets and a number of our other portfolio companies, can be seen in Chart 1.

Consumer and private label portfolio companies

EBG saw solid trading across all three of its platforms (Dutch Bakery, coolback, Panelto) in 2024, demonstrating its resilience amongst an unfavourable input pricing environment and pressure on wage inflation.

MPM saw good top-line growth in 2024, driven primarily by increased volumes across its key markets. The US, its largest market, continues to see strong sales development and there is significant headroom to scale it further, including through the online channel. While US tariffs have the potential to introduce some volatility across the whole premium wet cat food category, management has a robust strategy to navigate the situation. Audley Travel's reputable brand and customer loyalty continued to support its strong performance in 2024. Whilst the business has good coverage on bookings into 2025, we remain cautious on the outlook for its US market, following the heightened uncertainty in US policy and impact on US travel sentiment.

Mepal saw good commercial performance in 2024, with volume growth across its retail partners and its e-commerce offering. Luqom continues to make an encouraging recovery and gained market share in 2024. The business saw top-line growth across all of its regions with particularly impressive performance from Southern and Eastern Europe, supported by nine new local webshops. BoConcept continues to operate in a challenging consumer market. Performance in 2024 was softer, as a result of lower footfall in stores and net store closures. Recent order intake has been more positive. In February 2025, we passed our holding in YDEON to Tikehau Capital for no proceeds.

Chart 1: Largest value growth increases and decreases (>£20m)[1]

Portfolio company	Value growth (excl FX)	Value at 31 March 2025	Driver of value increase
Action	£4,324m	£17,831m	
Royal Sanders	£256m	£865m	
Audley Travel	£84m	£276m	
Tato	£47m	£382m	
Cirtec Medical	£41m	£614m	
EBG	£37m	£278m	
Q Holding[2]	£25m	£172m	
xSuite	£21m	£122m	

Portfolio company	Value decline (excl FX)	Value at 31 March 2025	Driver of value decline
Wilson	£88m	£39m	

● Performance ● Multiple

1 One portfolio company has been excluded due to commercial sensitivity.
2 Net of a negative movement in multiple.

Healthcare portfolio companies

Our healthcare portfolio saw good commercial momentum in 2024. Cirtec Medical delivered strong performance across the majority of its core sites in 2024, driven by elevated demand from its key customers. The business won a number of attractive programmes in 2024, which have the potential to be significant revenue contributors in the near to medium term. SaniSure saw demand patterns normalise for the majority of its business lines through the second half of 2024, as the bioprocessing market stabilised following a period of prolonged destocking after the pandemic. Over the last two years, the business has made significant investment in long-term initiatives and operational excellence that is already delivering good momentum.

ten23 health continued to make good progress. Its Basel site continues to develop well, with a number of new programmes signed from new and existing customers. Its existing Visp site is expected to achieve 100% utilisation in 2025, following a facility remediation at the end of 2024, which will facilitate the fulfilment of its strong order book. Q Medical Devices (Q Holding) performed well in 2024, with good demand from most of its customers across its business units.

Industrial portfolio companies

Our industrial portfolio delivered good overall performance in the year. Tato saw good volume growth and improved margin performance in 2024, despite operating in a market that is showing relatively muted demand and a tougher regulatory and competitor dynamic. Tato's cash conversion remained strong and we received £13 million of dividends in FY2025. AES produced another good result in 2024, as end-market conditions improved and the business continued to make gains on larger competitors in its sector. The business also completed two bolt-on acquisitions in FY2025, strengthening its offering in North America. Cash generation remained strong, and we recorded dividends of £4 million from the business in FY2025. Dynatect delivered stable performance in the year, despite delays in the ramp-up of a key contract.

Services and software portfolio companies

The global third-party IT equipment maintenance market was weaker in 2024, largely as a result of a dip in acquired new equipment in 2020-21, which is then typically serviced three to four years post-acquisition. Operating in this market, Evernex saw positive performance in 2024 and the business completed the acquisition of Ultra Support, a pure third-party maintenance player for data centres, servers and networking equipment in the UK. MAIT's buy-and-build strategy continued in 2024, with the business completing a further three bolt-on acquisitions at accretive multiples. The business maintained a good level of overall performance, despite weaker market demand across IT solutions. xSuite had a good 2024, characterised by annualised software bookings growth, and we have reflected its progress towards a SaaS model via its valuation multiple. Its recent acquisition of tangro is already delivering a positive contribution.

The recruitment market has experienced a very challenging two years. More recent geopolitical uncertainty has pushed out expectations of a near-term market recovery. Operating in this environment has proved challenging. As a result, Wilson has seen significant pressure on its top line and overall profitability. Whilst it continues to generate new wins, it has undertaken a number of operational initiatives and efficiencies to ensure the business is well positioned to ramp up quickly when the wider market rebounds. We have reflected the challenges Wilson has experienced through our valuation, resulting in a total unrealised value reduction of £88 million for FY2025. During the year, arrivia and Redweek legally separated, and we retained our stake in Redweek. arrivia is no longer part of the 3i portfolio.

Overall, 97% of the portfolio by value grew LTM adjusted earnings in the year (31 March 2024: 93%). Chart 2 on page 33 shows the earnings growth of our top 20 Private Equity investments.

Excluding Action, the Private Equity portfolio valued on an earnings basis generated £642 million (2024: £689 million) of value growth from performance increases, offsetting £138 million of performance decreases (2024: £368 million).

Table 2: Unrealised profits on the revaluation of Private Equity investments[1] in the year to 31 March

	2025 £m	2024 £m
Earnings based valuations		
Action performance	**4,324**	3,609
Performance increases (excluding Action)	**642**	689
Performance decreases (excluding Action)	**(138)**	(368)
Multiple increases	**30**	68
Multiple decreases	**(30)**	(107)
Other bases		
Discounted cash flow	**(19)**	(13)
Other movements on unquoted investments[2]	**–**	46
Quoted portfolio	**(6)**	(50)
Total	**4,803**	3,874

1 Further information on our valuation methodology, including definitions and rationale, is included in the Portfolio valuation – an explanation section.
2 Includes value movements for ten23 valued on the Sum of the parts basis.

Leverage

Our Private Equity portfolio is funded with all-senior debt structures, with long-dated maturity profiles. As at 31 March 2025, 91% of portfolio company debt was repayable from 2028 to 2032.

Average leverage across the portfolio was 2.9x (31 March 2024: 2.7x). Excluding Action, leverage across the portfolio was 3.5x (31 March 2024: 3.9x).

Chart 3 shows the ratio of net debt to adjusted earnings by portfolio value.

Multiple movements

When selecting multiples to value our portfolio companies, we take a long-term, through-the-cycle approach and consider a number of factors including recent performance, outlook and bolt-on activity, comparable recent market transactions and exit plans, and the performance of quoted comparable companies. At each reporting date, our valuation multiples are considered as part of a robust valuation process, which includes independent challenge throughout, including from our external auditor, culminating in the quarterly Valuations Committee of the Board.

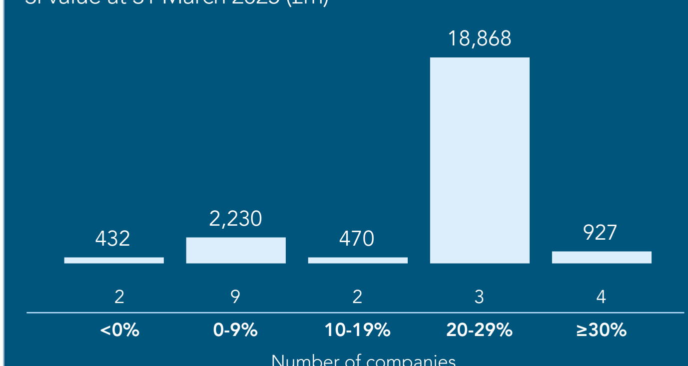
Global markets saw a strong rally in 2024, as inflation stabilised and central banks began easing interest rates. However, the start of 2025 has been marked by increased volatility, driven by geopolitical uncertainty and shifting trade policies.

Against this backdrop, we have remained cautious in considering the valuation multiples we use for our portfolio companies. We increased the multiple for two of our portfolio companies in the year to reflect their performance against their respective investment cases and adjusted four multiples downwards, largely to reflect trading and the dynamics of their respective end-markets. In total, we recognised a net nil unrealised value movement from multiple movements in the year (March 2024: £39 million loss). At 31 March 2025, our current weighted average post-discount multiple (excluding Action) was 13.4x (31 March 2024: 13.0x).

We have made no changes to our approach to the valuation of Action. Action's performance and KPIs continue to compare favourably to its peer group's, which consists of North American and European value-for-money retailers. This supports our post-discount valuation multiple of 18.5x, which is unchanged from the prior year. We take comfort from the fact that Action's continued growth meant that its valuation at 31 March 2024 translated to only 14.7x (post-discount) the run-rate EBITDA achieved one year later. Based on the valuation at 31 March 2025, a 1.0x movement in Action's post-discount multiple would increase or decrease the valuation of 3i's investment by £1,129 million.

Chart 2: Portfolio earnings growth of the top 20 Private Equity[1] investments

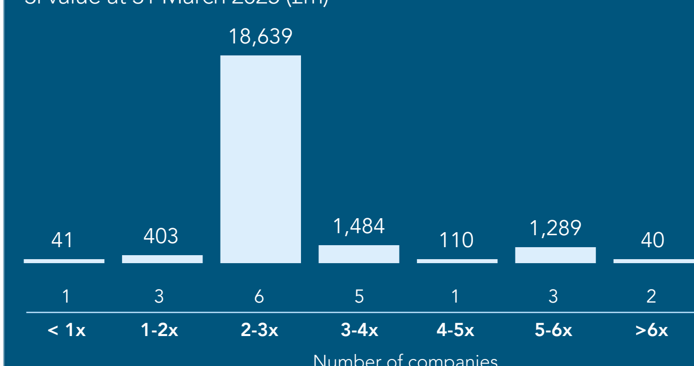
3i value at 31 March 2025 (£m)



1 Includes top 20 Private Equity companies by value excluding ten23 health. This represents 97% of the Private Equity portfolio by value (31 March 2024: 96%). Last 12 months' adjusted earnings to 31 December 2024 and Action based on LTM run-rate earnings to the end of P3 2025.

Chart 3: Ratio of net debt to adjusted earnings[1]

3i value at 31 March 2025 (£m)



1 This represents 93% of the Private Equity portfolio by value (31 March 2024: 91%). Quoted holdings, ten23 health and companies with net cash are excluded from the calculation. Net debt and adjusted earnings at 31 December 2024 and Action based on LTM run-rate earnings to the end of P3 2025.

Quoted portfolio

Basic-Fit is the only quoted investment in our Private Equity portfolio. In 2024, Basic-Fit's memberships increased by 12% year-on-year and it added 173 clubs to its network.

Our remaining 5.7% stake in Basic-Fit was valued at £60 million at 31 March 2025 (31 March 2024: £67 million), following an 8.8% decrease in its share price to €18.86 (31 March 2024: €20.68).

Sum of the parts

At 31 March 2025, ten23 health was valued on a sum of the parts basis, using a discounted cash flow ("DCF") methodology for its operating lines. We continued to invest in the platform during the year and the business is making good progress across each of its operating lines.

Assets under management

The assets under management of the Private Equity portfolio, including third-party capital, increased to £31.9 billion (31 March 2024: £27.5 billion), primarily due to unrealised value movements in the year.

Table 3: Private Equity assets by sector as at 31 March 2025

Sector	Number of companies	3i carrying value 2025 £m
Action (Consumer)	1	17,831
Consumer & Private Label	12	2,498
Healthcare	4	1,361
Industrial	5	915
Services & Software	14	953
Total	**36**	**23,558**

Infrastructure

At a glance

Gross investment return

£52m
or 3%

(2024: £99m or 7%)

AUM

£6.3bn

(2024: £6.7bn)

Cash income

£106m

(2024: £113m)

We manage funds investing principally in mid-market economic infrastructure in Europe and North America. Infrastructure is a defensive asset class that provides a good source of income and fund management fees for the Group as well as long-term capital gains.

Our Infrastructure portfolio generated a GIR of £52 million, or 3% on the opening portfolio value (2024: £99 million, 7%). This performance was principally driven by a good level of dividend and interest income alongside value growth from our infrastructure funds, which more than offset the subdued share price performance of our quoted stake in 3iN.

3iN's underlying portfolio continues to deliver good performance, and 3iN completed a significant realisation in the year, achieving an impressive money multiple of 3.6x, reaffirming the strong market demand for high-quality infrastructure assets. In addition, 3iN successfully executed two significant refinancings which returned cash proceeds and completed two strategic further investments and a syndication within its portfolio companies.

Our North American Infrastructure Fund ("NAIF") continued to advance its buy-and-build strategy, with two portfolio companies completing three acquisitions, further enhancing their growth trajectory and operational scale.

Table 4: Gross investment return for the year to 31 March

Investment basis	2025 £m	2024 £m
Realised profits / (losses) over value on the disposal of investments	**1**	(4)
Unrealised profits on the revaluation of investments	**17**	72
Dividends	**37**	35
Interest income from investment portfolio	**12**	11
Fees payable	**(4)**	(6)
Foreign exchange on investments	**(11)**	(9)
Gross investment return	**52**	99
Gross investment return as a % of opening portfolio value	**3%**	7%

Fund management

3iN

3iN generated a total return on opening NAV of 10.1% for the year to 31 March 2025, ahead of its total return target of 8% to 10% per annum, and delivered its dividend target of 12.65 pence per share, a 6.3% increase on last year.

This result was driven by good performance and momentum across the majority of 3iN's portfolio companies, as the portfolio continues to benefit from long-term growth drivers.

TCR saw further strong performance in 2024, with higher rental volumes across its ground support equipment. The business increased its global footprint with 22 more airports and has significant white space ahead of it. In February 2025, TCR closed a refinancing, returning a £60 million distribution to 3iN.

Tampnet's North Sea and Gulf of Mexico fibre operations performed well. It continues to win new contracts, including the first fibre-backed contract in the Mexican deepwater. Utilisation rates were good across ESVAGT's fleet of service operation vessels and the business is well positioned in its sector and markets to capitalise on the positive trajectory in the offshore wind market in Europe and more recently in South Korea. Oystercatcher, the holding company for the stake in Advario Singapore, successfully completed a debt raise in the year, enabling a distribution to 3iN of £108 million.

DNS:NET is seeing improved performance in its fibre rollout, albeit we remain cautious on the outlook for the sector. In January 2025, 3iN completed an investment of €24 million in the business to continue to fund the fibre roll-out. Infinis delivered a strong result as it saw higher than expected levels of exported power from its captured landfill methane business. Other notable contributors include Future Biogas and FLAG (formerly Global Cloud Xchange).

The portfolio has a small number of portfolio companies experiencing softer trading. SRL experienced a downturn in activity in 2024, as a result of reduced UK local authority capital expenditure. Whilst the market remains challenging, the overall outlook into the second half of 2025 is improving. Ionisos also performed below our expectations, due to volume weakness in the German construction industry.

In January 2025, 3iN completed the realisation of its 33% stake in Valorem for net proceeds of €310 million, generating a 21% gross annual IRR and a 3.6x gross money multiple. 3iN also completed two transactions with Future Biogas; in August 2024, Future Biogas acquired majority control in a portfolio of six anaerobic digestion facilities for £68 million, of which £30 million was funded by 3iN. In September 2024, 3iN syndicated 23% of its stake in Future Biogas for proceeds of £30 million, at a 15% uplift to 31 March 2024 value.

As investment manager to 3iN, in FY2025, we recognised a management and support services fee of £51 million (2024: £51 million) and a NAV-based performance fee of £29 million (2024: £41 million). This performance fee comprised a third of the potential performance fee for each of FY2025, FY2024 and FY2023, after the performance hurdle was met in each year.

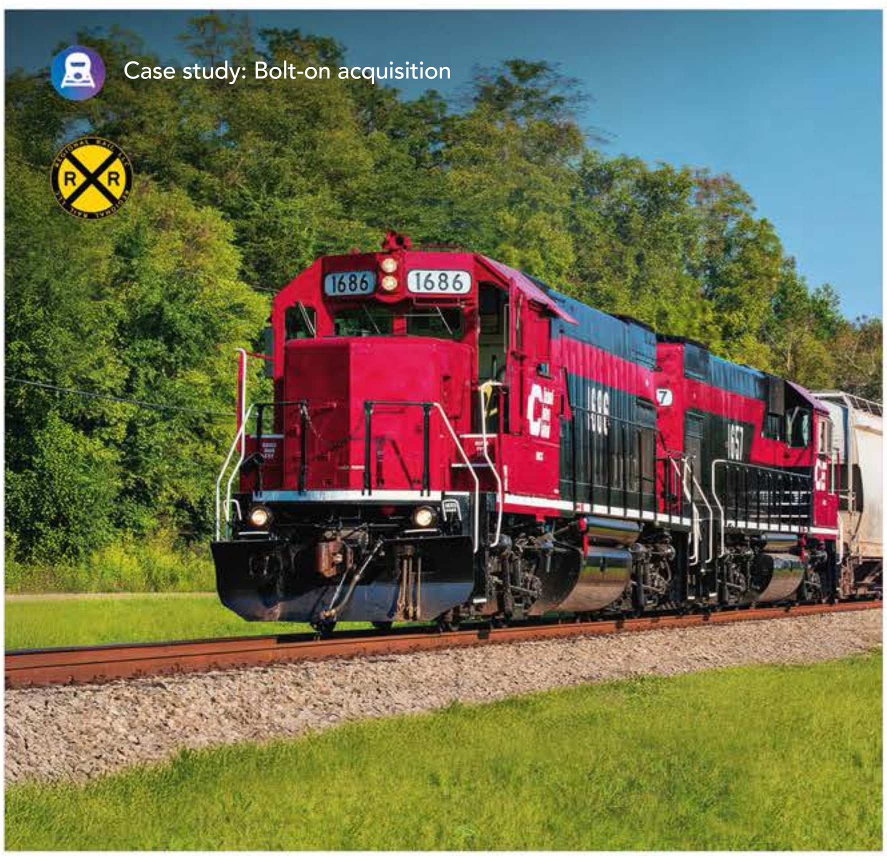
Regional Rail acquired Cincinnati Eastern Railroad in July 2024, adding 70 miles of track in Ohio.

The railroad provides freight hauling and storage services to customers across a variety of end markets, including aggregates, food & agriculture, and paper products, and is poised to benefit from continued industrial development in the region.

The acquisition further expands Regional Rail's Midwest US presence and diversifies its customer and commodity exposures. Regional Rail has grown from three railroads in the Northeast US to 16 operations across North America.

For more information www.regional-rail.com

Case study: Bolt-on acquisition



North American Infrastructure Fund ("NAIF")

The NAIF delivered resilient performance and saw a good level of bolt-on activity in FY2025.

Regional Rail generated growth organically, by transporting increased product volumes, and through continued bolt-on activity. The acquisition of Cincinnati Eastern Railroad during the year added 70 miles of track in Ohio. Regional Rail also completed the buyout of a minority stake in its Canadian rail operations. EC Waste performed well across its transfer station and landfill segments. Amwaste saw mixed trading in the year. The business completed two bolt-on acquisitions including C&C Sanitation and Waste Away Environmental, furthering both collection and post-collection services in Southeast United States. In February 2025, the NAIF completed the sale of its minority stake in Shared Tower.

Assets under management

Infrastructure AUM decreased to £6.3 billion (31 March 2024: £6.7 billion), reflecting the sale of our European Operational Projects Fund capability in May 2024, and the decrease in the share price of 3iN. This was partially offset by good performance across NAIF and 3i Managed Infrastructure Acquisitions Fund ("3i MIA"). We generated fee income of £61 million from our Infrastructure fund management activities in the period (2024: £68 million).

3i's proprietary capital infrastructure portfolio

The Group's proprietary capital infrastructure portfolio consists of its 29% quoted stake in 3iN, its investment in Smarte Carte and direct stakes in other managed funds.

Quoted stake in 3iN

At 31 March 2025, our 29% stake in 3iN was valued at £856 million (31 March 2024: £879 million), as its share price decreased by 3% year on year to 318 pence (31 March 2024: 327 pence). As a result, we recognised an unrealised value loss of £23 million (2024: unrealised profit of £38 million). This was offset by £33 million of dividend income in FY2025 (2024: £31 million).

North American Infrastructure proprietary capital

Smarte Carte delivered strong performance in 2024, supported by steady US domestic and international passenger traffic. Its carts business outperformed the prior year, driven by the successful execution of a new long-term contract at London's Heathrow Airport and continued benefits from improved pricing economics that Smarte Carte shares with its airport partners. Additionally, Smarte Carte made significant progress in expanding its international footprint and advancing various business development initiatives. This includes the successful rollout of 450 new United States Postal Service lockers and securing several ancillary service wins across its international locations.

At 31 March 2025, Smarte Carte was valued at £308 million on a DCF basis (31 March 2024: £306 million). We also received cash interest income of £6 million in the year from the business.

Table 5: Assets under management as at 31 March 2025

Fund/strategy	Close date	Fund size	3i commitment/ share	Remaining 3i commitment	% invested[2] at 31 March 2025	AUM[3] £m	Fee income earned in 2025 £m
3iN[1]	Mar-07	n/a	£856m	n/a	**n/a**	**2,933**	**51**
3i MIA	Jun-17	£698m	£35m	£5m	**87%**	**1,733**	**4**
3i managed accounts	various	n/a	n/a	n/a	**n/a**	**776**	**4**
North American Infrastructure Fund	Dec-23[4]	US$744m	US$300m	US$73m	**77%**	**561**	**2**
Smarte Carte	Nov-17	n/a	n/a	n/a	**n/a**	**308**	**–**
Total						**6,311**	**61**

1 AUM based on the share price at 31 March 2025.
2 % invested is the capital deployed into investments against the total Fund commitment.
3 We retained a proprietary stake in Alba EOPF (formerly 3i EOPF), following the sale of our operational projects infrastructure fund capability in May 2024. It has been excluded from the table above.
4 First close completed in March 2022. Final close completed in December 2023.

Table 6: Infrastructure portfolio movement for the year to 31 March 2025

Investment	Valuation	Opening value at 1 April 2024 £m	Investment £m	Disposals at opening book value £m	Unrealised profit/(loss) £m	Other movements[1] £m	Closing value at 31 March 2025 £m
3iN	Quoted	879	–	–	(23)	–	**856**
Smarte Carte	DCF	306	–	–	5	(3)	**308**
North American Infrastructure Fund[2]	DCF	199	3	(9)	18	(4)	**207**
3i MIA	Fund	71	–	–	17	–	**88**
Alba EOPF	Fund	33	1	–	–	(1)	**33**
Total		1,488	4	(9)	17	(8)	**1,492**

1 Other movements include foreign exchange.
2 Includes Regional Rail, EC Waste, Amwaste. Shared Tower was divested in the year.

Scandlines

At a glance

Gross investment return

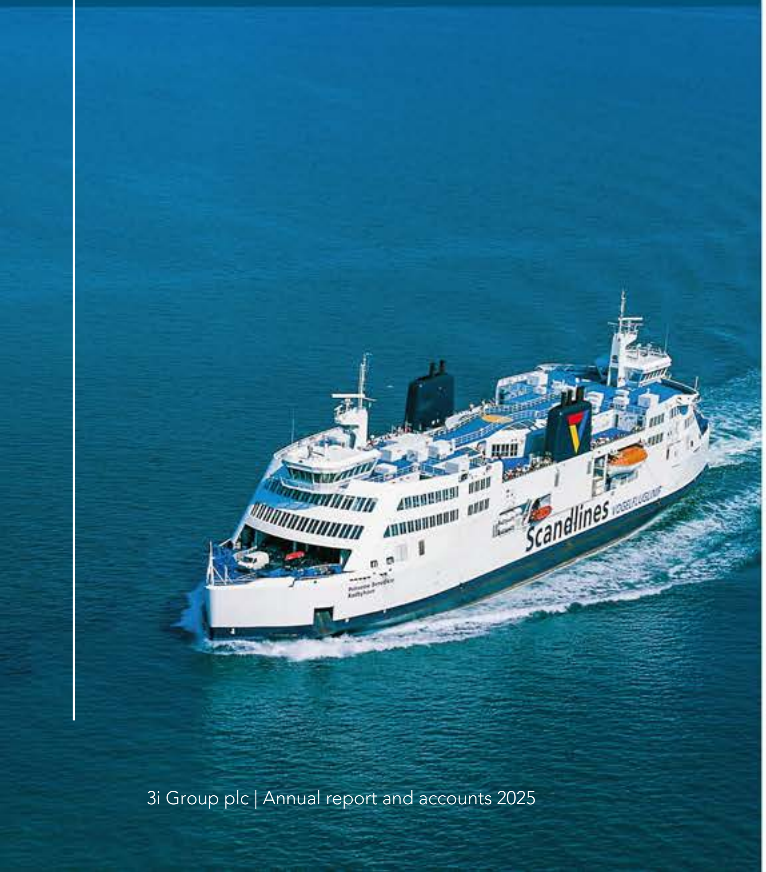
£46m
or 9%

(2024: £10m or 2%)

Dividend income

£22m

(2024: £25m)



We first invested in Scandlines in 2007, increasing our stake in 2013, before realising our holding in 2018, returning £835 million of proceeds at a money multiple of 7.7x. We subsequently reinvested £529 million in a 35% stake in Scandlines in 2018. Since our reinvestment, Scandlines has returned total cash proceeds of £232 million, 44% of our reinvestment, and is held on a longer-term basis to generate capital and income returns.

Performance

Scandlines performed resiliently in FY2025, generating a GIR of £46 million, or 9% of opening portfolio value (2024: £10 million, 2%).

Leisure revenues performed strongly, achieving record levels over the peak summer period. Freight volumes were softer due to a weak macro-economic environment in Germany and Scandinavia, whilst reduced consumer purchasing power in Sweden negatively impacted one-day shopping volumes.

The business continues to be cash generative, resulting in the receipt of £22 million of dividend income in FY2025 (2024: £25 million).

Scandlines is making good progress with its sustainability agenda. For further details, see page 47.

We continue to value Scandlines on a DCF basis, with a value of £529 million at 31 March 2025 (31 March 2024: £519 million).

Foreign exchange

We hedge the balance sheet value of our investment in Scandlines. We recognised a £10 million loss on foreign exchange translation (2024: loss of £15 million), offset by a £15 million fair value gain (2024: gain of £20 million) from derivatives in our hedging programme.

Table 7: Gross investment return for the year to 31 March

Investment basis	2025 £m	2024 £m
Unrealised profits/ (losses) on the revaluation of investments	**19**	(20)
Dividends	**22**	25
Foreign exchange on investments	**(10)**	(15)
Movement in fair value of derivatives	**15**	20
Gross investment return	**46**	10
Gross investment return as a % of opening portfolio value	**9%**	2%

Sustainability

What's in this section

A responsible approach

We aim to generate attractive returns across the cycle by behaving responsibly as an investor, an employer and a corporate citizen.

We employed only 223 people at 31 March 2025, and therefore our direct impact on the environment and other sustainability issues is limited. With assets under management of £38.7 billion, our impact on the environment and society is determined principally by our portfolio. We have a long-term, responsible approach to investment and aim to compound value through thoughtful origination, disciplined investment and active portfolio management, considering the consequences of our actions on stakeholders. This practice is built on our values, strong governance and robust processes, both at 3i itself and at its portfolio companies. This commitment has enabled us to build trust with our shareholders, co-investors and portfolio companies, and to recruit and develop employees who share our values and ambitions.

Our reporting

We have chosen to report in accordance with the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") standards. Please refer to our website for the GRI content index and SASB disclosures. We also provide additional disclosures across a number of areas in our data appendix and in the summaries of relevant policies that are available on our website.

Governance and resources

The Board of Directors is responsible for the oversight of the Group's sustainability strategy, approach and policies, including the Responsible Investment policy. It delegates day-to-day accountability for sustainability to the executive management and, in particular, the Chief Executive. The Chief Executive has established a number of committees that support him in overseeing and monitoring policies and procedures and that address issues if they arise. This includes a Sustainability Committee, which assists and advises the Chief Executive, directly and through the Investment and Group Risk Committees, on relevant sustainability risks and matters, including developing and proposing the Group's approach to managing sustainability. It also coordinates the Group's various sustainability activities, including the management of sustainability risks and opportunities across the portfolio.

We have several dedicated sustainability professionals, both at Group level, with a focus on the Group's overall sustainability strategy, objectives and reporting, and embedded within each of our Private Equity and Infrastructure investment teams, with a focus on the assessment and management of sustainability-related risks and opportunities within existing and potential portfolio companies.

External benchmarking

We believe that it is important to evidence our commitment to operating sustainably. We therefore provide a wealth of relevant information to shareholders and other interested stakeholders. We also engage with multiple rating providers that assess our sustainability performance based on their own methodologies. The summary of our ratings is available on our website.

We have been signatories of the UN Principles of Responsible Investment since 2011.

Page 101
Governance framework

GRI, SASB, Data appendix and summaries of sustainability policies
www.3i.com/sustainability

Further information on external ratings
www.3i.com/sustainability

Our sustainability strategy is defined by three key priorities:

1 Invest responsibly

Pages 42-51

We give due consideration to the sustainability profile of portfolio companies before investing and throughout the holding period.

We use our influence with our portfolio companies to ensure that they consider their environmental and social impacts and dependencies and, where relevant, devise strategies to address them.

2 Recruit and develop a diverse pool of talent

Pages 52-55

Recruiting, retaining and developing our talent is a priority. We value diversity and believe that a variety of perspectives enhances our decision making.

3 Act as a good corporate citizen

Pages 56-57

We embed responsible business practices throughout our organisation, by promoting our values and culture.

1

Invest responsibly

We believe that a responsible approach to investment aligns with our values and supports the delivery of attractive returns from our portfolio over the long term.

We have majority or significant minority holdings in our core portfolio companies and are represented on their boards. We exercise our influence to ensure that they consider their material environmental and social impacts and dependencies and, where relevant, support them in developing plans to mitigate sustainability risks and invest in value creation opportunities that may arise.

Our investment approach is based on four pillars:

- Permanent capital and long-term stewardship
- Careful portfolio construction
- Active asset management
- Thematic origination

Page 14

The Sustainability Committee reviews how sustainability-related risks and opportunities are assessed throughout our investment and portfolio management activities and develops and recommends changes to our processes and to our Responsible Investment ("RI") policy, to ensure that they remain aligned with emerging best practice, evolving stakeholder expectations and recent and upcoming sustainability regulations across our markets.

Our Responsible Investment policy

Our RI policy sets out the types of businesses in which 3i will not invest, as well as minimum requirements in relation to sustainability matters, which we look for new portfolio companies to either meet or commit to meeting over a reasonable time period. We screen all investments against the RI policy, irrespective of their country or sector. We monitor compliance with, and progress towards meeting, 3i's expectations on a regular basis.

3i's expectations as set out in the RI policy are to invest in businesses which are committed to:

Good governance

Implementing a strong corporate governance and risk management culture and complying in form and substance with established best practice in corporate governance, which is appropriate to the relative size and complexity of the relevant business and the markets in which it operates.

Business integrity

Upholding high standards of business integrity, avoiding corruption in all its forms and complying with applicable anti-bribery, anti-fraud, anti-money laundering and data protection laws and regulations.

The environment

A cautious and responsible approach to managing the environmental aspects of their business operations (and those of their supply chain) by making efficient use of natural resources and mitigating environmental risks and damage.

Fair and safe working conditions

Respecting the human rights of their workers and of the people working in their supply chain, maintaining safe and healthy working conditions for their employees, contractors and the people working in their supply chain, treating their employees fairly, upholding the right to freedom of association and collective bargaining, treating their customers fairly and respecting the health, safety and wellbeing of those affected by their business activities.

Our RI policy is reviewed regularly to ensure that it is aligned with 3i's strategic priorities and industry standards.

A summary of our Responsible Investment policy
www.3i.com/sustainability/responsible-investment

Assessment and management of sustainability factors in our investment and portfolio management processes

The active management of sustainability risks and opportunities is integral to our investment, portfolio management and value creation processes. We embed an assessment of the long-term sustainability profile of existing and new investments in our processes. Once invested, we support companies as they develop strategies and respond to stakeholder expectations and we gather data to measure progress against sustainability objectives. This enables us to prepare companies ahead of any exit opportunity.

Pre-investment →

Assessment and action planning

- Screen each opportunity against the requirements of the RI policy
- Identify and assess the most material sustainability factors relevant to each investment opportunity
- Commission specialist or technical due diligence on sustainability matters where appropriate
- Ensure sustainability considerations are reflected in Investment Committee materials
- Integrate key actions into the post-investment value creation plan

During investment period →

Use of influence and engagement

- Establish robust governance and procedures within portfolio companies to ensure sustainability risks and opportunities are assessed and managed appropriately
- Use board participation and influence to ensure companies address relevant sustainability risks
- Provide a clear framework to guide companies as they mature and encourage year-on-year progress
- Leverage the 3i network and broader portfolio to facilitate introductions, share advisers' contacts and promote best practice
- Engage with companies as they develop sustainability strategies, supporting the implementation and delivery of related projects

Data collection and monitoring

- Collect sustainability data from portfolio companies annually to establish baselines and track progress over time
- Conduct detailed quantitative and qualitative sustainability assessments annually as part of the portfolio company review process
- Benchmark portfolio company performance in the context of the broader 3i portfolio
- Ensure sustainability is a standing agenda item in portfolio company review meetings, involving investment teams, Investment Committee members and 3i Board members
- Set and monitor progress against portfolio-wide sustainability objectives, aligned with the minimum requirements outlined in the RI policy

Exit

Preparation and communication

- Anticipate and prepare the data collection, reporting and governance structures needed ahead of potential exit
- Collaborate with advisers to ensure relevant sustainability information is clearly and effectively communicated to prospective buyers

Objectives

Pre-investment: The Investment Committee may decline opportunities where the pre-investment sustainability assessment highlights red flags that cannot be remedied post investment. Where appropriate, further specialist due diligence may be commissioned to evaluate whether specific issues can be resolved.

Use of influence and engagement: We use our influence to manage risk and ensure that value creation opportunities linked to sustainability are identified and captured.

Data collection and monitoring: We use data to strengthen our understanding and management of sustainability matters, to support decision making, identify key trends and opportunities across the portfolio and enable benchmarking. Data also helps us to comply with our reporting obligations.

Exit: Strong sustainability performance and management can protect and potentially enhance the value achieved in an exit.

In FY2025, we formalised and standardised our sustainability due diligence framework to ensure our approach is applied consistently for each new investment across business lines. This adaptable framework incorporates key sustainability topics aligned with 3i's strategic priorities, aiming to assess a company's sustainability maturity at the point of investment. This assessment helps to identify key expectations, risks and value creation opportunities, informing investment team decisions and supporting the development of targeted post-investment action plans. Following a comprehensive climate change scenario analysis conducted in FY2024, in FY2025 we implemented some changes to strengthen our climate risk approach by embedding physical and transition risk considerations into our due diligence framework. To support the consistent assessment and ongoing monitoring of climate-related risk and opportunities, we have now procured a specialist climate risk assessment software tool. During FY2025, we also advanced our understanding of key nature impacts and dependencies within our portfolio through a high-level assessment using open-source tools, identifying key nature hot spots that we would like to focus on in the future.

Building on the roll-out of our portfolio sustainability data collection tool in FY2024, we refined our annual sustainability assessment questionnaire to reflect evolving stakeholder expectations and 3i's strategic focus areas. For the first time, we produced individual benchmark reports for each portfolio company, offering comparative insights across the portfolio and practical actions to enhance sustainability maturity. We continued to offer training to our 3i staff, including our investment executives, on sustainability topics relevant to our portfolio and their roles as directors on portfolio company boards. In FY2025, we also provided dedicated training to employees and Board members on the science-based targets set by 3i and their implications for the portfolio.

Pages 58-68
TCFD disclosures and climate change scenario analysis

Proactive engagement with our portfolio

Once invested, we use our influence to ensure that portfolio companies monitor sustainability factors and develop a proportionate sustainability strategy over the course of our ownership period. This involves taking actions, including:

- establishing board or management-level responsibility for sustainability, supported by appropriate resourcing;
- identifying and assessing material sustainability issues and devising strategies to address them;
- measuring their carbon footprint, setting science-based targets or appropriate decarbonisation plans, and demonstrating progress within a reasonable timeframe;
- establishing relevant and proportionate governance, sustainability-related policies and procedures, and reporting;
- preparing for and responding to evolving regulatory requirements; and
- considering stakeholders in their management of sustainability issues and communicating transparently.

We leverage our knowledge and expertise across our portfolio and facilitate the sharing of best practice, either through introductions to other companies or trusted advisers, or through forums on common themes which have historically included plastics, carbon and information security and digital innovation.

In FY2024, we strengthened knowledge sharing across our portfolio companies through our inaugural sustainability forum in Amsterdam, welcoming sustainability representatives from 30 of our Private Equity and Infrastructure portfolio companies. We are now organising a follow-up forum which will take place in June 2025.

Our activities involve both portfolio-wide engagement on topics that are material across the portfolio and to 3i as the investment manager, as well as one-on-one interactions with portfolio companies on topics that are material to them given their specific circumstances and level of sustainability maturity.

In FY2025, we focused our portfolio-wide engagement on a number of ongoing and emerging sustainability issues affecting our portfolio, including climate change, human rights across the value chain and upcoming sustainability regulations, such as the EU's Corporate Sustainability Reporting Directive.

On pages 45 to 48 we highlight a few examples of our engagement and the progress achieved by our portfolio companies on these topics. Additionally, we provide an update on some of Action's material sustainability topics on pages 50 and 51.

79%

of portfolio companies with board or management team-specific responsibility for sustainability management and compliance[1]

(FY2024: 69%)

54%

of portfolio companies publish sustainability reports[1]

(FY2024: 46%)

100%

of portfolio companies report carbon emissions to 3i[1]

(FY2024: 97%)

1 Excluding PPP project investments and some legacy minority and other minority investments where we have limited influence.

Our sustainability focus areas for FY2025

Human rights

Upholding human rights across the value chain is a key aspect of responsible business and a priority for 3i as a responsible investor.

While our core investment markets in Europe and North America are generally considered to carry a lower risk of human rights violations, we recognise that many of our portfolio companies operate in or source from higher-risk geographies or sectors. As regulatory expectations evolve and consumer scrutiny increases, we are committed to supporting our portfolio companies in developing robust processes to identify, manage and remediate potential human rights issues.

To support this objective, in FY2025 we launched a proprietary human rights framework, developed in collaboration with external specialists. The framework provides a structured, practical approach to 3i and our portfolio companies for identifying and assessing human rights risks across direct operations and supply chains. It is designed to be adaptable to businesses of different sizes and levels of maturity, and guides companies towards proportionate, risk-based actions. The framework aims to enhance regulatory readiness, strengthen supply chain resilience, and enable portfolio companies to meet growing stakeholder expectations.

Health and safety

The health and safety of portfolio companies' employees, as well as that of others impacted by our portfolio companies, is a key priority for 3i, particularly for our Infrastructure portfolio, where the nature of operations typically leads to heightened risks in this area.

In the Infrastructure portfolio, each portfolio company board is responsible for overseeing health and safety. Incidents are reported and discussed during board meetings, while serious incidents are immediately escalated to 3i, with updates monitored as needed. We encourage companies to set leading and lagging health and safety indicator targets and monitor performance monthly. Annual metrics are captured through our annual sustainability assessment. Where results indicate a negative trend, the issue is followed up with the management team.

In addition to reporting, and to support 3i's team to be effective directors on the boards of portfolio companies, training was provided to the team focused on mitigating the risk of serious incidents. In December 2024, the Infrastructure team participated in immersive, in-person training, which included a practical workshop on safety leadership, with a particular emphasis on effective communication. Following the training, new internal processes were introduced to ensure the effective sharing of lessons learned, promoting continuous improvement across 3i's Infrastructure team.

MPM is an international leader in branded, premium natural pet food, headquartered in the UK.

The company partners with a small number of long-term manufacturing suppliers, many of which have worked with MPM for over 16 years. These long-term relationships underpin strong understanding and oversight across the supply chain.

MPM has built its supply chain processes around quality, transparency and resilience. All raw materials can be traced to source within four hours, and dual sourcing is in place for all products to mitigate potential risks. Product safety and quality are key priorities, with clear supplier standards and regular audits performed.

In 2022, MPM formally integrated sustainability expectations into its supplier requirements. Its Sustainable Procurement Policy outlines criteria for supplier selection and evaluation, covering environmental and social considerations. These are monitored through bi-annual reviews, supplier self-assessments and additional specific sustainability questionnaires. All suppliers commit to a four-year agreement that includes adherence to MPM's Supplier Code of Conduct, with defined expectations around sourcing, subcontracting, certification and human rights.

To strengthen this further, MPM launched a dedicated human rights workstream in 2024. Supported by a specialist third party, the business undertook a Human Rights Due Diligence Assessment across its supply chain. This included a risk assessment, a diagnostic of current practices and a review of existing supplier relationships. The process also helped build internal capability by equipping key staff with knowledge of best-practice ways to identify and manage risks as the business grows.

Looking ahead, MPM has established a human rights and environmental due diligence policy, is developing a proprietary supplier scorecard across environmental and social areas, and will roll out targeted human rights training to a broader group of employees in 2025.

mpm

Read more
www.mpmproducts.co.uk

Climate change and decarbonisation

The impact of climate change is a material topic for 3i and many of our portfolio companies. It has the potential to affect long-term value through evolving regulatory requirements, shifts in consumer preferences and stakeholder expectations to address carbon and broader environmental footprints.

We recognise that understanding and managing climate-related risks and opportunities is an important factor in preserving and enhancing value across our portfolio. Despite the ongoing political differences on the subject, and diverging regional approaches, most decarbonisation targets in our markets remain in place. The UK increased its decarbonisation targets in January 2025 and the EU has referred to decarbonisation as a driver for future competitiveness.

We also believe that there is commercial momentum behind decarbonisation strategies, and that the private sector will play a central role in the transition to a low-carbon economy.

The approval of 3i Group's science-based targets in 2024 reinforced our commitment to reducing emissions in our own operations, while also supporting portfolio companies to measure, manage and reduce their emissions in line with climate science. This was a key focus area in our portfolio engagement activities during FY2025, which led to the validation of several of our portfolio companies' science-based targets during the year:

- Action, our largest portfolio company, set SBTi-validated near-term emissions reduction targets in 2025. Further detail on these targets and the progress achieved can be found on pages 50 and 51.
- Since its establishment in 2021, ten23 committed to reducing its Scope 1 and 2 emissions by 50% by 2025 on a revenue intensity basis. The company delivered a 57% reduction in Scope 1 and 2 emissions intensity in the three years to 2024 driven by the use of 100% renewable electricity and by energy efficiency improvements. In October 2024, ten23's near-term and net zero emissions reduction targets received validation from the SBTi. The company has now committed to reducing absolute Scope 1 and 2 emissions by 42% by 2030 (from a 2023 baseline) and to achieving a 90% reduction in Scope 1, 2 and 3 emissions by 2050.
- Belfast City Airport set an SBTi-validated target, committing to reduce its Scope 1 and 2 emissions by 42% by 2030 (from a 2022 baseline). Belfast City Airport has been working to reduce its GHG emissions for a number of years, measuring and reporting its carbon footprint since 2017 and participating in the Airports Council International's Airport Carbon Accreditation programme since 2019, with a current Level 3 'Optimisation' accreditation. In addition, Belfast City Airport is committed to measuring and working to reduce Scope 3 emissions where possible.

Invest responsibly continued

A number of companies had already set validated science-based targets prior to FY2025, and are beginning to demonstrate decarbonisation progress in line with these:

- BoConcept achieved a 52% reduction in Scope 1 emissions during FY2023/24 by investing in a new central heating system and phasing out the use of natural gas at its Ølgod manufacturing facility. While its Scope 2 emissions increased due to the shift from gas to electricity, the company has delivered a 32% reduction in combined Scope 1 and 2 emissions since its baseline year, FY2019/20, outperforming its initial SBTi target of a 25% reduction by 2030. BoConcept is now in the process of completing a comprehensive measurement of its Scope 3 emissions, covering raw materials, suppliers, product use and end-of-life disposal.
- In 2024, Ionisos reduced its GHG emissions in line with its science-based target, in spite of increased activity at two new plants. These reductions were achieved through the procurement of renewable electricity and improved monitoring processes, which led to a decrease in greenhouse gas leakage during operations.

The remainder of our portfolio is at varying stages of decarbonisation maturity. Our overall portfolio position is summarised using the Private Markets Decarbonisation Roadmap ("PMDR"), set out on page 66 as part of our TCFD disclosures.

Several of our portfolio companies are exploring ways to offer lower climate impact products or services, or to support the decarbonisation efforts of their customers:

- BoConcept has introduced lower-impact products into its range, including traceable, chrome-free leather, recycled and certified materials such as Forest Stewardship Council-certified wood and EU Ecolabel and GreenGuard Gold fabrics, and has calculated product-level carbon footprints for over 50% of its collection as part of its Scope 3 emissions measurement.
- Scandlines has confirmed plans to convert two of its four passenger vessels to plug-in hybrid ferries on the Puttgarden-Rødby route. Once converted, 80% of the power needed for a crossing will be provided by batteries charged in ports. This is a key milestone in the delivery of Scandlines' target of becoming operationally emissions free on this route in 2030, and at a group level by 2040.
- In January 2025, TCR was selected to deliver the world's first all-electric pool of ground support equipment at JFK International Airport's new Terminal One, scheduled to open in 2026. In addition to the environmental benefits, TCR will collaborate with local communities and partners to deliver the project, fostering a diverse workplace and creating around 50 local jobs, including roles for electric ground support equipment maintenance technicians.
- Future Biogas announced the opening of the UK's first unsubsidised biomethane plant in February 2025. The plant will supply 100 GWh of renewable energy annually to AstraZeneca UK. This is equivalent to 20% of AstraZeneca's total gas consumption, displacing approximately 18,000 tCO_2e per year. The plant will provide clean biomethane for all of AstraZeneca's R&D and manufacturing in the UK, supporting the sustainable production of medicines.

Sustainability regulations

Many of our portfolio companies are becoming subject to new and rapidly evolving sustainability regulations.

These regimes increasingly cover sustainability matters, as well as enhanced sustainability-related disclosures. We work closely with our portfolio companies to help them stay abreast of relevant regulatory developments, understand the potential implications for their operations and financial planning, and ensure timely compliance.

Ahead of the publication of the EU Omnibus Simplification Package in February 2025, a significant proportion of 3i portfolio companies anticipated falling within the scope of the EU Corporate Sustainability Reporting Directive ("CSRD"). As a result, a great deal of our sustainability engagement in FY2025 focused on supporting companies in preparing for compliance with this regulation for the first time.

Following the publication of the EU Omnibus Simplification Package, and in recognition of the onerous nature of the CSRD regulation, the European Parliament has approved a two-year postponement of the CSRD. This package may also result in the regulation applying to fewer of our portfolio companies, although the full implications remain subject to European legislative approval. In response, companies are currently reviewing the most appropriate course of action, taking into account their specific circumstances. For those that remain in scope, the extended timeline provides headroom to continue building readiness for this important regime.

In compliance with the regulation, over 50% of portfolio companies subject to CSRD before the EU Omnibus Simplification Package simplification have now completed a double materiality assessment ("DMA"), with several using the process as an opportunity to engage with a broad range of stakeholders, including customers, finance providers and employees. Through our sustainability data collection exercise, we were able to gain insights into the sustainability topics most commonly identified as material through these assessments. These included portfolio companies' own workers as well as workers in their value chain, climate change, pollution, business conduct, and resource use and circular economy.

3i's engagement on CSRD readiness has included:

- supporting companies with their DMAs and data gap analyses;
- assisting in the identification of appropriate reporting tools and advisory support; and
- helping scope CSRD implementation projects.

In September 2024, we hosted our third portfolio-wide session focused on CSRD readiness, supported by a specialist adviser. During the session, portfolio companies Royal Sanders and BoConcept shared first-hand experiences of undertaking DMAs, while the adviser addressed common challenges and frequently asked questions raised in advance. This webinar followed two earlier forums held on this topic in 2023 and 2024, reflecting our ongoing engagement and support on this key regulatory topic.

We also supported our portfolio companies on a case-by-case basis for their specific regulatory requirements.

Sustainability risks in our portfolio

Through our pre-investment assessment and subsequent monitoring and engagement, we have identified a number of key sustainability risks that our portfolio companies are exposed to. These, together with applicable mitigating actions, are summarised in the table below.

Key risk	Mitigation
Climate change	
Risk of financial or operational losses due to the physical impacts of climate change or to the transition to a low-carbon economy	Climate-related risks and mitigation strategies are addressed in our report on portfolio company engagement activities (pages 46-47) and detailed further in our TCFD disclosures (pages 58-68).
Human rights	
Risk of adverse human rights impacts arising from the actions or operations of portfolio companies or their supply chain	3i's approach to human rights, set out in our RI policy, includes a commitment not to invest in businesses which we consider unethical, including those that do not respect workers' rights. Examples of engagement and mitigation activities are described on page 45.
Occupational health and safety	
Risk of injury or harm to employees and contractors due to inadequate health and safety practices	The safety and wellbeing of employees across the portfolio is a priority. We monitor health and safety data through our sustainability assessments and incidents are recorded on our central risk register. We support companies in maintaining robust policies and procedures, and in setting up clear board-level oversight, appropriate incident management and adequate resourcing for to this area. Examples of engagement and mitigation activities are described on page 45.
Environmental and social regulation	
Risk that evolving sustainability-related regulations or sudden directional changes could impact the operational or financial performance of portfolio companies	We ensure that portfolio companies stay informed about relevant regulatory developments, assess potential impacts, and prepare for compliance. Examples of engagements activities are described on page 48.
Cyber security	
Risk of disruption, data loss or financial impact from cyber attacks or data breaches	We consider cyber resilience as a key component of good corporate governance for our portfolio companies. We conduct an annual assessment of portfolio company cyber maturity which identifies appropriate remediation actions, and discuss the findings with management teams. We encourage the sharing of best practice between portfolio companies and held a CTO forum for portfolio companies in FY2025. More information on how we manage portfolio cyber risks can be found in the Risk section, on page 93.
Fraud	
Risk of financial loss due to fraudulent activity by internal or external actors	Fraud risk is monitored through our investment and portfolio management processes. We seek to ensure that portfolio companies have adequate governance structures and resources to manage this risk. Fraud incidents are logged and shared among investment teams.
Sanctions	
Risk of legal or reputational harm arising from violations of economic sanctions imposed by international bodies or individual countries	3i's policy is to comply with all applicable UK and international sanctions, both directly and in relation to its investment activities. Adherence to our sanctions policy is monitored by the compliance team.
Changing consumer preferences	
Risk that companies may lose relevance if they fail to adapt to evolving expectations from consumers	We encourage portfolio companies to understand their material environmental and social impacts and respond to shifting market developments and customer or consumer preferences, by adapting their commercial offering to meet stakeholder expectations.

Action's sustainability progress

Action believes that it is possible to continue to offer its assortment at the lowest price, while continuing to invest in the quality and sustainability of its products. Its comprehensive Action Sustainability Programme is structured around four pillars: people, planet, product and partnership. It sets out Action's ambitions on the development of its people, on climate, on the sustainability and quality of its products, on ensuring minimum social and environmental standards in its supply chain and on community partnerships.

Since we became a long-term shareholder in Action in 2011, we have supported it as it has developed its sustainability strategy. Action performed its first double materiality assessment in 2023 and updated it in 2024, identifying eight material sustainability topics. We will cover progress on two of these in this section. Please refer to the Action Update 2024, linked below, for more detail on these and other material topics.

Progress on material topic: energy and emissions

Since establishing its emissions baseline in 2021, Action has focused on opportunities to reduce its operational footprint, while delivering strong growth in its network of stores and distribution centres. A key milestone was achieved in February 2025, when the SBTi validated Action's near-term emissions reduction targets for Scopes 1-3.

Action has committed to reducing Scope 1 and 2 emissions by 60% by 2030, from its 2021 baseline year. To date, the company has already achieved a significant proportion of this target, whilst opening 935 new stores in the same period, with a 51% reduction delivered through disconnecting all stores from gas (excluding 67 stores that use externally provided heating), transitioning to 90% renewable electricity across sites, adopting energy efficiency measures such as LED lighting and smart meters, and installing solar panels at seven out of its 15 distribution centres. In 2024, Action also switched to renewable diesel (HVO 100) for its owned trucks. Going forward, all new distribution centres will be gas-free and built with the ambition of achieving the "outstanding" BREEAM certification. On the back of strong performance to date, in 2025 Action will formally increase its ambition for Scope 1 and 2 emissions reduction from 60% to 75% by 2030. The company is on track to meet this ambitious target, taking into account the planned increase in the number of Action stores and distribution centres in the coming years.

The company calculated its Scope 3 emissions for the first time in 2023, illustrating that these emissions account for most of Action's total carbon footprint (99.8% for 2024). To address this, Action has committed to ensure that suppliers responsible for 80% of its emissions set their own science-based emission targets by 2029. To make progress towards this target, Action will launch an engagement programme for supplier in 2025, providing support where needed, with an initial focus on suppliers with the highest emissions. Action has also put in place agreements with its most significant ocean freight carriers to use eco-fuels for shipments from Asia to Europe. In 2024, these eco-fuels reduced emissions by 42,495 tonnes of CO_2e.

Progress on material topic: responsible sourcing

Action takes responsibility for ensuring that workers in its supply chain have a safe working environment where their human rights are respected, and suppliers are required to acknowledge Action's Ethical Sourcing Policy, which sets out minimum standards in areas such as forced labour, health and safety, pay and working rights.

Action is committed to full value chain transparency by 2030, to meet its objective of knowing where its products are manufactured and by whom. The company's current priority is to achieve 100% transparency for all final producers of products excluding A-brands in 2025 (99% of private label achieved in 2024), and aims to extend this to all white-label products by the end of 2025.
Action requires all its suppliers sourcing from one or more risk countries to be members of amfori BSCI (Business Social Compliance Initiative) in order to demonstrate their commitment to social compliance and transparency in value chains. Additionally, all factories in high-risk countries are required to have a valid social compliance audit report.

Action has an ongoing programme of supplier assessments, including full and repeat audits, as well as spot checks. It also provides the 'speak for change' whistleblowing programme, which resulted in the uncovering of a number of violations in the year, most of which were fully remedied, with the remainder in the course of resolution.

Pages 20-23
Action

Action Update 2024
www.action.com

Absolute reduction of Scope 1 and 2 CO_2e emissions vs 2021

51%

Invest responsibly continued

Sustainably sourced cotton, timber and cocoa[1]
100%

Factories in risk countries covered by assessments
95%

1 Excluding A-brands.

2

Recruit and develop a diverse pool of talent

Our people are our most valuable asset. Recruiting, retaining and developing talent is therefore our priority.

Our recruitment, promotion and reward processes are based solely on merit. As an equal opportunities employer, we prohibit all forms of discrimination.

We foster an open and non-hierarchical culture and provide an inclusive and supportive working environment with opportunities for training and career development. We promote the physical and mental well-being of our employees. We value diversity and believe that a variety of perspectives enhances our decision making.

223
employees[1]
as at 31 March 2025

22
nationalities
as at 31 March 2025

1 Global employee headcount.

Diversity, equity and inclusion strategy and initiatives

We cultivate an inclusive environment for existing and prospective employees, which respects, involves and leverages diverse talent for greater organisational good. Our primary focus is to hire the best people based on merit. Gender and ethnic diversity, as well as diversity of thought, perspective and background are also important.

We have made reasonable progress in enhancing diversity within our organisation across a number of senior investment and non-investment roles. We aim to continue to improve diversity within our ranks by considering diversity in all recruitment processes. We do not have any formal diversity targets, as it is not feasible for us to implement any in light of the small size of our organisation, as well as our low turnover and recruitment volumes. We recognise, therefore, that achieving better diversity for us will continue to be an incremental journey over many years, and we aim to build on our progress with a number of initiatives.

Our Diversity, Equity and Inclusion ("DE&I") steering group, chaired by our Chief Human Resources Officer and with members drawn from across the organisation, continues its discussions on potential initiatives to improve our performance in this area.

During the year, we started the third cohort of our Leading with Impact Programme, through which we encourage leaders to reflect on personal and group biases, with the objective of gaining insights into how these influence their everyday behaviours and decision making. To date, 22 senior team members have taken part in this programme.

Our internal mentoring programme remains active and contributes to our DE&I efforts, by ensuring that mentees receive personalised guidance aligned with their individual needs and career aspirations. Our mentors undergo training in bias awareness and inclusion, building their DE&I knowledge, skills and confidence. This programme is open to all employees across all geographies and levels of seniority and supports our wider goal of creating a diverse pipeline of talent, based on the principles of merit, fairness and equity.

We place great importance on diversity of thought and perspectives. Recognising its significance, we have been evaluating our individual and team dynamics to enhance effectiveness and foster inclusivity. Having performed the Myers Briggs Type Indicator assessment across the organisation in previous years, we continue to run the assessment sessions for new joiners. The assessment is one of the most widely used tools for understanding normal personality variations and a great instrument to help shape the professional development of individuals and teams.

Our Equal Opportunities and Diversity and Global Recruitment and Selection policies provide that all 3i employees, contract workers and job applicants must be treated fairly and be offered equal opportunity in selection, training, career development, promotion and remuneration. These policies are available to all employees through the internal employee portal. No incidents of discrimination were reported in FY2025.

Read more
www.3i.com/sustainability/sustainability-policies

Recruit and develop a diverse pool of talent continued

Gender diversity

We recognise the importance of achieving better gender diversity at 3i and believe we are moving in the right direction over time, within the constraints of a small organisation with modest staff turnover. Of the 18 new hires we made during the year, nine were female and nine were male[1].

As at 31 March 2025, 3i's total of 223 employees was broken down as follows, based on biological sex[1]:

	Female	Male	Total
3i employees	88	135	**223**
Senior managers[2]	5	20	**25**

1 Note that we refer to "female" and "male" when discussing biological sex and to "women" and "men" when discussing gender. The information of biological sex is gathered through employees' legal documents shared with us.

2 Senior managers include Simon Borrows, James Hatchley and Jasi Halai, our Chief Executive, Group Finance Director and Chief Operating Officer, who are also Board members. This disclosure is based on the criteria set out in Section 414C of the Companies Act 2006. This data is different to the data provided for the FTSE Women's Leader review which defines senior management as Executive Committee members and their direct reports (excluding personal assistants and administrative staff). Using that definition, out of 58 senior managers, 16 were female while 42 were male as at 31 October 2024.

Gender diversity has long been a challenge in the investment industry. According to the BVCA and Level 20 Diversity & Inclusion Report 2023, there have been positive developments, but progress towards gender parity remains slow across the industry: women made up 40% of the UK private equity and venture capital workforce in 2022 (38% in 2021), but only 24% of UK investment team professionals (20% in 2020). Slow progress towards gender parity has been largely attributed to: (i) a narrow talent pool, as typical feeder industries (such as investment banking, accounting and consulting) remain male-dominated, particularly at more senior levels; (ii) other pipeline issues related to gender imbalances in graduate talent with finance, economics and STEM degrees; (iii) a perception of poor work/life balance, both in the investment industry and feeder industries; (iv) a lack of relevant role models; and (v) the perception of a male-dominated culture.

Achieving better gender diversity in our industry will take many years and will require action on multiple fronts, including early-stage education and advocacy efforts in schools and universities, alongside proactive measures by investment firms to enhance recruitment practices, promote flexible working and improve parental support policies. Our HR team periodically reviews our employment polices to ensure they are competitive and compliant with local practices.

We continue our contribution to industry-wide work and advocacy on gender parity through a number of industry associations and by participating in forums and initiatives that promote the advancement of women in the investment sector. 3i is a member of Level 20 in the UK and part of Synergist Network, a US national network of women in investing, focused on connecting women in the first decade of their investing careers and providing them with the infrastructure and network to support long-term success.

We have also signed up six employees to join this year's "Executive Leaders" and "Rising Leaders" Programmes with WeQual, a global, peer-led community for large organisations seeking to support, connect and develop their women leaders.

3i is an official sponsor of Level 20

Level 20 is a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry. It is sponsored by over 120 private equity firms. Its ambition is for women to hold at least 20% of senior positions in this industry. Level 20 works to empower women who already work within the industry, encourage new talent to join and provide leadership teams with insight and best practice solutions to help them address current gender imbalances within the industry and their firms. Its mission and goal are underpinned by five key initiatives:

- Mentoring and development
- Advocacy and sponsor support
- Networking and development events
- Outreach and internships
- Research

Read more
www.level20.org

3i participates in the GAIN Empower Investment Internship Programme (in partnership with Level 20)

GAIN's (Girls Are INvestors) mission is to empower and educate the next generation of investment professionals by providing a platform for learning, development and networking. GAIN champions gender equality and strives to equip young women and non-binary students with the knowledge, skills and resources necessary to succeed in the world of investment management. Through their events, programmes and community, GAIN aims to foster a culture of continuous learning, growth and innovation in the investment industry. Among the initiatives managed by GAIN is a summer GAIN empower investment internship programme, open to women and non-binary students across the UK, that gives the opportunity to learn about and gain experience in investment management during a summer internship. 3i was one of 99 firms participating in the 2024 summer internship programme, taking on three interns for paid internships. We will renew our participation in the scheme with two further interns joining 3i's investment teams for paid internships in the summer of 2025. In addition to the internship programme, a number of our employees are taking part in the GAIN one-to-one mentoring programme, both as mentors and mentees.

Read more
www.gainuk.org

Read more
www.3i.com/sustainability/sustainability-policies

Ethnic diversity

We believe we have made some progress with the representation of ethnic minorities through all ranks of the organisation, including at Board level, where now two out of 10 directors are from an ethnic minority background. We recognise, however, that there is more to do.

We publish some limited statistics on employee ethnic diversity, in our data appendix, available on our website. This data is partial for a number of reasons, including legal restrictions in certain countries on the collection of this data and that where we have been able to conduct staff surveys on a range of diversity factors (namely in our UK and US offices) survey responses were voluntary, and a significant proportion of employees declined to respond.

We are committed to advocating for better representation of ethnic minorities in our industry and, since 2021, have been participating in the 10,000 Black Interns programme (formerly #100BlackInterns) organised by the 10,000 Interns Foundation.

3i participates in the 10,000 Black Interns programme by the 10,000 Interns Foundation

3i has partnered with the 10,000 Interns Foundation since it first organised internships in the summer of 2021 to help transform the horizons and prospects of young black people in the UK. The 10,000 Black Interns programme began in 2020 with a focused ambition: to provide 100 aspiring Black interns with valuable experience within the Investment Management industry. The success of this initial effort inspired a more ambitious vision – to create 10,000 internships across all industries throughout the UK by 2026. The initiative has partnered up with firms across 35 sectors, delivering internships across a range of business functions. Since its launch, the programme has garnered great support with approximately 1,000 companies offering internships to black students in the UK, as a way of attracting a more diverse range of talent to their sectors. We welcomed two students for a paid internship in our investment teams in the summer of 2023 and one in 2024. We look forward to welcoming two students for a paid internship in 2025.

Read more
www.10000internsfoundation.com

Employee engagement

We encourage a collaborative culture, ensuring open communication between employees and senior management. As a small organisation, we operate a relatively flat structure with few hierarchies, which facilitates direct interaction and accessibility. In addition, our Executive Committee maintains an open-door policy, encouraging dialogue at all levels. We welcome feedback from employees to senior management through informal conversations and more formal forums, including regular team meetings, as well as through the annual appraisal process. Managers throughout 3i are expected to keep their teams informed of developments and to communicate financial results and other matters of interest.

Additionally, we organise regular conferences for our Private Equity, Infrastructure, Professional Services and global support teams to review progress against our strategy, align our goals and discuss future plans in an open and relaxed setting with all employees involved.

The Board of Directors typically holds two of its meetings every year in our international offices, of which one is in our Amsterdam office, in recognition of the importance of our investment in Action. This provides an opportunity for non-executive Directors to meet the local teams, often in a more informal setting. In FY2025, the Board held meetings in our Frankfurt and Amsterdam offices, as well as in London. The non-executive Directors also have other opportunities to engage with employees, for example by attending our semi-annual portfolio company reviews. These important meetings provide the non-executive Directors with an insight into how our investment business operates and into our culture. Employees also enjoy this opportunity to interact with the Board.

At 3i, we actively encourage and facilitate employee share ownership through variable compensation and share investment plans. The engagement and the sense of ownership we have fostered over the years are reflected in low employee turnover rates.

	FY2025	FY2024	FY2023	FY2022	FY2021
Participation in UK SIP[1]	**89%**	90%	87%	89%	88%
Voluntary employee turnover rate (global)	**7.6%**	6.0%	9.5%	12.2%	7.3%

1 Proportion of UK-based employees who subscribe to a Share Incentive Plan available to UK employees only.

Living wage

3i is an accredited London Living Wage Employer. This means that every member of staff based in London, including contracted maintenance and reception teams, earns at least a 'living wage' which is an hourly rate higher than the UK minimum wage and is set independently, updated annually and based on the cost of living in London.

Outside of London, our overseas offices tend to employ only investment and professional services staff, as well as support staff, who are remunerated above applicable minimum or living wage requirements.

Human rights

Our policy is that we do not procure services from, nor invest in, businesses which make use of slavery, servitude, human trafficking, forced labour, exploitation, compulsory labour or harmful child labour.

These policies are consistent with internationally recognised human rights principles such as the UN Global Compact. We comply fully with applicable human rights legislation in the countries in which we operate, for example covering areas including freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination. We also encourage our business partners and suppliers to adopt the same standards with respect to human rights. Considering the nature of our business, our employees are not unionised, nor do they engage in collective bargaining.

We published our statement on modern slavery for the financial year ended 31 March 2024 on our website in September 2024 and will update this statement in September 2025.

Learning and development

We can only achieve our strategic objectives if we continue to attract, retain and develop capable people. We therefore provide our employees with opportunities, experience and training to contribute to the organisation's success, realise their potential and develop their knowledge and capabilities.

We encourage employees to take responsibility for their own development by working with their line managers to devise personal development plans that align with their individual aspirations and 3i's objectives. Given the specialised nature of many of the roles in 3i, an emphasis is placed on work-based learning, with the provision of development opportunities supported by targeted training and mentoring. This is supplemented by formal courses conducted both internally and externally and usually with a multinational group drawn from across the countries in which 3i operates.

In FY2025, we provided formal specialist training on areas and skills including presentation and communication skills, procurement and maximisation of portfolio potential, GenAI and science-based emissions reduction targets. We also offered executive coaching for some employees. Our investment executives regularly receive education on issues of wider topical interest and impact.

We also have comprehensive induction plans for all new joiners, including sessions with different teams across the business to help facilitate integration.

Our formal appraisal and objective-setting process, held annually for each employee, is key to their personal development. During this process, we measure each employee's performance against their agreed objectives and 3i's values to inform decisions on remuneration, training, career development and future progression. We encourage employees to make use of an online facility to obtain 360-degree feedback as part of this process. During the year, we updated our formal appraisal process with greater emphasis on self-evaluation, to spark deeper discussion on personal performance and development between employees and their line managers.

Employee wellbeing

We recognise the importance of supporting the wellbeing of our employees by providing a healthy working environment and work/life balance. All employees enjoy a broad range of formal benefits aligned with local custom and practice and often enhanced relative to the statutory minimum. Summaries of our employment and benefit policies are available on our website.

Physical health

We promote the physical wellbeing of our employees. For example, in the UK, we offer our employees annual medical and dental insurance. All UK employees also qualify for annual health checks and have access to a private Digital General Practitioner if they are members of the UK private medical insurance.

3i continues to provide services with the aim to support employees going through or approaching menopause. Our Menopause Policy formalises the details of available support. Specifically, our UK-based employees have access to a range of menopause services, including access to Bupa's Women's Health Hub, a consultation and a follow-up with a menopause-trained GP, personalised clinical advice on managing symptoms and access to menopause-trained nurses on a 24/7 basis through the Bupa Anytime Healthline for a period of one year.

For a number of years, we have provided the services of a personal fitness and nutrition adviser, bookable free of charge for one-on-one fitness, nutrition and broader wellness advice sessions. Our adviser also hosts twice-weekly fitness and Pilates classes which are complimentary for employees and accessible across our office network via videoconferencing. Recognising the unique needs of our female employees, our adviser offers specialised sessions focused on exercise and nutritional strategies to support them with their needs.

Following the move to new headquarters in London, 3i now offers 24/7 free gym access and subsidised food menu options chosen by the nutrition adviser to its UK-based employees.

Mental health and employee assistance

We recognise the importance of mental wellbeing for our employees. We maintain a pool of qualified 'mental health first aiders' who have received dedicated training for a deeper knowledge, awareness and confidence to support anyone who is experiencing poor mental wellbeing or mental ill-health. Over the past five years, most employees have participated in workshops facilitated by a specialist mental health consultancy. These workshops offer a basic understanding of mental health, strategies to develop and strengthen it, and insights to recognise the early warning signs of struggle. In addition, our employees have access to Headspace for Work, the leading mindfulness-based mental health app offering meditations and exercises for stress, focus, sleep, and movement.

All UK-based employees have access to an Employee Assistance Programme that offers free, confidential telephone counselling on a range of personal and work-related issues and problems, as well as face-to-face counselling services. The service also provides legal and financial advice, and other information and services, and is run by Health Assured, an independent external service provider. Employees who are members of the UK private medical insurance, for which 3i covers premiums, have access to up to 10 sessions per annum of psychological support, without a requirement for General Practitioner referral.

Flexible working

Employees are provided with the tools to work remotely and can apply to work flexibly to manage personal or family commitments, as and when required. Flexible working options include remote working, flexible hours and job sharing through part-time working.

3

Act as a good corporate citizen

We expect our employees to act with integrity, accountability and a strong sense of ownership. They are encouraged to approach their roles with ambition, rigour and energy. We embed that culture in our policies and processes.

Our values are:

- Ambition
- Accountability
- Integrity
- Rigour and energy

Read more
www.3i.com/about-us/our-values

Governance

Good corporate governance is fundamental to 3i and its activities and is critical to the delivery of value to our stakeholders. The Board approves corporate values and the Executive Committee sets the tone and leads by example.

For full details of our governance structure and processes, please see the Governance section of this report.

Standards of conduct and behaviour

We promote and enforce our standards of conduct and behaviour through a comprehensive suite of policies and procedures which, together with our compliance manual and our values, form our code of conduct. Our policies and procedures are reviewed annually.

Our Internal Audit and Compliance teams perform regular reviews, which include reviews of compliance with our established standards of conduct and behaviour. Their findings are reported quarterly to the Audit and Compliance Committee, which also carries out an annual review of risk and internal control effectiveness, including standards of conduct and policy compliance. The Board of 3i's main regulated entity, 3i Investments plc, which includes members of the Executive Committee, also receives quarterly updates.

We evaluate our employees against our values as part of our annual formal performance review process. In addition, all employees have a mandatory conduct objective against which they are formally assessed as part of their annual performance review.

Public policy

Although 3i does not participate directly in party political activity, it may engage in policy debate on subjects of legitimate concern to 3i, its staff and the communities in which it operates. We primarily do this through industry representative bodies such as the British Venture Capital Association and Invest Europe, where we might contribute to the formulation of policy positions. Occasionally, we may engage directly with government and regulatory bodies on matters of particular and direct importance to 3i and its businesses. Lobbying must only be undertaken with the prior approval of the Executive Committee and in a manner that is lawful and adheres to 3i's values.

Compliance and policies

Our compliance manual includes policies on:

- Anti-bribery and corruption
- Hospitality, gifts and inducements
- Political donations
- Public policy and activity
- Data protection

Read more
www.3i.com/sustainability/sustainability-policies

Transparency and openness

We believe that all employees and people connected with 3i deserve fair treatment and respect for their fundamental rights and therefore encourage everyone to speak up and report their concerns.

Where any employee discovers information which they believe shows malpractice or wrongdoing within 3i, under most circumstances they will raise concerns with their line manager, who will pass this information to the appropriate Executive Committee member. Should this route not be suitable, then the employee may approach the Directors of Compliance or Internal Audit, or the General Counsel and Company Secretary, who have been designated to provide impartial advice on the appropriate course of action to follow.

Alternatively, all employees across all our office locations may express and report their concerns on a completely confidential and anonymous basis to an independent 'hotline' whistle-blowing service provided by EthicsPoint, an independent, external party. Our policies make clear that there should be no fear of reprisal or victimisation or harassment for whistle blowing. There were no incidents of whistle blowing in the year.

Environmental impact

With fewer than 230 employees globally, 3i has a relatively small direct impact on the environment and other sustainability issues. Our impact on the environment, society and communities is determined largely by our portfolio. We have set near-term science-based targets for the reduction of both our direct emissions and those associated with our portfolio. We are committed to minimising our direct impact on the environment through more efficient use of resources and energy and to improving our environmental performance through the reduction of emissions and waste wherever possible. We have an Environmental Management System that is proportionate to the operational size and environmental risk profile of our business. We monitor our environmental performance on an annual basis through a number of environmental metrics. Our GHG emissions and those associated with our portfolio, as well as progress against our targets, are reported in our TCFD disclosures.

We use the precautionary principle to manage environmental risk for our business and our portfolio proactively.

Pages 80-84
Risk management

Pages 42-51
Invest responsibly

Pages 58-68
TCFD disclosures

Environmental information
www.3i.com/sustainability/corporate-citizenship/environment

Community

3i is keen to support charities which relieve poverty, promote education and support elderly and disabled people.

The charities we partner with are supported on the basis of their effectiveness and impact. Our charitable giving for the year to 31 March 2025 totalled £1.2 million. This included supporting our nine charity partners, matching staff fundraising, making a number of one-off donations and promoting the give-as-you-earn scheme in the UK, which is administered by the Charities Aid Foundation, and through which 3i matched c.£55,000 of employee donations.

Read more
www.3i.com/sustainability/corporate-citizenship/charitable-giving

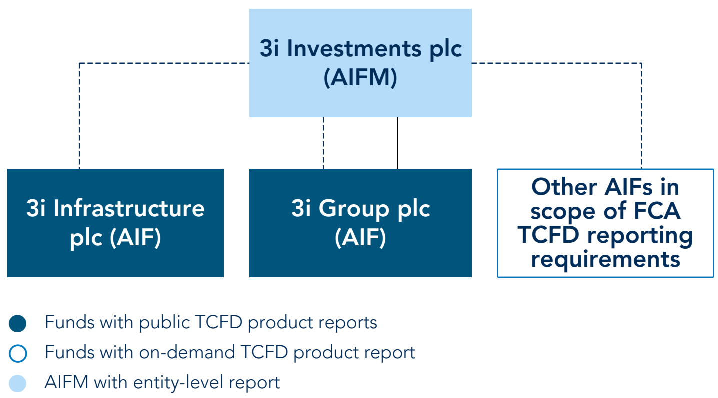
Our TCFD disclosures

These disclosures reflect 3i's response to the TCFD recommendations. They set out how we incorporate climate-related risks and opportunities for our business and portfolio into our governance, strategy and risk management. They also include our direct GHG emissions metrics, climate-related metrics associated with our portfolio, as well as emission reduction targets for our operations and our portfolio.

Regulatory background

3i Group plc is an Alternative Investment Fund managed by 3i Investments plc, a UK Alternative Investment Fund Manager. 3i Investments plc is a wholly-owned subsidiary of 3i Group plc. This TCFD report is published in line with the requirements outlined in the FCA's Environmental, Social and Governance ("ESG") sourcebook. They require 3i Investments plc to disclose publicly specific climate-related metrics and processes as part of a product report for 3i Group plc based on the TCFD recommendations. These disclosures also cover the Group's, including 3i Investments plc's, overall approach to climate change in line with the TCFD recommendations.

The diagram below shows the TCFD reporting requirements for the entities described above.



This TCFD report should be read in conjunction with the 3i Investments plc TCFD entity report, which is available on 3i's website, and with the rest of this Annual report, which contains other relevant information. Specific references are provided where applicable.

Read more
www.3i.com/sustainability

Governance

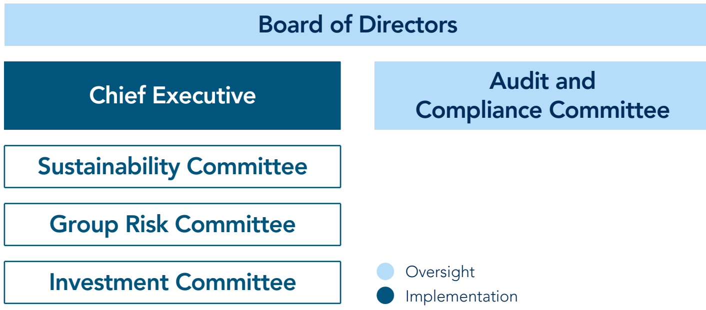
TCFD recommendations

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

- Describe the board's oversight of climate-related risks and opportunities
- Describe management's role in assessing and managing climate-related risks and opportunities

The management of climate-related risks and opportunities is integral to our processes and operations, including our investment and portfolio management activities, with oversight by the Board and delegated authority to the Chief Executive. In determining 3i's strategy and approach to climate change, both the Board and the Chief Executive, assisted by a number of committees, consider the laws and regulations of the countries where 3i and its portfolio companies operate, along with the perspectives of relevant stakeholders, such as those identified on pages 110-113. The governance structure is set out in the diagram on the next page.

Our TCFD disclosures continued



Non-executive oversight

The Board as a whole is responsible for the approval of the Group's approach in relation to sustainability matters (including climate-related matters) and has oversight of the Group's sustainability strategy, approach and policies, including our Responsible Investment policy. It is assisted by the Audit and Compliance Committee in the review and consideration of any disclosures related to sustainability matters, including climate-related disclosures.

The Board and Audit and Compliance Committee receive regular updates on sustainability matters and climate-related issues from the Chief Executive and members of the Sustainability Committee as they become relevant and material. In FY2025, the main updates on climate-related issues included:

May 2024	Review and approval of the FY2024 Annual report by the Audit and Compliance Committee, including the TCFD disclosures and other climate- and sustainability-related disclosures contained elsewhere in the report
June 2024	Update to the Board on the sustainability risk profile and progress of the portfolio, following presentations made to the Group Risk Committee by sustainability professionals within our investment teams on the results of the annual sustainability assessment of portfolio companies in March
September 2024	Update to the Board on Action's progress on its sustainability agenda
November 2024	Update to the Board from the Chief Executive on a number of sustainability-related themes, including the development and setting of science-based targets, the second phase of our portfolio climate change scenario analysis, and the implementation of a portfolio sustainability data gathering tool
December 2024	Update during the Board Strategy Day on progress towards portfolio sustainability objectives and future trends in sustainability

Board skills and training

The Board received dedicated training on sustainability, including climate change, over the past two years. This training has provided the Directors with the tools necessary to improve their oversight of the Group's approach to climate change and the resulting impacts on the portfolio and investment strategy, and to inform the Board's decision making.

During FY2025, some of the Directors attended a learning session on 3i's science-based emissions reduction targets. The session explained how and why we set the targets, the commitments involved in our targets and our plans to achieve them.

Our Directors also regularly attend our semi-annual portfolio company reviews, which include discussions of the material aspects of portfolio companies' climate strategy.

A number of our Directors have experience of assessing climate-related factors and have received training on this topic through other executive and non-executive roles.

Executive responsibility

Day-to-day accountability for sustainability, including climate-related issues, rests with executive management and, in particular, the Chief Executive. The Chief Executive is supported by a number of committees in overseeing and monitoring policies and procedures and addressing issues that arise. These include the Sustainability Committee, Investment Committee and Group Risk Committee.

Sustainability Committee

The Sustainability Committee membership, shown in the diagram below, is drawn from a range of investment and non-investment functions across the Group. The Sustainability Committee also benefits from input from relevant functional areas as required.

The Sustainability Committee focuses on three main areas:

- reporting to the Chief Executive (directly and through the Group Risk Committee and Investment Committee) on relevant sustainability matters, including climate-related risks and opportunities, and developing and reviewing policies, processes and strategies to manage sustainability risks and opportunities for the Group and its investment activities;
- developing and recommending the Group's sustainability approach (including a climate strategy) to the Chief Executive for review by the Board; and
- coordinating and facilitating sustainability-related activities and initiatives across the Group.

The Committee considers relevant legal and regulatory requirements and industry standards, as well as best market practice, and monitors progress against its agenda.

The Sustainability Committee met formally five times in FY2025 and held an additional informal meeting to discuss the outcomes of the COPs on climate, biodiversity and desertification and the UN Plastics Treaty talks. The Sustainability Committee's activities and focus for the year are described throughout this TCFD report.

Investment Committee

The role of the Investment Committee is described on page 82. In performing its activities, the Investment Committee ensures that material sustainability matters, including relevant climate-related risks and opportunities, are properly identified, assessed and managed in the course of our investment, divestment and portfolio management activities.

The Investment Committee is chaired by our Chief Executive and comprises individuals drawn from our central functions (including the Group Finance Director and Chief Operating Officer), as well as from our Private Equity and Infrastructure investment teams (including the heads of Private Equity and Infrastructure and other senior investment team members). It meets on an ad-hoc basis to discuss potential new investments, divestments and significant portfolio activity.

Group Risk Committee

The role of the Group Risk Committee ("GRC") is described on pages 82 and 83. As part of its responsibilities, it identifies the principal risks and new and emerging risks, including climate-related risks, facing 3i, as well as the associated mitigating actions and key risk indicators. During the year, the GRC received semi-annual updates on our sustainability approach and strategy from the Sustainability Committee, as well as semi-annual updates on the sustainability progress of the portfolio and associated risks and opportunities, including climate-related matters.

This committee also maintains oversight of the Responsible Investment policy and considers and recommends to the Board for approval amendments to this policy as required, taking into account legal, regulatory and market developments regarding climate change.

The GRC, which meets four times a year, is chaired by the Chief Executive, and also comprises the Group Finance Director, Chief Operating Officer, the General Counsel and the Chief Human Resources Officer, as well as the heads of our Private Equity and Infrastructure businesses and a number of functional heads drawn from across the organisation, including the Group Compliance, Internal Audit and Investor Relations and Sustainability Strategy Directors.

Dedicated sustainability resource

We have dedicated sustainability resources embedded across the organisation, including:

- a Sustainability Director and a Sustainability Senior Associate in our Private Equity investment team;
- a Sustainability Director and a Sustainability Senior Associate in our Infrastructure investment team; and
- a Sustainability Senior Manager in the Group Investor Relations function to coordinate the Group's work on sustainability and implement Group-wide projects.

This resource is key in implementing the Sustainability Committee's many activities.

Participation in industry working groups

We are part of the Initiative Climat International ("iCI"), a global, practitioner-led community of private markets investors that seek to understand and manage climate-related risks better. As of March 2025, the iCI had 290 members globally, representing more than US$4 trillion in AUM. iCI members share a commitment to reduce the carbon emissions of private companies and secure sustainable investment performance by recognising and incorporating the materiality of climate risk. We participate in iCI's Net Zero working group.

In March 2025, we signed up to the ESG Data Convergence Initiative ("EDCI") which facilitates the effective collection and reporting of ESG data across the private equity industry and enables us to benchmark our performance across a broad peer set.

As members of the BVCA, we contribute to the BVCA's engagements with relevant bodies on relevant sustainability topics, including climate change.

Executive remuneration

The Executive Directors receive, in addition to their salary, an annual bonus and long-term share incentive awards based on the achievement of a number of performance conditions. For FY2025, annual bonuses for executive management were awarded based on a balanced scorecard of both financial and strategic measures agreed by the Remuneration Committee of the Board, alongside a consideration of the wider context of personal performance (including values and behaviours), risk, market and other factors.

Among the strategic and qualitative measures included in the balanced scorecard to determine the FY2025 annual bonus award, up to 5% of the maximum annual bonus opportunity was tied to progress against a number of sustainability targets. The Remuneration report on pages 135 to 147 sets out the Remuneration Committee's assessment of the performance of the Executive Directors against the scorecard's sustainability objectives. This TCFD report and the broader Sustainability section of this Annual report describe the measures taken by the Group to make progress against these objectives.

Pages 80-84
Risk management

Page 101
Governance framework

Pages 135-147
Directors' Remuneration report

Strategy

TCFD recommendations

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

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our investment strategy is to make a small number of new investments each year in our Private Equity and Infrastructure businesses, selected within our target sectors and geographies on the basis of their compatibility with our return objectives. We screen investments against our Responsible Investment policy, which has been in place for many years and is reviewed as appropriate, and most recently in May 2025. We believe that the careful assessment and management of sustainability factors, including climate-related risks and opportunities, can be an important lever for value preservation and, at times, for value creation in our portfolio. We therefore integrate this assessment into our investment screening and portfolio management processes and provide the necessary training and guidance to our investment professionals. These processes are described on pages 43 to 44 of this Annual report.

Resilience of our strategy to climate-related risks

Our business model is simple: we invest our proprietary capital and manage a small number of third-party funds, mainly in our Infrastructure business. We do not manage products with specific sustainability mandates or labels. Our investment and portfolio construction approach is flexible and not constrained by overly prescriptive investment mandates or by limited duration funds, given the permanent nature of our proprietary capital. The third-party funds we manage in our Infrastructure business are either permanent or of very long duration. We make majority or, in a small number of cases, significant minority investments in our portfolio companies, and exert influence on their boards.

This flexibility in mandates and holding periods is a considerable strength. It supports our ability to manage climate-related risks and opportunities and pivot our investment towards sectors and niches that can benefit from sustainable growth trends. Combined with the influence we exert on portfolio companies this has allowed us, for example, to build a good track record of investment in renewable energy generation and the energy transition theme in our Infrastructure portfolio over the last few years. It has also allowed us to approve investments within our portfolio companies that support climate change resilience, for example, through a reduction in their GHG emissions or the development of products and services with lower associated emissions.

We do not invest directly in extractive industries (including coal, oil and gas), albeit a small number of our investments do have exposure to some of these sectors.

Climate change scenario analysis

Climate change scenario analysis can be a useful tool to assess the potential future exposure of a portfolio to climate-related risks under different climate warming scenarios.

We did not perform an updated portfolio-wide climate change scenario analysis in FY2025, in light of the substantial scenario analysis work performed in the previous two financial years, and considering the fact that our portfolio developed only incrementally through investment and divestment activity during the year.

We are aware that there are political differences in relation to the climate transition, with diverging regional approaches. This could result in some delay to transition measures in the markets in which we and our portfolio operate. If that were the case, the focus of climate risk management in future years could therefore shift from transition risks to physical risks. Any such developments would have an impact on the risk models which we would need to use in future climate change scenario analyses. We therefore procured a physical risk assessment tool in April 2025 to facilitate the evaluation of physical risks in our portfolio through updated climate models on an ongoing basis (see page 62).

During the year, we did, however, consider potential climate-related risks and opportunities for new investments where relevant and material as part of our ordinary due diligence activities described on page 43.

For completeness, and in compliance with TCFD requirements, we report below on the key elements of the findings of our most recent climate scenario analysis, which we carried out in FY2024. These were already reported in full in the TCFD disclosures we made last year.

The climate change scenario analysis we conducted in FY2024, with the support of a specialist consultancy, used the scenarios described in detail overleaf and was carried out in two stages. As an initial step, we performed an analysis of approximately half of our portfolio companies by number. For each company, we assessed potential physical and transition risks using sector information and the geolocation of their main operations and suppliers. This first step helped us to identify potential hot spots of inherent climate-related risks within this part of our portfolio and to select a small number of portfolio companies for the second step.

As a second step, using additional data and in-depth interviews with portfolio companies or investment teams, we carried out a more detailed assessment of inherent and residual physical and/or transition risks for these portfolio companies. This allowed us to improve our assessment of the residual risk levels for each risk driver significant to the portfolio companies analysed, and to identify additional engagement levers that we can use, as significant shareholders, to drive progress. We communicated the results of this analysis to the relevant portfolio companies.

Pages 42-51
Invest responsibly

Orderly transition – We used an orderly transition scenario, which assumes that policies to mitigate the impacts of climate change are introduced early and become gradually more stringent, culminating in the achievement of global net zero CO_2 emissions in around 2050 and likely limiting global warming to below 2°C on pre-industrial averages.

Under this orderly transition scenario, our portfolio is potentially exposed to a number of inherent risk drivers and respective opportunities in the categories described on the next page.

Disorderly transition – A disorderly transition scenario assumes that climate policies are delayed or divergent, requiring sharper emissions reductions, achieved at a higher cost and with increased physical risks in order to limit the temperature rise to below 2°C on pre-industrial averages by 2050.

Under this scenario, the risks identified as part of the orderly transition scenario are delayed but amplified in the run-up to 2050, with a higher potential impact on portfolio companies. For example, carbon prices could be higher and regulations could have much quicker implementation timeframes, resulting in higher costs to achieve compliance. However, the mitigation strategies and opportunities remain broadly the same and would include investment in low-carbon products and more resilient and efficient supply chains, as well as the active monitoring of and compliance with upcoming regulations and a proactive approach to developing transition plans.

Hot-house world – A hot-house world scenario assumes that no new climate change mitigation policies are introduced and that only those that have been implemented already are preserved, that current commitments are not met and that emissions continue to rise, resulting in a failure to limit temperature increases, as well as in high physical risks and severe social and economic disruption.

The climate change scenario analyses we have performed to date have not identified significant physical risk drivers for the majority of the portfolio companies assessed in the medium term, with moderate to low inherent physical risks driven principally by chronic temperature changes, heatwaves and flooding. A few companies, however, were identified as having medium or high physical risks in relation to their own operations or key suppliers. We focused our attention in the deep dive analysis on some of the companies identified as having higher risks and have engaged with them with the results of that assessment.

For our deep dive physical risk analysis, we used a >4°C, SSP5-8.5 2050 climate scenario, which shows an end-of-century temperature rise of 4.5°C and is considered to be the worst-case hot-house scenario.

The results of this climate change scenario analysis work were used to develop a more detailed climate change assessment framework, which was then incorporated into our overall sustainability risk and opportunity assessment processes.

We refine our approach to climate scenario analysis on a regular basis. This iterative process builds on our understanding and on market and scientific developments over time. To support the consistent assessment and ongoing monitoring of climate-related risks and opportunities under different warming scenarios, we selected a specialist climate risk assessment software tool in April 2025. Once implemented, this tool will draw on third-party models, data and expertise and improve our ability to identify and track potential exposures to climate-related risks across the portfolio over time.
The tool will be updated on an ongoing basis.

Additionally, we expect more of our portfolio companies to perform their own climate scenario analysis as they grow and mature in this space, or in response to regulatory requirements. In 2024, Action, our largest portfolio company which represented approximately 70% of our portfolio at 31 March 2025, carried out its climate risk assessment covering both physical and transition risks using the IEA Net Zero Emissions by 2050 and IPCC SSP5-8.5 scenarios. This analysis identified Action's material physical (increased severity and frequency of extreme weather events and increasing heat and precipitation stresses) and transition risks (increased product and activity cost due to regulation and supply chain changes and non-compliance with reporting requirements), which will ensure that they are adequately managed.

Value at risk

Following careful consideration, we decided not to conduct an analysis of value at risk from climate change impacts. Current climate models to determine value at risk are at an early stage of development, and do not yet provide sufficiently reliable results for a concentrated portfolio like ours. Where relevant and possible, we embed certain climate-related considerations in the valuations of our portfolio companies. We will continue to assess climate modelling tools as they develop and will report on this annually.

Viability statement

In addition to the climate change scenario analyses described above, we have been assessing the potential financial impact of climate change on our portfolio as a whole for some time through the work we do to conduct our annual viability assessment (see pages 128 and 129). When preparing our Viability statement, we carry out a number of tests which consider the impact on the Group of multiple severe, yet plausible individual and combined stress scenarios, including the impact that climate change might have on the value of a number of our potentially more vulnerable assets through changes in regulation, in consumer preferences, an increase in physical risks and other business risks. This analysis is carried out over a three-year timeframe, and is different to climate change scenario analysis, which analyses the impacts of climate change over a much longer time period. Because of the diverse exposures of our current portfolio companies and the flexibility we have in portfolio construction, our analysis showed that a climate-related stress scenario is unlikely to impact the viability of the Group over the three-year time period.

Transition to a low-carbon economy

Last year, the Sustainability Committee established that the most appropriate approach to align 3i and its portfolio to the UK's net zero ambitions was to set SBTs, which were validated by the SBTi in March 2024. We made significant progress towards our portfolio engagement and electricity generation targets this year. Information on our SBTs and on the progress we have achieved to date can be found within the Metrics and targets pillar of this report on page 68.

Principal climate-related transition risks under the Orderly transition scenario

Risk category	Risk drivers	Time horizon	Potential impact, mitigation and opportunities
Policy and legal	• New regulations and commitments	Short and medium term	**Potential impact** • Non-compliance with regulations and commitments could result in reputational damage for 3i and its portfolio as well as in legal fees and fines. **Mitigation** • 3i and its portfolio companies actively monitor the evolution of the regulatory landscape to ensure that they are prepared for compliance. • Minimum sustainability requirements within our RI policy include compliance with applicable laws and regulations. **Opportunities** • Proactivity and early action on compliance with regulations facilitates the exit process.
	• Carbon pricing mechanisms	Medium term	**Potential impact** • The introduction of carbon pricing could increase the operating costs of our portfolio companies directly or through their supply chain. **Mitigation** • Where material, 3i has begun to engage with portfolio companies to identify those at risk from the introduction of carbon pricing mechanisms, and understand the potential impacts before addressing next steps. **Opportunities** • Portfolio companies subject to carbon pricing mechanisms could develop low-carbon processes and products to reduce this impact.
Technology	• Increased investment required in sustainable or green technologies and low-carbon processes • Competitor innovation	Medium and long term	**Potential impact** • Increased investments in new technology and processes to reduce carbon emissions may result in higher costs. • Successful competitor innovation could result in reduced revenue and market share. **Mitigation** • Portfolio companies monitor their markets to identify potential technology risks and, with the support of 3i on their boards, assess the new investments required to stay abreast of developments. **Opportunities** • Investment in lower-emissions products and services could lead to improved revenues and profitability over time.
Market	• Changing consumer and investor preferences • Unexpected shifts in market • Changes in job market	Medium and long term	**Potential Impact** • Changes in consumer preferences in response to climate change (eg preference for products and services with a lower carbon impact) could result in decreased revenues for portfolio companies. • An increasing employee focus on sustainability could make it harder for portfolio companies to retain and attract talent if they are not perceived to be responding adequately to the challenges posed by climate change. **Mitigation** • Portfolio companies monitor their offerings against evolving consumer preferences and employee/potential employee expectations. **Opportunities** • Portfolio companies could invest in innovation to ensure that their products and services align with evolving consumer preferences.
Reputation	• Stigmatisation of the sector • Increased stakeholder concerns	Short and medium term	**Potential impact** • Stigmatisation and stakeholder concerns may result in decreased revenue and increased operating costs for certain portfolio companies operating in sectors perceived as having a high impact on climate change. **Mitigation** • Where material, 3i has begun working with portfolio companies to develop transition plans and develop their business models to ensure that they transition away from carbon-intensive sectors or end markets. **Opportunities** • Portfolio companies that adopt a proactive approach to climate transition could strengthen their market position, particularly in a disorderly transition scenario.

Risk management

TCFD recommendations

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

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

We recognise the increasing importance of climate-related risks and monitor them as we do other risks through our comprehensive risk governance framework, both on a portfolio company level and for the Group as a whole. The framework is detailed on pages 80 to 84, and our portfolio sustainability assessment process (which covers an assessment of material climate-related risks for each portfolio company) is described on page 43 of this report.

3i's own operations are not in themselves exposed to material physical climate risks. We employ 223 people across six offices, all of whom can work remotely if needed. Nevertheless, the business is affected directly by climate-related legal, regulatory and reporting risks, as well as by the related reputational risks.

The majority of 3i's climate risk exposure is through its portfolio. We describe our processes to identify and manage climate-related risks and opportunities in detail under the Strategy pillar above.

Identification, assessment and management of climate-related risks

We consider climate-related risks on the Group and the portfolio through our risk management framework, which is coordinated by the Group Risk Committee and implemented across the organisation as described in the Risk review. Specifically, in relation to the management and mitigation of climate-related risks in the portfolio, we rely, over the life of the investment, on:

- **a pre-investment assessment**: material climate-related risks are assessed internally and reviewed as appropriate by external specialists. This can lead to the Investment Committee requiring further due diligence to be performed or in investments being declined. Our climate change assessment framework was enhanced following the second stage of our climate scenario analysis in FY2024 and was implemented in our investment process in FY2025;
- **our ongoing portfolio monitoring process**: this involves, in addition to the monthly monitoring of bespoke financial and operational KPIs and in-depth semi-annual portfolio company reviews, a detailed annual sustainability assessment, which covers a number of climate factors. This annual sustainability assessment was also enhanced with the benefit of the outputs of our climate change scenario analysis;
- **Investment Committee oversight**: the Investment Committee manages portfolio risks, including climate-related risks;
- **our influence on portfolio companies**: we make majority or significant minority investments in our core portfolio companies and exercise influence through membership of their boards;
- **GHG emissions measurement**: the measurement of portfolio company GHG emissions (see "Metrics and targets" on the next page) and engagement with portfolio companies on abatement, mitigation and adaptation strategies; and
- **climate change scenario analysis**: described under "Strategy" on pages 61 to 63.

Our investment processes are described on page 43 of this Annual report. We further mitigate climate-related risks by improving our understanding of climate change and refining our processes over time. These processes involve an increasing number of employees. We have been encouraged by the level of staff engagement on this topic and intend to continue to provide forums for employees to provide their input and views on how to improve our performance.

Portfolio data collection and management

To support the assessment and management of portfolio sustainability risks, including climate-related risks, in FY2025 we continued to work on improving the quality of the annual sustainability data (including GHG emissions) we collect from portfolio companies by refining our sustainability assessment questionnaires to ensure that they reflect our improved understanding of climate drivers across the portfolio, as well as evolving disclosure requirements, market practice and other stakeholder needs. We continue to work on the consistency and comparability of portfolio GHG emissions data, as this will underpin the quality of our portfolio emissions disclosures. See "Metrics and targets" on the next page for more information on portfolio emissions data.

Page 43
Assessment and management of sustainability factors in our investment and portfolio management processes

Metrics and targets

TCFD recommendations

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

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

3i Group's portfolio climate metrics

The metrics below provide information on the GHG emissions from our portfolio companies. These metrics cover 99.6% of the portfolio value[1] of 3i Group plc as at 31 March 2025 and are calculated in line with the TCFD recommendations implementation guidance.

Definitions of climate metrics	FY2025	FY2024
Portfolio emissions (tCO_2e) Total portfolio emissions is the absolute Scope 1 and 2 GHG emissions associated with a portfolio. We are allocating GHG emissions for each portfolio company using 3i Group's fully diluted equity ownership[2].	**228,936**	**323,539**
Carbon footprint (tCO_2e/£m invested) Carbon footprint is total portfolio emissions (Scope 1 and 2) normalised by the value of the portfolio[2], expressed in tonnes of CO_2e/£m invested.	**9.0**	**15.0**
WACI (tCO_2e/£m revenue[3]) Weighted Average Carbon Intensity ("WACI") is a portfolio's exposure to carbon-intensive companies, expressed in tonnes CO_2e/£m revenue. It is calculated using the carbon intensity for each portfolio company (Scope 1and 2 emissions/revenue) apportioned based on the relative weight of each portfolio company in the reporting boundary.	**24.4**	**42.5**

1 Note that 3i Investments plc manages a number of co-investment vehicles whose investors are employees or former employees of 3i. For the purpose of this calculation, we have included these co-investment vehicles within the 3i Group scope.
2 Sourced from 3i's finance systems.
3 Sourced from portfolio companies.

The significant reduction in portfolio emissions was driven by: (i) refinements in the methodologies used by certain portfolio companies to calculate their emissions; (ii) changes in portfolio composition; and (iii) reductions in the portfolio emissions of some portfolio companies. We continue to work with our portfolio companies to improve the quality of the GHG emissions data they report to us. At times, this may mean that GHG emissions data for an individual portfolio company is not comparable year on year. We do not ask portfolio companies to restate prior-year data as they improve the quality of the data they report to us.

Methodology and GHG emissions data source

The reporting boundary includes all companies in the portfolio at the balance sheet date. As a private equity and infrastructure asset manager and owner, 3i is able to collect data from its portfolio companies. 3i requests Scope 1 and Scope 2 (location and market-based) GHG emissions data from all portfolio companies, excluding a small number of legacy minority investments, on an annual basis. This data is provided directly to 3i from portfolio companies through a sustainability data collection tool, or via emails in rare cases, and typically covers the year to 31 December. If a company provides Scope 2 market-based data, this is used for the climate metrics calculation. If Scope 2 market-based data is unavailable, location-based data is used. Portfolio companies provide their Scope 3 GHG emissions data to us where available and we are working with the portfolio to improve this data further before we are able to disclose it.

Estimations and data gaps

Where current year data is not available, but previous year data is available, we estimate the current year data using data from the previous year, adjusted based on year-on-year changes in revenue. Where the data is not available, it is noted as a data gap. The significance of the data gap is disclosed through the data coverage indicator (99.6% of the portfolio value for FY2025).

Data quality

As we invest in private companies that are at different levels of climate maturity, we have decided to add a quality score to the data that we are disclosing to ensure that readers understand the reliability and quality of the data provided. Some of our portfolio companies have only just started to estimate their GHG emissions, while others have robust processes in place to calculate and assure the data. We have used a custom scale to reflect the overall data quality using the Partnership for Carbon Accounting Financials ("PCAF") methodology as a guide and adjusting it to reflect the specificities of our business model:

Characteristics of the data	Data quality	Certain
Emissions of the company are available and reported by the portfolio company as being verified by a third party and calculated using activity-based data or through direct monitoring	1	
Emissions of the company are available and reported by the portfolio company as being verified internally and calculated using activity-based data or through direct monitoring	2	
Unverified emissions of the company are available and calculated using activity-based data or through direct monitoring; or emissions of the company are available and reported by the portfolio company as being verified by a third party and calculated using spend-based data	3	
Emissions of the company are available and reported by the portfolio company as being verified internally and calculated using spend-based data	4	
Unverified emissions of the company are available, including those calculated using our sustainability data collection tool	5	
		Uncertain

The data quality score for 3i Group plc is 1.85. It is derived by assigning to each portfolio company a data quality score, weighted by that company's emissions as a percentage of total portfolio emissions.

Our TCFD disclosures continued

Portfolio net zero alignment scale

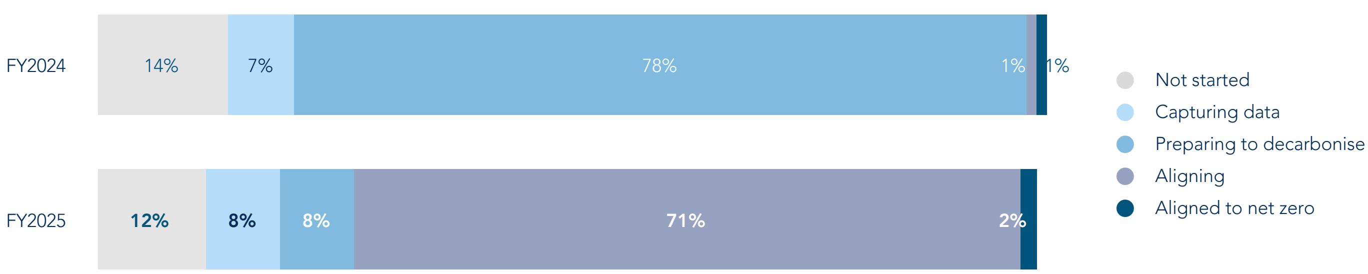
iCI and the Sustainable Markets Initiative's Private Equity Task Force have developed the Private Markets Decarbonisation Roadmap to enable private markets firms to drive their transition to a low-carbon economy. The metric used within this roadmap is based on the climate maturity of each portfolio company rather than on an implied temperature rise metric which is the methodology suggested by the FCA for climate disclosures. We are using the Private Markets Decarbonisation Roadmap metric because it aligns best with our science-based targets. The Alignment Scale of the Roadmap (as published by the leaders of the initiative) is summarised in the table below:

	Not started	Capturing data	Preparing to decarbonise	Aligning	Aligned to net zero
Definition	Not started to measure emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in line with an approach agreed with the GP	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Criteria	• Minimal or no emissions data • No decarbonisation plan in place	• Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund	• Decarbonisation plan in place but level of ambition not aligned to net zero pathway	• Committed to near-term science-based target aligned to a long-term net zero pathway	• Demonstrated YoY emissions profile in line with pathway

3i Group plc categorised portfolio companies covering 99.6% of its investment portfolio value as at 31 March 2025 in line with the roadmap's Alignment Scale. The current alignment of the portfolio based on total portfolio emissions is set out in the chart below.

The PMDR alignment scale requires companies to capture and report all material Scope 3 data in order to be included in the "capturing data" category. While all of our portfolio companies measure and report their Scope 1 and 2 emissions to us, many are not yet in a position to measure and report to us all their material Scope 3 emissions categories and, as a result, we have had to include them in the "not started" category.

We have categorised companies that have set science-based targets using the SBTi's SME target setting process as "aligning" or "aligned to net zero", even though some of them have not yet reported all material Scope 3 categories to us. The year-on-year changes in the portfolio alignment scale are due in large part to Action having set SBTi-validated near-term science-based targets in February 2025.



3i Group's emissions from its own operations

This section has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2019 which implement the government's policy on Streamlined Energy and Carbon Reporting. During the year to 31 March 2025, our measured Scope 1 and 2 emissions (market-based) totalled 187.5 tCO_2e. This comprised:

	FY2025 (tCO_2e)			FY2024 (tCO_2e)		
GHG emissions (Scope)	UK	Rest of the world	Total	UK	Rest of the world	Total
1	**63.9**	**26.7**	**90.6** Δ	101.0	34.7	135.7
2 – location-based	**112.0**	**94.5**	**206.5** Δ	92.2	118.7	210.9
2 – market-based	**–**	**96.9**	**96.9** Δ	–	97.1	97.1
Total 1 and 2 (location-based)	**175.9**	**121.2**	**297.1**	193.2	153.4	346.6
Total 1 and 2 (market-based)	**63.9**	**123.6**	**187.5**	101.0	131.8	232.8
3	**n/a**	**n/a**	**3,800.3** Δ	n/a	n/a	4,211.9 [1]

Δ FY2025 Total data above marked with the Δ symbol has been subject to independent limited assurance by KPMG LLP in accordance with ISAE (UK) 3000 and ISAE 3410. Please refer to www.3i.com/sustainability/sustainability-reports-and-data-library/ for the Reporting Criteria and KPMG's limited assurance report.

1 FY2024 Scope 3 data has been restated. Please refer to the explanation below.

This is equivalent to 0.8 tCO_2e per full-time equivalent employee, based on an average of 237 employees (2024: 1.0 tCO2e; 244 employees). Overall, our Scope 1 and 2 (market-based) emissions decreased by 20% year-on-year. Most of the decrease can be attributed to the move of our Amsterdam office to a renewable electricity contract and the resolution of an air conditioning cooling liquid leak at the London premises we occupied for the entire financial year while preparing our new office for a move in February 2025.

Our measured Scope 3 emissions totalled 3,800.3 tCO_2e. We restated our FY2024 Scope 3 emissions from 9,612.8 tCO2e to 4,211.9 tCO_2e in accordance with this year's methodology that uses more widely available emissions factors. Please see our reporting criteria, available on our website, for more information.

Our total energy consumption was 1,404.1 MWh (1,404,100 kWh) in FY2025, 63% of which was consumed in the UK. The split of energy consumption is shown in the table below.

	FY2025			FY2024		
Energy consumption (kWh in 000s)	UK	Rest of the world	Total	UK	Rest of the world	Total
Electricity	**540.8**	**239.5**	**780.3**	445.5	297.2	742.7
Fuels[1]	**349.2**	**99.8**	**449.0**	378.1	155.1	533.2
District heating, cooling, steam	**–**	**174.8**	**174.8**	–	175.5	175.5

1 Natural gas and transportation fuels (petrol and diesel).

Methodology

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. Scope 3 emissions are calculated in line with the World Resources Institute's Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard as well as the World Resources Institute's GHG Protocol Technical Guidance for Calculating Scope 3 emissions. We consolidate our organisational boundary according to the operational control approach, which includes all our offices. The GHG sources that constituted our operational boundary for the year to 31 March 2025 are:

- Scope 1: natural gas combustion within boilers, fuel combustion within leased vehicles and use of refrigeration and air-conditioning equipment;
- Scope 2: purchased electricity and heat, cooling and steam consumption for our own use, including leased vehicles;
- Scope 3: purchased goods and services, capital goods, fuel- and energy-related activities, waste generated in operations, business travel and employee commuting and emissions associated with working from home.

In some cases, where data is missing, for example, due to the timing of invoices from our utilities providers, values have been estimated either by using data from the previous year as a proxy in the first instance, or extrapolation of available data.

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"): (i) the location-based method, using the average emissions intensity of grids for the country in which the reported operations take place; and (ii) the market-based method, which reflects the emissions from purposefully chosen energy (eg bundled electricity, supplier-specific rates, direct electricity contracts).

Although we have a relatively low environmental footprint, we are committed to reducing it further in line with the science-based targets described on the next page. We purchased our electricity from 100% renewable sources during FY2025 for our London, Paris and Frankfurt offices, as well as for the premises we previously occupied in New York, which we leased until the end of March 2025. Together, these offices accounted for over 80% of our overall electricity consumption. We switched to renewable electricity in our Amsterdam office in January 2025, bringing the total renewable electricity consumption to approximately 85%. The landlord of our new office in New York is working on delivering green energy, but it relies on initiatives to be implemented by the New York state government to achieve that objective. In February 2025, our London office moved to new premises that use only renewable electricity and are not connected to the gas supply. As a result, we expect a further reduction in GHG emissions in FY2026.

A more detailed description of our methodology can be found in the reporting criteria published on our website.

Third-party assurance

GHG emissions figures marked with a "Δ" symbol on this page have been subject to independent limited assurance by KPMG LLP in accordance with ISAE (UK) 3000 and ISAE 3410.

Reporting criteria and KPMG limited assurance opinion
www.3i.com/sustainability/library

Science-based targets

During FY2024, we set SBTi-validated near-term science-based targets that cover our direct Scope 1 and 2 emissions, as well as the Scope 3 emissions associated with our portfolio. These were formulated in line with the guidance published by SBTi for financial institutions and the private equity sector.

Operational emissions target

3i has committed to reducing its absolute Scope 1 and 2 (market-based) GHG emissions by 42% by FY2030 from a FY2023 base year.

While our emissions slightly increased by 3.2% from FY2023 (our base year), we have done the work that will allow us to reduce operational emissions in the future, involving mainly the reduction in gas consumption and the number of leased vehicles provided as a benefit to employees.

Our strategy to meet this target involves engaging with our landlords on the energy efficiency of our premises and on using less carbon-intensive energy sources. We are also engaging with energy suppliers directly or through our landlords on the procurement of renewable electricity.

Financed emissions targets

3i's portfolio engagement target commits us to ensuring that 31% of our listed and eligible portfolio by invested capital sets SBTi-validated targets by FY2028 and 100% by FY2040. We have made significant progress against this target this year, with 23.3% of our portfolio by invested capital setting SBTi-validated targets. The companies with validated targets include Action, BoConcept, ten23, Ionisos, Joulz and BCA. WaterWipes, a portfolio company which we acquired in January 2025, already has validated targets, but we have excluded it from our progress chart, as we apply a two-year grace period for all new investments.

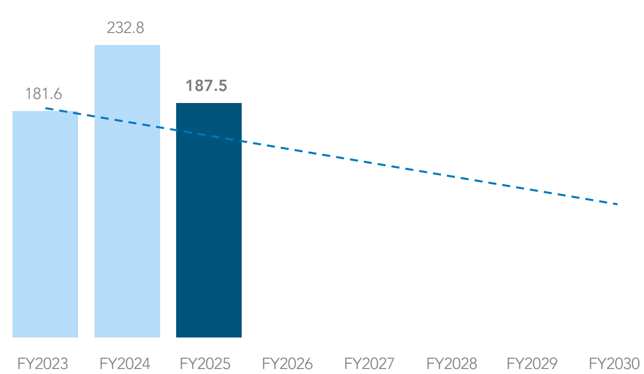
3i also committed to reducing GHG emissions from the electricity generation sector within its eligible portfolio by 68% per MWh by FY2030 from a FY2023 base year. 3i achieved a 51% per MWh reduction towards that target, mainly due to the sale of Attero, a waste treatment company which was held in one of the Infrastructure portfolios.

Our strategy to meet the portfolio targets remains consistent with last year's and includes the following actions:

1. As a majority or significant minority investor in our core portfolio companies, we will continue to use our influence and engage with portfolio companies to support them to:
   - (i) measure and report on Scope 1 and 2 GHG emissions at least annually;
   - (ii) measure and report on material Scope 3 GHG emissions at least annually when appropriate; and
   - (iii) develop decarbonisation plans and set science-based targets.
2. We will manage our electricity generation portfolio to reduce its GHG emissions intensity as a whole.
3. We will facilitate knowledge sharing between portfolio companies in relation to formulating decarbonisation plans and setting science-based targets.

GHG Operational emissions

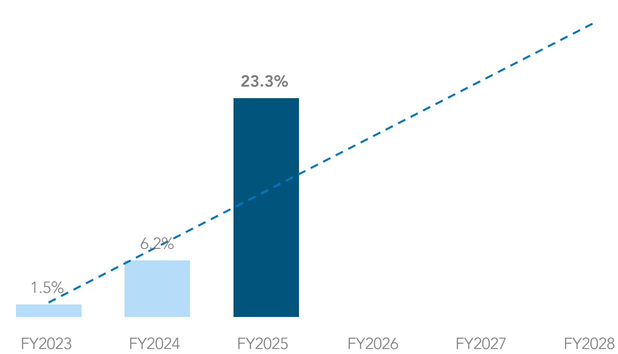
Scope 1 and 2 (market-based) – tCO2e



3i's GHG emissions – Scope 1 and 2 (market-based)
SBTi's linear reduction assumption

Portfolio engagement target

% of invested capital



Percentage of 3i plus funds invested capital with SBTi-validated targets
SBTi's linear progression assumption

Performance and risk

What’s in this section

Financial review

Highlights – Investment basis

Gross investment return

£5,211m

(2024: £4,168m)

Operating profit before carried interest

£5,098m

(2024: £4,077m)

Total return

£5,049m

(2024: £3,839m)

Total return on opening shareholders' funds

25%

(2024: 23%)

Diluted NAV per share at 31 March 2025

2,542p

(31 March 2024: 2,085p)

Total dividend

73.0p

(31 March 2024: 61.0p)

Table 9: Total return for the year to 31 March

Investment basis	2025 £m	2024 £m
Realised profits/(losses) over value on the disposal of investments	**51**	(4)
Unrealised profits on the revaluation of investments	**4,839**	3,926
Portfolio income		
Dividends	**509**	499
Interest income from investment portfolio	**81**	91
Fees receivable	**10**	1
Foreign exchange on investments	**(361)**	(461)
Movement in the fair value of derivatives	**82**	116
Gross investment return	**5,211**	4,168
Fees receivable from external funds	**64**	72
Operating expenses	**(150)**	(147)
Interest receivable	**18**	13
Interest payable	**(65)**	(61)
Exchange movements	**20**	29
Other income	**–**	3
Operating profit before carried interest	**5,098**	4,077
Carried interest		
Carried interest and performance fees receivable	**29**	62
Carried interest and performance fees payable	**(81)**	(305)
Operating profit before tax	**5,046**	3,834
Tax charge	**(1)**	(2)
Profit for the year	**5,045**	3,832
Re-measurements of defined benefit plans	**4**	7
Total comprehensive income for the year ("Total return")	**5,049**	3,839
Total return on opening shareholders' funds	**25%**	23%

Investment basis and Alternative Performance Measures ("APMs")

In our Strategic report, we report our financial performance using our Investment basis. We do not consolidate our portfolio companies as private equity and infrastructure investments are not operating subsidiaries. IFRS 10 sets out an exception to consolidation and requires us to fair value other companies in the Group (primarily intermediate holding companies and partnerships). As explained in the Investment basis, Reconciliation of Investment basis and IFRS sections below, the total comprehensive income and net assets are the same under our audited IFRS financial statements and our Investment basis. The Investment basis is simply a "look through" of IFRS 10 to present the underlying performance and we believe it is more transparent to readers of our Annual report and accounts.

In October 2015, the European Securities and Markets Authority ("ESMA") published guidelines about the use of APMs. These are financial measures such as KPIs that are not defined under IFRS. Our Investment basis is itself an APM, and we use a number of other measures which, on account of being derived from the Investment basis, are also APMs.

Further information about our use of APMs, including the applicable reconciliations to the IFRS equivalent where appropriate, is provided at the end of the Financial review and should be read alongside the Investment basis to IFRS reconciliation. Our APMs are gross investment return as a percentage of the opening investment portfolio value, cash realisations, cash investment, operating cash profit, net cash/(debt) and gearing.

Financial review continued

Realised profits/losses

We generated total realised proceeds of £1,837 million (2024: £888 million) primarily from Action's capital restructuring and the sales of nexeye and WP. The latter sales were the driver of the £50 million realised profits generated in Private Equity (2024: loss of £4 million from Infrastructure).

Unrealised value movements

We recognised an unrealised profit of £4,839 million (2024: £3,926 million). Action's continued strong performance contributed £4,324 million (2024: £3,609 million). We also saw good contributions from Royal Sanders and a number of our other Private Equity investments including Audley Travel, MPM, Tato, Cirtec Medical and EBG offsetting a negative contribution principally from Wilson. Our infrastructure portfolio saw positive contributions from our infrastructure funds, offset by the decrease in the share price of our quoted investment in 3iN.

Further information on the Private Equity, Infrastructure and Scandlines valuations is included in the business reviews.

Portfolio income

Portfolio income increased to £600 million for the year (2024: £591 million), primarily due to dividend income of £509 million (2024: £499 million), predominantly from Action. Other notable contributions include interest income from our portfolio companies, the majority of which is non-cash and a good level of portfolio fees from Private Equity which reflected a number of new investments in FY2025.

Fees receivable from external funds

Fees receivable from external funds were £64 million in FY2025 (2024: £72 million). 3i receives a fund management fee from 3iN, which amounted to £51 million in FY2025 (2024: £51 million).

The remaining fee income received in the year of £13 million (2024: £21 million) includes fees from 3i MIA, our North American Infrastructure Fund and our management of the 3i 2020 Co-investment Programme related to Action.

Operating expenses

Operating expenses increased in the year to £150 million (2024: £147 million) driven by a higher share-based payment charge reflecting the strong performance of 3i's share price during the year, which was offset by lower administration expenses and delayed staff recruitment.

Interest payable

The Group recognised interest payable of £65 million (2024: £61 million). Interest payable includes interest on the Group's loans and borrowings and amortisation of capitalised fees.

Operating cash profit

We generated an operating cash profit of £469 million in the year (2024: £467 million). Cash income increased to £598 million (2024: £594 million), principally due to an increase in dividend income, which included £433 million of cash dividends from Action (2024: £375 million). We also received cash dividends from 3iN, Scandlines and Tato, as well as cash fees from our external funds. Excluding the dividends received from Action, the operating cash profit was £36 million (2024: £92 million).

We paid cash operating expenses of £129 million (2024: £127 million) in the year. Cash operating expenses were lower than the £150 million (2024: £147 million) of operating expenses recognised in the Consolidated statement of comprehensive income as a result of share-based payments and other non-cash expenses.

Table 10: Unrealised value movements on the revaluation of investments for the year to 31 March

Investment basis	2025 £m	2024 £m
Private Equity	**4,803**	3,874
Infrastructure	**17**	72
Scandlines	**19**	(20)
Total	**4,839**	3,926

Table 11: Operating cash profit for the year to 31 March

Investment basis	2025 £m	2024 £m
Cash fees from external funds	**65**	74
Cash portfolio fees	**7**	12
Cash portfolio dividends and interest	**526**	508
Cash income	**598**	594
Cash operating expenses[1]	**(129)**	(127)
Operating cash profit	**469**	467

1 Cash operating expenses include operating expenses paid and lease payments.

Carried interest and performance fees

We receive carried interest and performance fees from third-party funds and 3iN. We also pay carried interest and performance fees to participants in plans relating to returns from investments. These are received and/or paid subject to meeting certain performance conditions and when cash proceeds have been received following a realisation, refinancing event or other cash distribution and performance hurdles are passed in cash terms. Due to the passage of time between investment and realisation, the schemes are usually active for a number of years and their participants include both current and previous employees of 3i. In Private Equity (excluding Action), we typically accrue net carried interest payable of c.12% of GIR, once the performance hurdle is achieved, based on the assumption that all investments are realised at their balance sheet value.

The overall strong performance of the Private Equity portfolio resulted in a £70 million increase in the carried interest payable expense. During the year, we reduced our carried interest and performance fees payable liability following the full crystallisation of the remaining carried interest liability of £428 million relating to Action. Going forward, we have no carried interest dilution to our 57.9% gross stake in Action.

In Infrastructure, 3iN pays a performance fee based on its NAV on an annual basis, subject to a hurdle rate of return. The continued strong performance of the assets held by 3iN resulted in the recognition of £29 million (2024: £62 million) of performance fees receivable, with £42 million received during the year.

Overall, the effect of the income statement charge of £81 million (2024: £305 million), cash payments of £521 million (2024: £778 million), as well as currency translation meant that the balance sheet carried interest and performance fees payable was £360 million (31 March 2024: £818 million).

Table 12: Carried interest and performance fees for the year to 31 March

	Investment basis Statement of comprehensive income		Investment basis Statement of financial position	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Carried interest and performance fees receivable				
Private Equity	**–**	–	**4**	5
Infrastructure	**29**	62	**29**	42
Total	**29**	62	**33**	47
Carried interest and performance fees payable				
Private Equity	**(70)**	(262)	**(348)**	(803)
Infrastructure	**(11)**	(43)	**(12)**	(15)
Total	**(81)**	(305)	**(360)**	(818)

Table 13: Carried interest and performance fees paid in the year to 31 March

Investment basis cash flow statement	**2025 £m**	2024 £m
Carried interest and performance fees cash paid		
Private Equity	**510**	745
Infrastructure	**11**	33
Total	**521**	778

Net foreign exchange movements

The Group recorded a total foreign exchange translation loss of £259 million including the impact of foreign exchange hedging in the year (March 2024: £316 million loss), as a result of sterling strengthening by 2% against the euro and US dollar.

At 31 March 2025, the notional value of the Group's forward foreign exchange contracts was €2.6 billion and $1.2 billion. The €2.6 billion includes the €600 million notional value of the forward foreign exchange contracts related to the Scandlines hedging programme. In April 2025, we completed a further €400 million of forward foreign exchange contracts to increase the notional value of the Group's euro foreign exchange hedging programme to €3.0 billion, reflecting increases in euro cash flows and capitalising on attractive hedge rates.

Including the impact from foreign exchange hedging, 79% of the Group's net assets are denominated in euros or US dollars. Based on the Group's net assets at 31 March 2025, including the impact from foreign exchange hedging, a 1% movement in euro and US dollar foreign exchange rates would impact the total return by £182 million and £12 million, as shown in Table 14 below.

Pension

The Group completed the buy-out of its UK defined benefit plan ("the Plan") during the year, meaning that the buy-in policies were converted into individual annuity policies held in each Plan member's name, thereby fully removing the defined benefit obligation. The remaining assets held by the Plan are those surplus assets that were not needed to complete the buy-out, less expected wind-up costs.

Tax

The Group's parent company continues to operate in the UK as an approved investment trust company. An approved investment trust is a UK investment company which is required to meet certain conditions set out in the UK tax rules to obtain and maintain its tax status. This approval allows certain investment profits of the Company, broadly its capital profits, to be exempt from tax in the UK. Income and expenditure, excepting those exempt returns in the Company, are both subject to taxation. The Group's tax charge for the year was £1 million (2024: £2 million) with no top-up tax payable under Pillar 2.

The Group's overall UK tax position for the financial year is dependent on the finalisation of the tax returns of the various corporate and partnership entities in the UK group.

Table 14: Net assets[1] and sensitivity by currency at 31 March

				Pre-hedging update	Post-hedging update[3]
	FX rate	£m	%	1% sensitivity £m	1% sensitivity £m
Sterling	n/a	4,942	**20**	**n/a**	
Euro[2]	1.1935	18,257	**74**	**182**	**179**
US dollar[2]	1.2908	1,211	**5**	**12**	
Danish krone	8.9040	177	**1**	**2**	
Other	n/a	24	**–**	**n/a**	

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.
2 The sensitivity impact calculated on the net assets position includes the impact of foreign exchange hedging.
3. Sensitivity based on net assets at 31 March 2025 including the impact of the additional €400 million in the hedging programme.

Balance sheet and liquidity

At 31 March 2025, the Group had net debt of £771 million (31 March 2024: £806 million) and gearing of 3% after the receipt of cash income of £598 million and net cash proceeds of £659 million offsetting the payment of carried interest and performance fees of £521 million and Group dividend payments of £625 million.

The Group had liquidity of £1,323 million as at 31 March 2025 (31 March 2024: £1,296 million), comprising cash and deposits of £423 million (31 March 2024: £396 million) and an undrawn RCF of £900 million.

The investment portfolio value increased to £25,579 million at 31 March 2025 (31 March 2024: £21,636 million), mainly driven by unrealised profits of £4,839 million in the year.

Further information on investments and realisations is included in the Private Equity, Infrastructure and Scandlines business reviews.

Going concern

The Annual report and accounts 2025 were prepared on a going concern basis. The Directors made an assessment of going concern, taking into account the Group's current performance and the outlook, and performed additional analysis to support the going concern assessment. Further details on going concern can be found on page 128 in the Resilience statement.

Dividend

The Board has recommended a second FY2025 dividend of 42.5 pence per share (2024: 34.5 pence), taking the total dividend for the year to 73.0 pence per share (2024: 61.0 pence). Subject to shareholder approval, the dividend will be paid to shareholders in July 2025.

Table 15: Simplified consolidated balance sheet at 31 March

Investment basis Statement of financial position	**2025 £m**	2024 £m
Investment portfolio	**25,579**	21,636
Gross debt	**(1,194)**	(1,202)
Cash and deposits	**423**	396
Net debt	**(771)**	(806)
Carried interest and performance fees receivable	**33**	47
Carried interest and performance fees payable	**(360)**	(818)
Other net assets	**130**	111
Net assets	**24,611**	20,170
Gearing[1]	**3%**	4%

1 Gearing is net debt as a percentage of net assets.

Key accounting judgements and estimates

A key judgement is the assessment required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment of investment entities is accurate. The introduction of IFRS 10 resulted in a number of intermediate holding companies being presented at fair value, which has led to reduced transparency of the underlying investment performance. As a result, the Group continues to present a non-GAAP Investment basis set of financial statements to ensure that the commentary in the Strategic report remains fair, balanced and understandable. The reconciliation of the Investment basis to IFRS is shown on pages 76 to 78.

In preparing these accounts, the key accounting estimate is the carrying value of our investment assets, which is stated at fair value.

Given the importance of the valuation of investments, the Board has a separate Valuations Committee to review the valuation policy, process and application to individual investments. However, asset valuations for unquoted investments are inherently subjective, as they are made on the basis of assumptions which may not prove to be accurate. At 31 March 2025, 96% by value of the investment assets were unquoted (31 March 2024: 96%).

Reconciliation of Investment basis and IFRS

Background to Investment basis financial statements

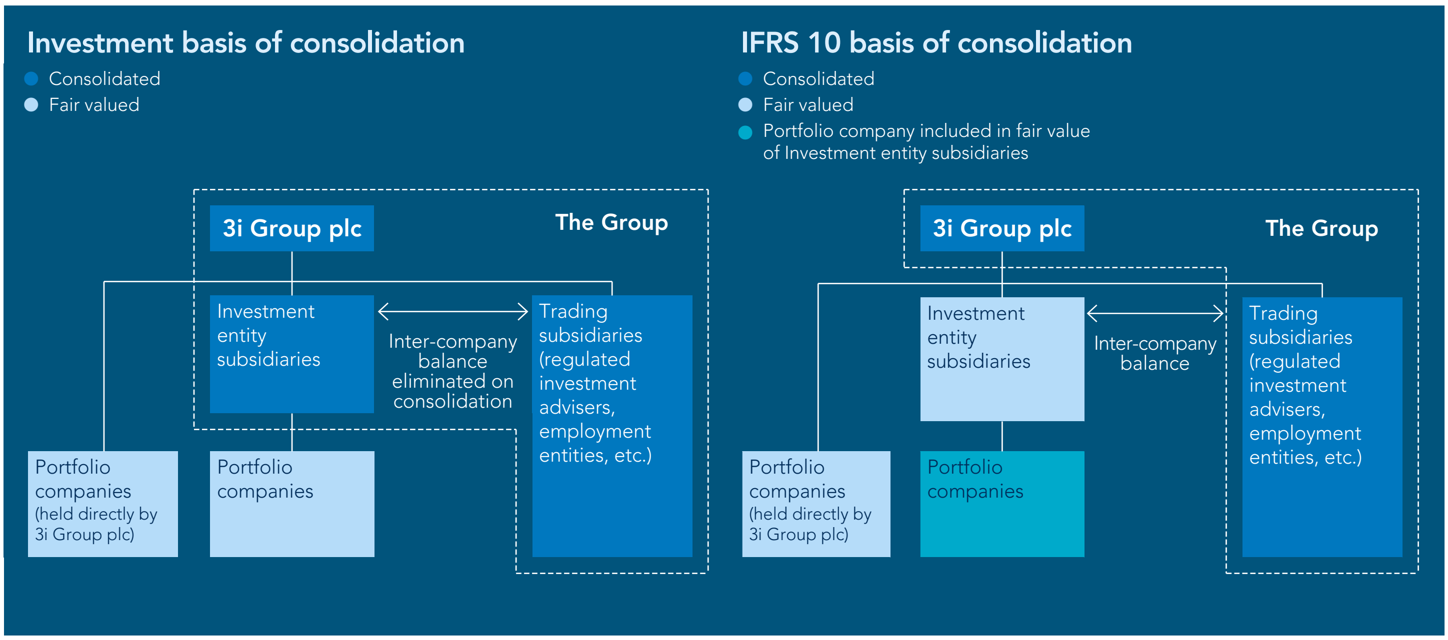
The Group makes investments in portfolio companies directly, held by 3i Group plc, and indirectly, held through intermediate holding company and partnership structures ("Investment entity subsidiaries"). It also has other operational subsidiaries which provide services and other activities such as employment, regulatory activities, management and advice ("Trading subsidiaries"). The application of IFRS 10 requires us to fair value a number of intermediate holding companies that were previously consolidated line by line. This fair value approach, applied at the intermediate holding company level, effectively obscures the performance of our proprietary capital investments and associated transactions occurring in the intermediate holding companies.

The financial effect of the underlying portfolio companies and fee income, operating expenses and carried interest transactions occurring in Investment entity subsidiaries are aggregated into a single value. Other items which were previously eliminated on consolidation are now included separately.

To maintain transparency in our report and aid understanding we introduced separate non-GAAP "Investment basis" Statements of comprehensive income, financial position and cash flow in our 2014 Annual report and accounts. The Investment basis is an APM and the Strategic report is prepared using the Investment basis as we believe it provides a more understandable view of our performance. Total return and net assets are equal under the Investment basis and IFRS; the Investment basis is simply a "look through" of IFRS 10 to present the underlying performance.

Reconciliation of Investment basis and IFRS

A detailed reconciliation from the Investment basis to IFRS basis of the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated cash flow statement is shown on the following pages.



Reconciliation of consolidated statement of comprehensive income

for the year to 31 March

	Footnotes	Investment basis 2025 £m	IFRS adjustments 2025 £m	IFRS basis 2025 £m	Investment basis 2024 £m	IFRS adjustments 2024 £m	IFRS basis 2024 £m
Realised profits/(losses) over value on the disposal of investments	1,2	**51**	**(46)**	**5**	(4)	5	1
Unrealised profits on the revaluation of investments	1,2	**4,839**	**(1,027)**	**3,812**	3,926	(1,184)	2,742
Fair value movements on investment entity subsidiaries	1	**–**	**953**	**953**	–	861	861
Portfolio income							
Dividends	1,2	**509**	**(96)**	**413**	499	(136)	363
Interest income from investment portfolio	1,2	**81**	**(52)**	**29**	91	(62)	29
Fees receivable	1,2	**10**	**3**	**13**	1	2	3
Foreign exchange on investments	1,3	**(361)**	**116**	**(245)**	(461)	223	(238)
Movement in the fair value of derivatives		**82**	**–**	**82**	116	–	116
Gross investment return		**5,211**	**(149)**	**5,062**	4,168	(291)	3,877
Fees receivable from external funds		**64**	**–**	**64**	72	–	72
Operating expenses	1,4	**(150)**	**1**	**(149)**	(147)	1	(146)
Interest receivable	1,4	**18**	**(3)**	**15**	13	(4)	9
Interest payable		**(65)**	**–**	**(65)**	(61)	–	(61)
Exchange movements	1,3	**20**	**57**	**77**	29	23	52
Income from investment entity subsidiaries	1	**–**	**21**	**21**	–	21	21
Other (expense)/income	1,4	**–**	**(1)**	**(1)**	3	–	3
Operating profit before carried interest		**5,098**	**(74)**	**5,024**	4,077	(250)	3,827
Carried interest							
Carried interest and performance fees receivable		**29**	**–**	**29**	62	–	62
Carried interest and performance fees payable	1,4	**(81)**	**67**	**(14)**	(305)	254	(51)
Operating profit before tax		**5,046**	**(7)**	**5,039**	3,834	4	3,838
Tax charge	1	**(1)**	**–**	**(1)**	(2)	–	(2)
Profit for the year		**5,045**	**(7)**	**5,038**	3,832	4	3,836
Other comprehensive income							
Exchange differences on translation of foreign operations	1,3	**–**	**7**	**7**	–	(4)	(4)
Re-measurements of defined benefit plans		**4**	**–**	**4**	7	–	7
Other comprehensive income for the year		**4**	**7**	**11**	7	(4)	3
Total comprehensive income for the year ("Total return")		**5,049**	**–**	**5,049**	3,839	–	3,839

The IFRS basis is audited and the Investment basis is unaudited.

Footnotes to the Reconciliation of consolidated statement of comprehensive income above:

1 Applying IFRS 10 to the Consolidated statement of comprehensive income consolidates the line items of a number of previously consolidated subsidiaries into a single line item "Fair value movements on investment entity subsidiaries". In the "Investment basis" accounts we have disaggregated these line items to analyse our total return as if these Investment entity subsidiaries were fully consolidated, consistent with prior years. The adjustments simply reclassify the Consolidated statement of comprehensive income of the Group, and the total return is equal under the Investment basis and the IFRS basis.

2 Realised profits, unrealised profits and portfolio income shown in the IFRS accounts only relate to portfolio companies that are held directly by 3i Group plc and not those portfolio companies held through Investment entity subsidiaries. Realised profits, unrealised profits and portfolio income in relation to portfolio companies held through Investment entity subsidiaries are aggregated into the single "Fair value movement on investment entity subsidiaries" line. This is the most significant reduction of information in our IFRS accounts.

3 Foreign exchange movements have been reclassified under the Investment basis as foreign currency asset and liability movements. Movements within the Investment entity subsidiaries are included within "Fair value movements on investment entities".

4 Other items also aggregated into the "Fair value movements on investment entity subsidiaries" line include operating expenses, interest receivable, other(expense)/income and carried interest and performance fees payable.

Footnotes to the Reconciliation of Consolidated statement of financial position on page 77:

1 Applying IFRS 10 to the Consolidated statement of financial position aggregates the line items into the single line item "Investments in investment entity subsidiaries". In the Investment basis we have disaggregated these items to analyse our net assets as if the Investment entity subsidiaries were consolidated. The adjustment reclassifies items in the Consolidated statement of financial position. There is no change to the net assets, although for reasons explained below, gross assets and gross liabilities are different. The disclosure relating to portfolio companies is significantly reduced by the aggregation, as the fair value of all investments held by Investment entity subsidiaries is aggregated into the "Investments in investment entity subsidiaries" line. We have disaggregated this fair value and disclosed the underlying portfolio holding in the relevant line item, ie, quoted investments or unquoted investments. Other items which may be aggregated include carried interest, other assets and other payables, and the Investment basis presentation again disaggregates these items.

2 Intercompany balances between Investment entity subsidiaries and trading subsidiaries also impact the transparency of our results under the IFRS basis. If an Investment entity subsidiary has an intercompany balance with a consolidated trading subsidiary of the Group, then the asset or liability of the Investment entity subsidiary will be aggregated into its fair value, while the asset or liability of the consolidated trading subsidiary will be disclosed as an asset or liability in the Consolidated statement of financial position for the Group.

3 Investment basis financial statements are prepared for performance measurement and therefore reserves are not analysed separately under this basis.

Reconciliation of Investment basis and IFRS continued

Reconciliation of consolidated statement of financial position

as at 31 March

	Footnotes	Investment basis 2025 £m	IFRS adjustments 2025 £m	IFRS basis 2025 £m	Investment basis 2024 £m	IFRS adjustments 2024 £m	IFRS basis 2024 £m
Assets							
Non-current assets							
Investments							
Quoted investments	1	**916**	**(60)**	**856**	946	(67)	879
Unquoted investments	1	**24,663**	**(7,163)**	**17,500**	20,690	(6,497)	14,193
Investments in investment entity subsidiaries	1,2	**–**	**6,916**	**6,916**	–	5,804	5,804
Investment portfolio		**25,579**	**(307)**	**25,272**	21,636	(760)	20,876
Carried interest and performance fees receivable	1	**–**	**–**	**–**	2	1	3
Other non-current assets	1	**33**	**(6)**	**27**	36	(8)	28
Intangible assets		**2**	**–**	**2**	4	–	4
Retirement benefit surplus		**63**	**–**	**63**	61	–	61
Property, plant and equipment		**18**	**–**	**18**	4	–	4
Right of use asset		**41**	**–**	**41**	49	–	49
Derivative financial instruments		**46**	**–**	**46**	83	–	83
Total non-current assets		**25,782**	**(313)**	**25,469**	21,875	(767)	21,108
Current assets							
Carried interest and performance fees receivable		**33**	**–**	**33**	45	–	45
Other current assets	1	**49**	**–**	**49**	53	(6)	47
Current income taxes		**2**	**–**	**2**	1	–	1
Derivative financial instruments		**91**	**–**	**91**	82	–	82
Cash and cash equivalents	1	**423**	**(11)**	**412**	396	(38)	358
Total current assets		**598**	**(11)**	**587**	577	(44)	533
Total assets		**26,380**	**(324)**	**26,056**	22,452	(811)	21,641
Liabilities							
Non-current liabilities							
Trade and other payables	1	**(7)**	**1**	**(6)**	(50)	45	(5)
Carried interest and performance fees payable	1	**(333)**	**304**	**(29)**	(280)	250	(30)
Loans and borrowings		**(1,194)**	**–**	**(1,194)**	(1,202)	–	(1,202)
Derivative financial instruments		**(4)**	**–**	**(4)**	–	–	–
Retirement benefit deficit		**(17)**	**–**	**(17)**	(21)	–	(21)
Lease liability		**(42)**	**–**	**(42)**	(45)	–	(45)
Deferred income taxes		**(1)**	**–**	**(1)**	(1)	–	(1)
Provisions		**(2)**	**–**	**(2)**	(2)	–	(2)
Total non-current liabilities		**(1,600)**	**305**	**(1,295)**	(1,601)	295	(1,306)
Current liabilities							
Trade and other payables	1	**(137)**	**4**	**(133)**	(136)	2	(134)
Carried interest and performance fees payable	1	**(27)**	**15**	**(12)**	(538)	514	(24)
Lease liability		**(3)**	**–**	**(3)**	(4)	–	(4)
Current income taxes		**(1)**	**–**	**(1)**	(3)	–	(3)
Provisions		**(1)**	**–**	**(1)**	–	–	–
Total current liabilities		**(169)**	**19**	**(150)**	(681)	516	(165)
Total liabilities		**(1,769)**	**324**	**(1,445)**	(2,282)	811	(1,471)
Net assets		**24,611**	**–**	**24,611**	20,170	–	20,170
Equity							
Issued capital		**719**	**–**	**719**	719	–	719
Share premium		**792**	**–**	**792**	791	–	791
Other reserves	3	**23,181**	**–**	**23,181**	18,752	–	18,752
Own shares		**(81)**	**–**	**(81)**	(92)	–	(92)
Total equity		**24,611**	**–**	**24,611**	20,170	–	20,170

The IFRS basis is audited and the Investment basis is unaudited.
Footnotes: see page 76.

Reconciliation of Investment basis and IFRS continued

Reconciliation of consolidated cash flow statement
for the year to 31 March

	Footnotes	Investment basis 2025 £m	IFRS adjustments 2025 £m	IFRS basis 2025 £m	Investment basis 2024 £m	IFRS adjustments 2024 £m	IFRS basis 2024 £m
Cash flow from operating activities							
Purchase of investments	1	**(1,182)**	**1,032**	**(150)**	(603)	97	(506)
Proceeds from investments	1	**1,841**	**(734)**	**1,107**	883	(340)	543
Amounts paid to investment entity subsidiaries	1	**–**	**(1,537)**	**(1,537)**	–	(674)	(674)
Amounts received from investment entity subsidiaries	1	**–**	**865**	**865**	–	580	580
Net cash flow from derivatives		**113**	**–**	**113**	69	–	69
Portfolio interest received	1	**11**	**(5)**	**6**	8	(3)	5
Portfolio dividends received	1	**515**	**(95)**	**420**	500	(134)	366
Portfolio fees received		**7**	**–**	**7**	12	–	12
Fees received from external funds		**65**	**–**	**65**	74	–	74
Carried interest and performance fees received		**44**	**–**	**44**	58	–	58
Carried interest and performance fees paid	1	**(521)**	**498**	**(23)**	(778)	725	(53)
Operating expenses paid	1	**(123)**	**1**	**(122)**	(121)	–	(121)
Co-investment loans (paid)/received	1	**(40)**	**5**	**(35)**	42	(37)	5
Tax paid		**(3)**	**–**	**(3)**	(3)	–	(3)
Other cash income	1	**1**	**–**	**1**	3	(1)	2
Other cash expenses	1	**(11)**	**1**	**(10)**	–	–	–
Interest received	1	**18**	**(3)**	**15**	13	(4)	9
Net cash flow from operating activities		**735**	**28**	**763**	157	209	366
Cash flow from financing activities							
Issue of shares		**1**	**–**	**1**	1	–	1
Dividends paid		**(625)**	**–**	**(625)**	(541)	–	(541)
Proceeds from long-term borrowing		**–**	**–**	**–**	422	–	422
Lease payments		**(6)**	**–**	**(6)**	(6)	–	(6)
Interest paid		**(60)**	**–**	**(60)**	(40)	–	(40)
Net cash flow from financing activities		**(690)**	**–**	**(690)**	(164)	–	(164)
Cash flow from investing activities							
Purchase of property, plant and equipment		**(16)**	**–**	**(16)**	(3)	–	(3)
Net cash flow from investing activities		**(16)**	**–**	**(16)**	(3)	–	(3)
Change in cash and cash equivalents	2	**29**	**28**	**57**	(10)	209	199
Cash and cash equivalents at the start of year	2	**396**	**(38)**	**358**	412	(250)	162
Effect of exchange rate fluctuations	1	**(2)**	**(1)**	**(3)**	(6)	3	(3)
Cash and cash equivalents at the end of year	2	**423**	**(11)**	**412**	396	(38)	358

The IFRS basis is audited and the Investment basis is unaudited.
Footnotes to the Reconciliation of consolidated cash flow statement above:

1 The Consolidated cash flow statement is impacted by the application of IFRS 10 as cash flows to and from Investment entity subsidiaries are disclosed, rather than the cash flows to and from the underlying portfolio. Therefore in our Investment basis financial statements, we have disclosed our cash flow statement on a "look through" basis, in order to reflect the underlying sources and uses of cash flows and disclose the underlying investment activity.
2 There is a difference between the change in cash and cash equivalents of the Investment basis financial statements and the IFRS financial statements because there are cash balances held in Investment entity subsidiaries. Cash held within Investment entity subsidiaries will not be shown in the IFRS statements but will be seen in the Investment basis statements.

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. Our Investment basis is itself an APM. The explanation of and rationale for the Investment basis and its reconciliation to IFRS is provided on page 75. The table below defines our additional APMs.

Purpose	Calculation	Reconciliation to IFRS
Gross investment return as a percentage of opening portfolio value		
A measure of the performance of our proprietary investment portfolio.	It is calculated as the gross investment return, as shown in the Investment basis Consolidated statement of comprehensive income, as a % of the opening portfolio value.	The equivalent balances under IFRS and the reconciliation to the Investment basis are shown in the Reconciliation of the consolidated statement of comprehensive income and the Reconciliation of the consolidated statement of financial position respectively. Page 16 for KPIs
Cash realisations		
Cash proceeds from our investments support our returns to shareholders, as well as our ability to invest in new opportunities.	The cash received from the disposal of investments in the year as shown in the Investment basis Consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. Page 16 for KPIs
Cash investment		
Identifying new opportunities in which to invest proprietary capital is the primary driver of the Group's ability to deliver attractive returns.	The cash paid to acquire investments in the year as shown on the Investment basis Consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. Page 17 for KPIs
Operating cash profit		
By covering the cash cost of running the business with cash income, we reduce the potential dilution of capital returns.	The cash income from the portfolio (interest, dividends and fees) together with fees received from external funds less cash operating expenses and leases payments as shown on the Investment basis Consolidated cash flow statement. The calculation is shown in Table 11 of the Financial review.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. Page 17 for KPIs
Net (debt)/cash		
A measure of the available cash to invest in the business and an indicator of the financial risk in the Group's balance sheet.	Cash and cash equivalents plus deposits less loans and borrowings as shown on the Investment basis Consolidated statement of financial position.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated statement of financial position.
Gearing		
A measure of the financial risk in the Group's balance sheet.	Net debt (as defined above) as a % of the Group's net assets under the Investment basis. It cannot be less than zero.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated statement of financial position.

Risk management

Effective risk management underpins the successful delivery of our strategy and longer-term sustainability of the business. Our values and culture are integral to our approach to risk management.

Understanding our risk appetite

As both an investor and asset manager, 3i is in the business of taking risks in order to seek to achieve its targeted returns for shareholders and other investors.

The Board approves the strategic objectives that determine the level and types of risk that 3i is prepared to accept. The Board reviews 3i's strategic objectives and associated risk appetite at least annually. The Group's risk management framework is designed to support the delivery of the Group's strategic objectives and the longer-term sustainability of the business and its investment portfolio, within the agreed risk appetite parameters.

3i's Risk appetite statement, which is consistent with previous years, is built on rigorous and comprehensive investment procedures and conservative capital management. Please refer to page 81 for further details.

Values and culture

Strong values and institutional culture are integral to our approach to risk management and are embedded in 3i's approach to risk governance, described in the next section, led by the Board and the Chief Executive. To underpin this, 3i has in place a comprehensive compliance manual, code of conduct and policy framework, supported by a systematic programme of refresher training and independent monitoring.

Members of the Executive Committee are responsible for ensuring individual behaviours meet the Group's high standards of conduct across their respective business or functional areas. All employees share the responsibility for upholding 3i's strong control culture and supporting effective risk management. Senior managers, typically those who report to Executive Committee members, are required to confirm their individual and business area compliance annually. In addition, all staff are required to comply with regulatory conduct rules, complete an annual verification questionnaire, and are assessed on how they demonstrate 3i's values as part of their annual appraisal. 3i's global policies and procedures are reinforced through an annual e-learning programme covering topics such as financial crime, anti-bribery and money laundering, market abuse, preventing tax evasion, data protection, and regulatory conduct rules.

Finally, the Remuneration Committee is responsible for ensuring the Group's remuneration policy is aligned with the Group's culture and values, weighted towards variable compensation dependent on performance, and does not encourage inappropriate or excessive risk taking. More specifically, our investment teams, which are responsible for investment origination and asset management, have reward structures specifically designed to ensure alignment with the Group's investment objectives and risk management appetite.

Approach to risk governance

The Board is responsible for risk assessment, the risk management process and the protection of the Group's reputation, brand integrity and longer-term sustainability. It considers the most significant current and emerging risks facing the Group 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 sustainability indicators; and liquidity reporting. Longer-term and new and emerging risks are evaluated as part of the strategic review process and development of the Group's investment strategy.

Board oversight is exercised through the Audit and Compliance Committee which focuses on: upholding standards of integrity; financial and non-financial reporting; risk management; going concern and resilience; and internal control. This includes monitoring and reviewing the effectiveness of the risk management and internal control systems. The Audit and Compliance Committee's activities are discussed further in its report on pages 121 to 126.

The Investment Committee oversees the investment pipeline development and approves new investments, significant portfolio changes and divestments. It is integral to ensuring a consistent approach to managing the Group's most material risks. This includes alignment with 3i's financial and strategic objectives and risk appetite and ensuring that the long-term sustainability of portfolio companies is taken into consideration.

The Board has delegated the responsibility for risk oversight to the Chief Executive. He is assisted by the Group Risk Committee ("GRC") in managing this responsibility and is guided by the Board's appetite for risk and any specific limits set. The GRC maintains the Group risk review, which summarises the Group's principal risks, associated mitigating actions and key risk indicators and identifies any changes to the Group's risk profile. The review also incorporates a watch list of new and emerging risks for monitoring and risk mitigation purposes. The risk review takes place four times a year, with the last review in May 2025. The Chief Executive provides updates after each meeting to the Audit and Compliance Committee.

Pages 82-84
Read more about the Group's risk governance framework

Risk appetite

Our risk appetite is defined by our strategic objectives. We invest capital in businesses to deliver capital returns, and portfolio and fund management cash income to cover our costs and increase returns to our investors. As proprietary capital investors, we have a long-term, responsible approach.

Investment risk

The substantial majority of the Group's capital is invested in our long-term hold portfolio (Action and Royal Sanders) and in Private Equity.

Before the Group commits to a Private Equity investment, we assess the opportunity using the following criteria:

- return objective: individually assessed and subject to a minimum target of a 2x money multiple over four to six years;
- geographic focus: headquartered in our core markets of Europe and North America;
- sector expertise: focus on Consumer & Private Label, Healthcare, Industrial, Services & Software;
- responsible investment: all investments are screened against the criteria and exclusions set out in our Responsible Investment policy; and
- vintage: invest up to £750 million per annum in four to seven new investments in companies with an enterprise value range of €100 million to €500 million at investment.

If a Private Equity portfolio company exhibits particularly strong compounding characteristics, is cash generative with an EBITDA of c.€/$100 million, and can continue to meet a 15% return hurdle, the Group may conclude that it is in the interest of shareholders, and consistent with our strategic objectives to hold an investment for a longer period of time.

Investments made by 3iN need to be consistent with 3iN's overall return target of 8% to 10% over the medium term and generate a mix of capital and income returns. Other Infrastructure investments made by the Group should be capable of delivering capital growth and fund management fees which together generate mid-teen returns. All Infrastructure investments are also subject to the criteria set out in the Group's Responsible Investment policy.

Capital management

3i adopts a conservative approach to managing its capital resources as follows:

- the Group aims to operate within a range of net cash equivalent to c.2.5% of NAV and a level of net debt equivalent to c.5% of NAV, with tolerance to operate outside of this range on a short-term basis and up to a gearing level of 15% dependent on investment and realisation flows. The Group may raise debt, or use other financing from time to time, to manage investment and realisation flows. The Group has no appetite for structural gearing; the achievement of its returns objectives is not reliant on gearing;
- the Group manages liquidity conservatively; maintaining an RCF to provide additional committed liquidity and financial flexibility, and monitoring using a framework that assesses forecast cash flows and a broader range of factors;
- the Group accepts a degree of currency exposure risk with respect to its investment portfolio, but aims to partially reduce the impact of currency movements on its net asset value through a combination of matching currency realisations with investments and the use of its euro and US dollar foreign exchange hedging programmes, taking into account the associated costs and liquidity risks. These portfolio hedging programmes had a total size of €2.0 billion and $1.2 billion respectively during FY2025; the euro hedge was increased by €0.4 billion in April 2025;
- in addition, the Group may hedge specific assets or exposures where appropriate; for example, in relation to currency exposures on Scandlines (€600 million hedging programme); and
- we have limited appetite for the dilution of capital returns as a result of operating and interest expenses. All our business lines generate cash income to mitigate this risk.

Role of the Investment Committee

Our Investment Committee is fundamental to the management of investment risk. It is involved in and approves every material step of the investment, portfolio management and realisation process.

3i's approach to portfolio construction is built on originating opportunities thematically and investing selectively in businesses that benefit from sustainable long-term structural growth. Integral to this thematic approach is the identification of new and emerging risks and opportunities, in areas such as consumer preferences; the environment and sustainability; technological change; and demographic and social trends.

New investment opportunities are considered at the outset of the investment process. Investment proposals cover the expected benefit of operational improvements, growth initiatives, sustainability initiatives, and M&A activity, that will be driven by a combination of our investment professionals and the portfolio company's management team. They will also include a view on the likely exit strategy and timing. All proposed investments are screened against 3i's Responsible Investment policy.

In evaluating new and existing investments, including those in the longer-term hold portfolio and re-investment therein, the Investment Committee considers potential reputational risks and broader sustainability developments and trends. The latter includes the risks and opportunities in relation to the environmental and social aspects of each company's products and services, the markets in which they operate, and the supply chain. Investment cases may include consideration of the feasibility and cost of initiatives to reduce the company's environmental footprint, where material.

After investing, 3i works with portfolio companies' management to manage risks and invest in initiatives that support sustainable long-term growth, whilst closely monitoring each investment case:

- our monthly portfolio monitoring reviews assess current performance against budget, prior year and a set of traffic light indicators and bespoke, forward-looking financial and non-financial KPIs;
- we hold semi-annual in-depth reviews of our portfolio companies. These focus on the longer-term performance and plan for the investment compared to the original investment case, together with any strategic developments, an assessment of sustainability risks and opportunities, and market outlook; and
- where necessary, additional reviews may take place for assets where there are more significant operational challenges or where there have been specific external developments that may have an impact on the portfolio or a specific sector (changing tariff regimes, supply chain disruptions or adverse market conditions and restrictions). As part of this process, leverage, banking covenants and counterparty risks are closely monitored across the portfolio.

Our monitoring processes consider instances where individual portfolio company underperformance could have adverse reputational consequences for the Group, even though the value impact may not be material.

The monthly portfolio monitoring reviews and the semi-annual reviews are attended by the Investment Committee and the senior members of the investment teams. Non-executive Directors also have the opportunity to attend the semi-annual reviews.

Finally, we recognise the need to plan and execute a successful exit at the optimum time, taking consideration of market conditions. This exit risk is closely linked to the external economic environment. Exit plans are refreshed where appropriate in the semi-annual portfolio reviews and the divestment process is clearly defined and overseen by the Investment Committee.

We regularly review our internal processes and investment decisions in light of actual outcomes. This includes periodic back-testing of the more recent Private Equity investments by comparing their performance and forecast returns on exit against the original investment case presented at the time of the investment.

Role of the Group Risk Committee

The quarterly Group risk review process includes an analysis of key developments since its last review; new and emerging risks; and the key strategic and financial metrics (such as KPIs) considered to be indicators of potential changes in the Group's risk profile. The GRC uses this information to determine and review its principal risks and the implications of any new and emerging risks.

It then evaluates the impact and likelihood of each principal risk in the context of the Group's strategic objectives, risk appetite and with reference to associated measures and KPIs. The adequacy of the mitigation plans is then assessed and, if necessary, additional actions are agreed and reviewed at the subsequent meeting. A report summarising the key conclusions of each GRC meeting together with a copy of the risk review report is provided to the Audit and Compliance Committee, which provides independent oversight of the work of the GRC, as described on pages 121 to 126.

A number of focus topics are also agreed in advance of each meeting. In FY2025, the GRC covered the following:

- a review of the Group's IT framework including cyber security, systems developments, the use of artificial intelligence tools, IT provider concentration risk, and IT resilience;
- an update on the Group's business continuity and resilience planning and testing, including oversight of third-party suppliers;
- a review of the Group's stress tests to support its Going concern, Viability and Resilience statements;
- semi-annual updates from the investment business lines on sustainability issues and themes with respect to the Group's portfolio companies, including progress with emissions reporting and the setting of near-term science-based emission reduction targets; CSRD readiness; and the development and deployment of a human rights risk management framework;
- an assessment of the cyber maturity of the portfolio and the actions taken by the Group's portfolio companies to manage cyber risk;
- semi-annual updates from 3i's Sustainability Committee, including TCFD reporting; progress against science-based targets; monitoring and assessment of climate-related physical and transition risks, and of nature-related risks in the portfolio;
- ad-hoc updates on specific external and/or portfolio developments, including the consideration of risks from changes in US policy, and assessing risks associated with volatility in capital markets; and
- the proposed risk disclosures in the FY2025 Annual report and accounts.

There were no significant changes to the GRC's overall approach to risk governance or its operation in FY2025. This approach is benchmarked from time to time against a peer group of private equity investment trusts, European investment companies, traditional asset managers and a selection of US alternative asset managers to ensure it remains fit for purpose.

The GRC also receives an update on the Group's risk log which is used to record operational risk incidents and near misses. The Board and Executive Committee have a very limited tolerance for operational risk events and errors. Accordingly, a relatively low reporting threshold is applied. This involves both a qualitative and quantitative impact assessment; any financial losses or exposures greater than £20,000 must be reported.

The risk log is also used to record incidents at portfolio companies which could impact 3i's reputation as an investor or where 3i may have regulatory reporting obligations. Examples include fraud, cyber security, data protection, health and safety, and litigation. The responsible 3i investment team is required to set out the risk mitigation steps being undertaken and provide updates on progress.

Role of the Sustainability Committee

The Group's Sustainability Committee provides input and advice on developing the Group's sustainability strategy; the assessment and management of relevant sustainability risk and opportunities; regulatory and reporting obligations; and coordination of sustainability-related activities and initiatives.

The GRC receives semi-annual updates on the work of the Committee as part of its risk review process. Refer to the Sustainability section on pages 39 to 68 for further details.

Related risk management activities

3i's risk management framework is augmented by a separate Risk Management function ("function") which has specific responsibilities under the FCA's Investment Funds sourcebook and is functionally and hierarchically separate from the investment teams. It considers the separate risk reports for each Alternative Investment Fund ("AIF") managed by the Group, including areas such as portfolio composition, portfolio valuation, operational updates and team changes, which are then considered by the GRC. The function meets ahead of the GRC meetings to consider the AIF risk reports, and also to discuss any key developments that might impact the principal risks affecting the Group.

In practice, the Group operates a "three lines of defence" framework to support the identification and management of risk. These are:

(1) First line – line management across our business lines and professional services teams.

(2) Second line – teams with specific oversight and control responsibilities – for example, Compliance, HR, Finance and IT – and oversight and challenge by the GRC.

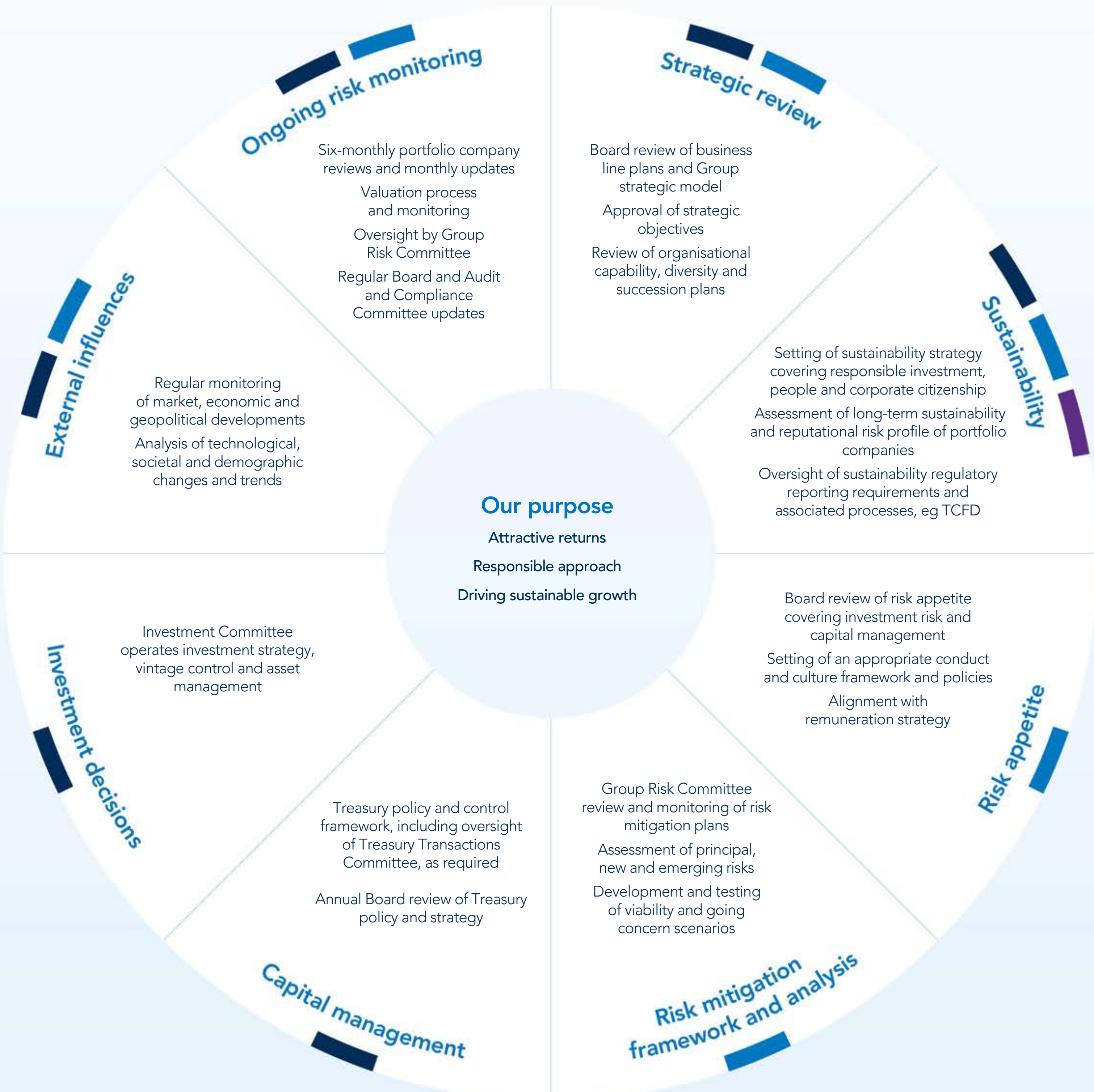
(3) Third line – Internal Audit, which provides independent assurance over the operation of the Group's risk management framework and the internal controls designed to manage and mitigate risk.

Our responsible investment policy
www.3i.com/sustainability/sustainability-policies

Integrated approach to risk management

3i's approach to risk management consists of a number of interrelated processes, illustrated below, the operation of which is overseen by a combination of the Investment Committee, Executive Committee, Group Risk Committee and Sustainability Committee.

- Responsibility of Investment Committee
- Responsibility of Group Risk Committee
- Responsibility of Sustainability Committee



Page 80
Further details of the risk governance structure

Principal risks and mitigations – aligning risk to our strategic objectives

Business and risk environment in FY2025

We define our principal risks as those that have the potential to impact materially the delivery of our strategic objectives. During the year, the Directors considered a robust assessment of the principal risks and new and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Further details can be found in the Audit and Compliance Committee report on pages 121 to 126.

This section provides an overview of the Group's principal risks, new and emerging risks, and the key matters considered during the year as part of the risk assessment process.

The Group's overall principal risk profile, summarised on pages 88 to 93, has remained relatively stable although the precise nature of the individual risks may have evolved. The main changes agreed by the GRC were:

- for the reasons noted below under External, "Global economic uncertainty" and "Geopolitical and policy risks" are considered to be higher compared to last year and are expected to remain elevated in the short term. Geopolitical risk has been broadened to specifically include changes to government policies, United States trade policy in particular, given their significance and potential impact on global markets;
- "Volatility in capital markets, foreign exchange and commodities" risk increased as markets reacted to slowing growth forecasts, the fear of potential recession and differentials in interest rates and inflation between the United States and Europe;
- the "Impact of higher interest rates on debt markets and pricing of specific asset classes" reduced over the year as interest rates stabilised/decreased in some geographies and there being an expectation for further rate cuts albeit at a slower pace than previously expected;
- the risk of "Lower investment or realisation rates" increased as despite there being some improvement in private market deal activity, the factors mentioned above dampened potential buyer/seller appetite and further compounded by limited liquidity in the private market; and
- the promotion of "Cyber risks" from our watch list to principal risk, reflecting greater digital-dependency and use of online platforms within 3i and certain large portfolio companies, and a heightened and increasingly artificial intelligence enabled threat landscape.

The Group's principal risk mitigation plans, which are subject to regular review by the GRC, have not required any notable changes during the year.

External

External risks are the risks to our business which are usually outside of our direct control such as political, economic, environmental, social, regulatory and competitor risks.

Global economic uncertainty and geopolitical risks were a focal point of discussion for the GRC over the past year. Of particular concern were the scope and duration of conflict in Russia/Ukraine and in the Middle East, and the potential for broader escalation; and the risk of trade wars through the imposition of tariffs triggering retaliatory tariffs and trade restrictions. While the impact of these on the portfolio has been limited to date, these have the potential, inter alia, to increase market volatility and disrupt supply chains, which could affect the operations of some of 3i's portfolio companies and impact 3i's investment and realisation plans.

The main focus of the GRC has been on understanding how these changes potentially play out across the different geographies and sectors in which 3i's portfolio companies operate, supply chain risks, and the impact on deal activity. Measures and initiatives put in place have enabled most portfolio companies to manage their performance through various economic headwinds. This is reflected in the continued positive momentum in the overall portfolio performance across both business lines; in particular, investments in consumer and private label, healthcare, industrial and infrastructure.

The Group's resilience assessment and viability testing covers a range of stress test scenarios including a number of severe yet plausible external events linked back to the Group's principal risks. Further details can be found in the Group's Resilience statement on pages 127 to 129. As part of its overall resilience planning, 3i continues to maintain a conservative approach to managing its capital resources and costs.

Sustainability considerations are an important component of our strategic and investment objectives and approach to risk management. Further information on work done in relation to Sustainability reporting and compliance obligations, including TCFD-aligned reporting, and our approach to climate-related risk and opportunities can be found in the Sustainability section on pages 39 to 68.

Investment

The Investment Committee is responsible for managing the Group's investment risks. The focus of the quarterly GRC meetings is on 3i's investment outcomes in the context of the Group's risk appetite, overall risk profile and potential risks to the achievement of its strategic objectives.

The core areas of the Group's investment strategy and focus remain unchanged, although delivery of these continues to be refined in terms of approach, resourcing and processes. The underlying views on key long-term risks and trends remains consistent with last year.

During the year, the GRC discussed the gradual resurgence in deal activity and, more recently, changes to market sentiment brought about by increasing geopolitical and macro-economic uncertainty, which had the potential to delay new investment and planned realisations in the private capital market in 2025. A very selective and disciplined approach to investment remains appropriate in the current market.

The performance of Action and the associated risk of potential underperformance and impact on the Group was discussed at the GRC. Action's strong cash-generative characteristics and sector-leading growth continues to underpin the resilience of the business, and the GRC concluded no change was required to the risk assessment.

The performance risk assessment for the portfolio, excluding Action, has been stable over the period, reflecting resilient performance by the majority of the portfolio, partly offset by mixed performance by a minority of companies in more challenged sectors.

Notwithstanding the challenging external environment described previously, portfolio performance continues to benefit from: a combination of the diversity and structure of the portfolio; a disciplined approach to investment and exit planning; and mitigating steps taken to address cost pressures and weaker consumer demand where there is a particular exposure.

Principal risks and mitigations – aligning risk to our strategic objectives continued

Our investment and portfolio monitoring processes continue to evolve in response to new and evolving risks. 3i's Responsible Investment policy and minimum requirements provide our expectations for what portfolio companies should be doing or commit to doing, to manage sustainability risks and explore sustainability opportunities facing their business. Our sustainability due diligence on new investments has continued to evolve, becoming more targeted with an in-depth assessment process, together with enhanced standards and a clearer sustainability maturity roadmap to support portfolio companies.

The GRC receives updates on the work of the Sustainability Committee and progress with sustainability initiatives across the portfolio. Good progress has been made in advancing the sustainability maturity of the portfolio and in setting near-term science-based emissions reduction targets across the portfolio.

Operational

3i's operational risk profile has remained stable over the year.

Attracting and retaining key people remains a principal risk and significant operational priority. The market for talented and qualified candidates remains competitive, and our ability to recruit, develop and retain key people is crucial to our continued success. Our overall risk assessment is unchanged.

During the year, the Group experienced modest levels of voluntary staff turnover; 7.6% in FY2025. This reflects 3i's strong performance and helps to underpin the longer-term resilience of the business.

Our Remuneration Committee ensures that our compensation arrangements are in line with market practice and consistent with sound risk management. These arrangements include carried interest schemes for investment executives, an important long-term incentive, which rewards cash-to-cash returns.

The effective on-boarding and integration of new hires remains a priority and is an important part of maintaining a cohesive Group culture and good control mindset.

Detailed succession plans are in place for each business area. The Board completed its last formal annual review of the Group's organisational capability and succession plans in September 2024.

The GRC also receives updates on IT security and operational resilience. 3i has continued to operate robust and secure IT systems supported by key third-party service providers. There were no significant IT performance or security issues in the period. 3i continues to review and refresh its IT systems, device strategy, and cyber security framework. 3i engages the services of a leading cyber security services company, including a part-time Chief Information Security Officer, which provides ready access to intelligence and expert advice on new and emerging cyber security threats.

Incident management, business continuity, and disaster recovery plans are reviewed at least annually. This includes consideration of a broad range of severe but plausible business disruption scenarios and incorporates an assessment of third-party supplier risks.

Fraud risk is considered on a regular basis. 3i has a robust fraud risk assessment and anti-fraud programme in place. The latter includes fraud prevention work by Internal Audit, awareness training and provision of an independent reporting service or hotline accessible by all staff. The Group's cyber security programme also aims to identify and mitigate the risks of third-party frauds, for example, ransomware and phishing attacks, through the use of IT security tools, internal and external vulnerability testing, and regular staff training.

Capital management

3i continues to maintain a conservative approach to managing its capital resources and has operated within the limits set out in its Risk appetite statement on page 81, and in accordance with the Treasury policy approved by the Board. The latter includes a detailed liquidity and currency exposure risk monitoring and reporting framework, incorporating a range of quantitative and qualitative measures and associated risk tolerance levels.

During the year, S&P and Moody's upgraded the Group's long-term issuer credit ratings. The Group's S&P credit rating improved from BBB+ to A-, and the Moodys credit rating improved from Baa1 to A3, with Stable outlook for both ratings.

Accordingly, there are currently no principal risks in relation to capital management.

New and emerging risks

The key elements to 3i's approach to identifying and monitoring new and emerging risks include the following:

- a thematic approach to investment origination and portfolio construction, which involves consideration of emerging risks and trends that can support long-term sustainable growth in the portfolio;
- the quarterly review by the GRC of significant developments which could potentially impact the Group's risk profile and the achievement of its strategic objectives;
- maintenance of a watch list of risks which are deemed of sufficient importance to require active monitoring by the GRC, but are not currently regarded as risks to the achievement of the Group's strategic objectives; and
- monitoring of developments by 3i's professional service teams, covering their respective specialist areas such as tax, legal and regulatory compliance, and sustainability.

3i's thematic approach to investment origination and portfolio construction is developed based on an analysis of new and emerging risks and trends over a longer time horizon. The current themes (pages 12 and 13) include: value-for-money and discount; energy transition, energy security and resource scarcity; digitalisation, digital transformation and big data; and demographic and social change. This approach enables 3i to adapt its investment strategy in a way which manages longer-term risks whilst taking advantage of the upside opportunities.

The Board carries out an in-depth annual strategic review which includes an update and discussion on current and emerging risks and the Group's risk appetite. The outputs are linked back to the work of the GRC and the Investment Committee, the latter being responsible for the execution of the investment strategy, including the assessment and management of risks over the investment lifecycle. The outputs also form part of our medium-term viability stress testing and long-term business resilience assessment (pages 127 to 129).

New and emerging sustainability risks are factored into the development of 3i's investment themes. In addition, changes in legislation and reporting requirements are closely monitored. Investment opportunities are screened at an early stage against 3i's Responsible Investment policy to filter out any which are exposed to excessive risks. Once invested, we monitor sustainability risks closely and use our influence to support our portfolio companies across a range of sustainability-related areas, including improvements in risk management processes; addressing emerging regulations and legislation; and encouraging the development of more environmentally and socially sustainable behaviours. 3i also has the flexibility to sell investments that become or have the potential to become overly exposed to sustainability risks. Further information can be found in the Sustainability section on pages 39 to 68.

The quarterly GRC risk review considers any significant developments which could impact the Group's principal risks and the achievement of its strategic objectives. The areas of risk considered include external developments, investment outcomes, the Group's capital management and operational risks. External developments typically cover geopolitical developments, the economic outlook and market performance. The focus is on near to medium-term emerging risks and trends. Based on this analysis, the GRC reviews the need to update principal risks and initiate or change the risk mitigation plan. The Group's current principal risks and risk mitigation plan are summarised on pages 88 to 93.

In addition to the review of principal risks, the GRC maintains a watch list of risks which are deemed of sufficient importance to require active monitoring by the GRC, but are not currently regarded as risks to the achievement of the Group's strategic objectives. This includes new and emerging risks. The watch list sets out details of how these risks are being mitigated and any further actions agreed by the GRC. Risks on the watch list may be reclassified as principal risks and vice versa based on the GRC's assessment.

During the year, cyber risks was promoted from the watch list to a principal risk and broadened to include the impact of artificial intelligence technology. The other risks on the watch list are unchanged from last year and have continued to evolve. These include:

- external environment – UK/EU trading relationships; increased sustainability reporting and compliance obligations; reputational risks in relation to the private equity industry; and the potential re-emergence of a global pandemic;
- investment outcomes – portfolio concentration; and
- operations – third-party supplier resilience.

The risk mitigation plans for risks on the watch list are reviewed quarterly by the GRC and are broadly unchanged from last year.

Outlook

The longer-term economic outlook continues to be affected by a number of factors including lower growth forecasts; persistent inflation; cost-of-living pressures; interest rates being kept higher for longer; and increasing geopolitical and trade tensions. Whilst there have been some positive economic indicators, our outlook remains cautious in view of the number of potential downside factors which could impact economic growth and market volatility.

3i's business model, its disciplined approach to investment, active portfolio management, and diverse investment portfolio have been resilient to the challenges of the past year. This resilience has also been confirmed in the results of the latest stress tests carried out as part of our viability assessment.

Our conservative approach to managing capital resources and our exposure to Action, private label, infrastructure and healthcare, should all offer various forms of downside protection.

3i continues to work closely with portfolio management teams to support their respective business and contingency plans, in response to challenging economic and market conditions. Where appropriate, enhanced portfolio monitoring and reporting processes may be put in place to support portfolio companies through more difficult periods and to identify possible further actions.

We have a clear and consistent strategy and a disciplined approach to investment whilst looking to put more capital behind those portfolio companies we already know well. We expect competition for the best assets in our sectors to remain intense and prices high. Accordingly, our focus remains on identifying attractive and sensibly priced new investments and value-accretive bolt-on acquisitions for our portfolio companies.

Principal risks and mitigations – aligning risk to our strategic objectives continued

The disclosures on the following pages are not an exhaustive list of risks and uncertainties faced by the Group, but rather a summary of the principal risks which are regularly reviewed by the GRC and the Board, and have the potential to affect materially the achievement of the Group's strategic objectives and impact its financial performance, reputation and brand integrity.

Movements in risk status and link to strategic objectives

- Risk exposure has increased
- No significant change in risk exposure
- Risk exposure has decreased
- Grow investment portfolio earnings
- Use our strong balance sheet
- Realise investments with good cash-to-cash returns
- Increase shareholder distributions
- Maintain an operating cash profit

External

Principal risk

Global economic uncertainty

Movement in risk status in FY2025

Risk exposure has increased

Link to strategic objectives

Grow investment portfolio earnings; Realise investments with good cash-to-cash returns; Maintain an operating cash profit; Use our strong balance sheet

Potential impact

- Impacts general market confidence and risk appetite
- Higher risk of market volatility, price shocks or a significant market correction
- Potential for extended period of higher inflation and interest rates
- Limits earnings growth or reduces NAV owing to contraction of earnings in our investments and/or changes in multiples and discount rates used for their valuation
- Increases liquidity or covenant risks across the portfolio or limits ability to refinance our investments
- Leads to reduced M&A volumes in 3i's core markets, economic instability and lower growth, which impacts investment portfolio exit plans and realisation levels

Risk management and mitigation

- Regular portfolio company reviews and Investment Committee focus on investment strategy, exit processes and refinancing strategies
- Monthly portfolio monitoring to identify and address portfolio issues promptly
- Monitoring of valuations and application of the valuations policy by the Valuations Committee
- Regular liquidity and currency monitoring and strategic reviews of the Group's balance sheet
- Regular review of resourcing and key man exposures as part of business line reviews and the portfolio company review process
- Overall shape and resilience of the portfolio

FY2025 outcome

- In the longer-term portfolio, both Action and Royal Sanders continue to deliver strong growth
- The rest of the portfolio performed resiliently; a small number of assets continue to experience weaker end-markets
- Overall value growth of £4,839 million and Group GIR of 24% for the year
- Low Group gearing of 3% and liquidity of £1,323 million, including our undrawn RCF of £900 million

External continued

Principal risk
Geopolitical and policy risks

Movement in risk status in FY2025

↑

Link to strategic objectives

Potential impact

- Indirect operational impact, e.g. third-party suppliers or supply chain disruption
- Impact of higher energy and commodity prices, price shocks and supply chain issues
- Increased transportation times and costs
- Increased number and complexity of sanctions and tariff regimes
- Direct or indirect reputational risks, e.g. exposures to Russia
- Impact on NAV through contraction of Private Equity portfolio earnings or changes in valuation multiples
- Reduced realisation potential, impacting shareholder returns
- Reduced viability of certain business models, and the attractiveness of certain geographies and markets

Risk management and mitigation

- Detailed scenario and contingency planning at the portfolio company level
- Steps taken by portfolio companies to manage through an extended period of disruption
- Regular assessment of portfolio company operations and performance
- Sanctions policy and monitoring
- Long-term approach to valuation multiples
- Strong network of engaged advisers along with 3i internal team's awareness
- Monitoring of current global and local initiatives and potential changes

FY2025 outcome

- Contingency plans in place to address key risks and subject to review as part of the portfolio company review process
- Continued monitoring of headwinds faced from international conflict (and a broader expansion), and of the imposition of tariffs and trade restrictions
- Supply side constraints and price inflation continue to be closely managed and monitored across the portfolio

Principal risk
Volatility in capital markets, foreign exchange and commodities

Movement in risk status in FY2025

↑

Link to strategic objectives

Potential impact

- May impact portfolio company valuations and realisation processes
- Increases risks with exit plans and bank financing
- Potential for large equity market fall to impact asset valuations
- Unhedged foreign exchange rate movements impact total return and NAV
- Impact of higher energy and commodity prices, price shocks and supply chain issues

Risk management and mitigation

- Portfolio company reviews focus on investment strategy, exit plans and refinancing strategies
- Long-term, through-the-cycle approach to setting valuation multiples
- Active management of exit strategies by Investment Committee to enable us to adapt to market conditions
- Regular liquidity and currency monitoring, and strategic reviews of the Group's balance sheet
- Foreign exchange hedging programmes and management of investment and realisation currency flows

FY2025 outcome

- Strong portfolio performance, demonstrating resilience, leading to an increase in portfolio value in the year
- Continuation of euro and US dollar medium-term foreign exchange hedging programme. These portfolio hedging programmes had a total size of €2.6 billion and $1.2 billion respectively during FY2025; the euro hedge was increased by €0.4 billion in April 2025
- Foreign exchange exposures at the portfolio company level monitored and hedged where appropriate
- At 31 March 2025, 79% of net assets denominated in euros or US dollars. Sterling strengthened by 2% against the euro and 2% against the US dollar and as a result, we generated a total foreign exchange translation loss of £259 million (2024: £316 million loss) net of hedging in the year

Principal risks and mitigations – aligning risk to our strategic objectives continued

External continued

Principal risk

Impact of higher interest rates on debt markets and pricing of specific assets

Movement in risk status in FY2025

Link to strategic objectives

Potential impact

- Higher risk of market volatility, price shocks or a significant market correction
- Limits earnings growth or reduces NAV owing to contraction of earnings in our investments and/or changes in multiples and discount rates used for their valuation
- Increases liquidity or covenant risks across the portfolio or limits ability to refinance our investments
- Impacts market confidence and risk appetite more generally

Risk management and mitigation

- Regular portfolio company reviews, as well as Investment Committee focus on investment strategy, exit processes and refinancing strategies
- Monthly portfolio monitoring, including financing arrangements, to identify and address issues promptly
- Monitoring of valuations and application of the valuations policy by the Valuations Committee
- Regular liquidity, currency and counterparty risk monitoring and strategic reviews of the Group's balance sheet

FY2025 outcome

- Strong performance of Action and resilient performance overall from the remainder of the portfolio led to an overall increase in portfolio valuation and Group GIR of 24%
- Action continued to optimise its debt profile throughout the year and successfully raised a total of €2.1 billion in July 2024
- Action also completed two leverage-neutral amend-and-extend and repricing transactions saving c€33 million in recurring interest per annum
- Low Group gearing of 3% and liquidity of £1,323 million, including our undrawn RCF of £900 million
- Private Equity portfolio is funded with all-senior debt structures, with long-dated maturity profiles. As at 31 March 2025, 91% of portfolio company debt was repayable from 2028 to 2032
- Average leverage across the Private Equity portfolio was 2.9x (31 March 2024: 2.7x)

Principal risk

Transaction execution challenges in current market

Movement in risk status in FY2025

Link to strategic objectives

Potential impact

- Reduced investment rates in Private Equity and Infrastructure, as a result of pricing challenges or market uncertainties
- Risk of wider outcomes on core investment case assumptions, impacting returns
- Market uncertainty may result in some attractive investment opportunities
- Reduced level of realisations and refinancing

Risk management and mitigation

- Strong central oversight and disciplined approach to investment pipeline and pricing
- Active management of investments and exit strategies by Investment Committee
- 3i's local teams and networks facilitate the origination of off-market transactions

FY2025 outcome

- Invested £1,182 million, including the £768 million reinvestment into Action and £318 million across three new investments
- Completed 12 bolt-on acquisitions for the Private Equity portfolio
- Completed two realisations in the Private Equity portfolio and realised proceeds of £1,827 million including £1,164 million proceeds received from Action's capital restructuring

Principal risks and mitigations – aligning risk to our strategic objectives continued

Investment

Principal risk

Underperformance of Action

Movement in risk status in FY2025	Potential impact	Risk management and mitigation	FY2025 outcome
↔ **Link to strategic objectives**	• Reduction in NAV and realisation potential impacting shareholder returns • Impact on 3i's reputation as an investor of proprietary capital • Materiality of the investment increases the potential impact and profile of underperformance • May set back specific strategic initiatives	• Regular monthly monitoring to review operating performance, identify weaknesses and opportunities early and take action as appropriate • Additional asset monitoring and reporting, including 3i Chief Executive in the role of chair and 3i Chief Operating Officer being on the Action board • Sharing of any operational incidents, such as fraud and cyber breaches, to ensure appropriate remedial actions and monitoring	• Close monitoring of Action, including frequent performance updates to the 3i Board • Action generated a GIR of £4,551 million, or 32%, on its opening value • Action added 352 new stores during 2024 • 3i Chief Operating Officer joined the Action board in March 2025 • Refer to the Action case study on pages 20 to 23 for further details

Principal risk

Underperformance of portfolio companies (ex-Action)

Movement in risk status in FY2025	Potential impact	Risk management and mitigation	FY2025 outcome
↔ **Link to strategic objectives**	• Reduction in NAV and realisation potential impacting shareholder returns • Impacts reputation as an investor of proprietary capital and as a manager of 3iN and other funds • May set back specific strategic initiatives • May impact long-term returns	• Rigorous initial assessment of new investment opportunities to maintain quality of our investment pipeline • Monthly portfolio monitoring to review operating performance, identify weaknesses and opportunities early and act as appropriate • Active management of portfolio company Chair, CEO and CFO appointments • Sharing of any incidents of portfolio fraud and cyber breaches across investment teams to ensure monitoring is up to date	• Royal Sanders delivered very strong organic and acquisitive growth • 97% of our portfolio companies valued on an earnings basis grew their earnings over the last 12 months to 31 December 2024 • Close monitoring and adaptation of portfolio company exit plans • Liquidity support provided to Wilson

Principal risks and mitigations – aligning risk to our strategic objectives continued

Investment continued

Principal risk
Lower investment or realisation rates

Movement in risk status in FY2025

Link to strategic objectives

Potential impact
- May impact longer-term returns and capital management and therefore ability to deliver strategic plan
- May impact progress with specific strategic initiatives
- May reduce staff morale and confidence
- Cost base may not be sustainable
- May impact Group's reputation as an investor of proprietary capital and as a manager of 3iN and other funds
- Increases the importance of the role of bolt-on acquisition opportunities

Risk management and mitigation
- Regular monitoring of investment and divestment pipeline
- Early involvement of Investment Committee as new investment ideas are identified
- Disciplined approach to sourcing investment opportunities and pricing
- Regular review of asset allocation
- Focus on bolt-on acquisition opportunities, which can be more attractively priced and offer synergy benefits

FY2025 outcome
- We invested £318 million in three new investments in our Private Equity portfolio, increased our investment in Action and completed 12 bolt-on acquisitions in Private Equity
- Investment Committee maintained a cautious stance, declining a number of investment proposals where price and risk and reward failed to meet Group requirements
- We realised proceeds of £1,837 million including £1,164 million proceeds received from Action's capital restructuring

Principal risk
Portfolio sustainability risk profile/performance

Movement in risk status in FY2025

Link to strategic objectives

Potential impact
- Poor or insufficient management of sustainability risks or adverse developments impact 3i's reputation as an investor
- Potential impact on NAV, realisation potential and shareholder returns
- May affect 3i's ability to meet external reporting obligations or published targets

Risk management and mitigation
- Investment Committee, GRC and Sustainability Committee involvement with Board oversight
- Responsible Investment policy
- Structured approach to identify and manage sustainability risks and themes and to collect relevant data as part of the portfolio company review process
- Early engagement with 3i Communications team in the event of any incidents
- Limited exposure to higher risk sectors and geographies
- Close monitoring of trends and developments in external reporting
- Dedicated 3i sustainability resources and provision of training where required

FY2025 outcome
- Further refinements in the monitoring of sustainability risks and portfolio performance, including development of a human rights framework and high-level assessment of nature-related impacts and dependencies
- Enhancements to the annual sustainability assessment questionnaire for portfolio companies
- Progress on an individual and portfolio-wide engagement with portfolio companies covering material topics, including CSRD, human rights and climate
- Progress in the number of portfolio companies having science-based targets at 31 March 2025, seven across Group and 3iN in comparison to one as of the FY2023 base year
- Collected Scope 1 and 2 data from 100% of our Private Equity and economic infrastructure portfolio companies[1]

1 Excludes some legacy minority and other minority investments where we have limited influence.

Principal risks and mitigations – aligning risk to our strategic objectives continued

Operational

Principal risk

Cyber risks

This risk was promoted from the watch list to principal risk in the period

Link to strategic objectives

Potential impact

- Disruption to core business operations and services (within the Group or at a key third-party supplier impacting the Group) or within certain large portfolio companies
- Loss, theft, or compromise of sensitive data
- Reputational damage leading to loss of confidence of existing or prospective shareholders
- Financial loss due to remediation costs and operational downtime
- Regulatory penalties and legal consequences
- May impact portfolio company valuation and NAV

Risk management and mitigation

- 24/7 threat monitoring with defined incident response protocols
- Part time CISO provides independent, expert input
- Regular monitoring of cyber risks and performance via KPI framework
- Technical controls
- Penetration testing and vulnerability scans
- Periodic cyber security training for all staff and ethical phishing programme
- Information Security policies and incident management processes, which are periodically tested and refreshed
- Annual assessment of portfolio company cyber maturity with remediation actions where required

FY2025 outcome

- The GRC received updates on cyber security and penetration testing, and business resilience including IT and disaster recovery during the year
- Increasing number of cyber incidents reported across the portfolio and at Group level during the year; none however were of a serious nature
- Improved cyber security maturity and detective and preventative controls
- Enhancements made to business operational resilience and in managing third-party IT supplier risk
- 3i staff training and awareness campaigns on cyber security risks
- CTO Forum held; continued sharing of awareness and best practices across the portfolio

Principal risk

Ability to recruit, develop and retain key people

Movement in risk status in FY2025

Link to strategic objectives

Potential impact

- Impairs ability to deliver key performance objectives
- Potential to delay execution of strategic plan with possible impact on shareholder returns

Risk management and mitigation

- Specific focus by Remuneration Committee which approves all material incentive arrangements to ensure they reflect market practice
- Annual Board review of succession planning
- Regular review of resourcing and key man exposures as part of business line reviews and the portfolio company review process
- HR policies and procedures for recruitment and vetting and ongoing performance management

FY2025 outcome

- Organisational capability and succession plan reviewed by the Board in September 2024
- Successful talent recruitment and continuous training and development programmes throughout the year. 18 new hires in FY2025
- Limited staff voluntary turnover of 7.6%
- Good progress with recruitment and integration of new hires

Directors' duties under Section 172

Section 172 statement

The Directors believe that, during the year, they have, individually and together, acted in a way that they consider, in good faith, was most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so had regard to the factors set out below ("section 172 factors").

Our business model is set out on pages 14 and 15 and the Board's strategic objectives and key performance indicators are set out on pages 16 and 17.

When making decisions, the Board takes into consideration the Company's purpose and strategic objectives, as well as the potential long-term impact of those decisions on its various stakeholder groups, including those listed in section 172 of the Companies Act 2006 ("section 172"). A summary of the principal section 172 factors is set out below.

Section 172 factors

The likely consequences of any decision in the long term	Our purpose and strategy, including our long-term responsible investment approach, aims to drive sustainable growth in our investment portfolio. **Read more in the Strategic report**
The interests of the Company's employees	Our employees are critical to the success of the Company. Our approach as a responsible employer is described more fully in the Sustainability section. **Read more in the Sustainability report**
The need to foster the Company's business relationships with suppliers, customers and others	We engage with all our third-party service providers, suppliers and customers in an open and transparent way to foster strong business relationships to ensure both the success of the Company and its legal and regulatory compliance. **Read more in the Governance report**
The impact of the Company's operations on the community and the environment	We embed responsible business practices throughout our organisation by promoting the right values and culture. In addition we partner with charities which relieve poverty, promote education and support elderly and disabled people. **Read more in the Sustainability report**
The desirability of maintaining a reputation for high standards of business conduct	Our success relies on maintaining a strong reputation and seeking to ensure our values and culture are aligned to our purpose, our strategy and our ways of working. **Read more in the Overview and strategy section and the Sustainability report**
The need to act fairly towards all members of the Company	The Board engages actively with its shareholders and takes into account their interests when implementing our strategy. **Read more in this section and in the Governance report**

How stakeholder interests have influenced decision making

The Board takes into account stakeholder interests and other section 172 factors in its key business decisions. Directors are reminded of their section 172 duties at Board meetings.

Throughout the year and when implementing the Company's strategic priorities, the Board has taken account of the varied interests of the Company's stakeholders and the impact of key decisions on them. The Board recognises that not all decisions will yield positive outcomes for every stakeholder group. The Board and management take account of these conflicts during decision making.

Examples of key decisions made by the Board this year, along with how stakeholder interests and other section 172 factors were considered, are detailed below. Additional information on Board decision making can be found on pages 107 to 109.

Key decisions in the year

FY2024 second dividend and FY2025 first dividend

Background: In May 2024 the Board decided on an increased total dividend for FY2024 and in November 2024 a first dividend for FY2025 (in line with the Company's dividend policy announced in May 2018) of one half of the total dividend for the previous year.

Stakeholder considerations: In May 2024 the Board carefully considered factors relevant to setting the FY2024 second dividend. The Board considered that in setting the dividend it needed to ensure the reward for shareholders was reflective of the Company's strong performance in FY2024, whilst taking account of the Company's future cash flow needs including the need to maintain liquidity for investment as well as operational and other costs, whilst maintaining a robust, low-geared balance sheet. Despite adverse macro-economic conditions, the Company's portfolio had performed well overall with excellent performance from Action and resilient performance across the rest of the portfolio, notwithstanding some pockets of weakness.

Impact on the success of 3i: Being thoughtful about setting the dividend is important as it potentially impacts a number of the Company's stakeholders. In particular, some 3i shareholders rely on the consistent application of the Company's dividend policy, which is an important aspect of the investment case for them.

Increasing the Company's stake in Action

Background: Action has been identified as an investment to be held for the long term. From time to time opportunities arise for the Company to acquire additional shares in Action from other investors. Prior to each such acquisition, that additional new investment is considered on its own merits to identify whether the investment is an appropriate use of the Company's capital.

In the year, the Company acquired additional interests in Action for a net consideration of £768 million taking the Company's interest in Action from 54.8% to 57.9%. As part of these transactions, the Company completed the final payment of the carried interest liability relating to Action. Further details of the transactions are set out on page 25.

Stakeholder considerations: Shareholders have a direct interest in the success of the Company's investments. The Company's ability to make such investments also affects our fund investors, as the transactions can provide a mechanism for fund investors who wish to sell interests in Action, or acquire additional interests, to do so. The transactions also ensured that participants in the relevant carried interest scheme were paid in cash for their interests, which might otherwise not have been realisable for many years.

Impact on the success of 3i: The Directors believe these further investments in Action will prove to be profitable investments and will promote the long-term success of the Company.

Appointment of an additional non-executive Director

Background: A key task for the Board and Nominations Committee is keeping the size, balance and composition of the Board under review to ensure that the Board has the necessary skills and experience to enable the Group to deliver its current and future strategic objectives. This includes the need to ensure orderly succession among the non-executive Directors. Following the retirement of Ms Banszky at the 2023 AGM, the need to appoint an additional non-executive Director in the medium term was identified. Further details of the process, which led to the appointment of Mr Patel as an additional non-executive Director in February 2025, are set out on page 115.

Stakeholder considerations: Sound governance of the Company is a key concern for our shareholders and holders of our debt, as it impacts the ability of the Board to promote the success of the Company for the benefit of its members as whole.

Impact on the success of 3i: The Board is now satisfied that the composition of the Board meets the Company's needs.

For the purposes of the UK Companies Act 2006, the Strategic report of 3i Group plc comprises pages 1 to 95.

By order of the Board

Simon Borrows
Chief Executive

14 May 2025

Governance

What's in this section

Chair's governance review

Our corporate governance framework anchors the execution of 3i's strategic objectives.

I am pleased to present our Corporate Governance Report. This summarises our corporate governance framework and explains how we, as a Board, have taken decisions.

Robust and effective corporate governance is fundamental to 3i's operations and to the generation of consistent, long-term value for our shareholders.

As set out in my letter on pages 2 and 3, 3i has performed well despite ongoing macro-economic challenges and geopolitical uncertainties. As a Board, we are confident in 3i's ability to execute its strategic objectives as discussed more fully in the Chief Executive's Statement on pages 6 to 11.

Board activities and consideration of stakeholders

The Board is conscious of its duty to consider the interests of a broad spectrum of stakeholders and other section 172 factors. An overview of the range of matters that the Board discussed and debated at its meetings during the year can be found on pages 108 and 109. How we engaged with our stakeholders is summarised on pages 110 to 113. The Company's section 172 statement is available on page 94.

We work with 3i's management to ensure that the Company possesses the necessary financial and human resources to execute its long-term strategy and promote its long-term success.

Culture and values

Consistent with previous years, the Board recognises the importance and differentiation that culture and strong values bring to the delivery of performance. As a Board and as Directors individually we aim to lead by example, promoting a culture of integrity, rigour, energy, accountability and ambition, in addition to providing constructive challenge to management.

Board composition

Hemant Patel joined the Board on 3 February 2025. There have been no other changes to the Board composition during the year. We continue to maintain an effective succession plan, more details of which are contained in my Nominations Committee report on pages 116 to 120.

Dividend

We have continued with our dividend policy to maintain or grow the dividend year on year, subject to the strength of our balance sheet and the outlook for investment and realisations. As a result, the Board has recommended a second FY2025 dividend of 42.5 pence per share, taking the total dividend for the year to 73.0 pence per year. Subject to shareholder approval, this will be paid in July 2025.

David Hutchison
Chair

14 May 2025

Governance at a glance

Strong corporate governance is essential to create value for our stakeholders and underpins the long-term success of our company.

Highlights
as at 31 March 2025

25%
Total return on equity

Supporting management in a challenging macro-economic climate to enable them to pursue 3i's long-term value creation strategy in the portfolio.

Read more in the Chief Executive's statement and the Financial review

2,542p
NAV per share

An increase of 22% in the NAV in FY2025.

Read more in Key performance indicators

73.0p
Dividend per share

Payment of the first dividend of 30.50 pence per share in January 2025 and recommendation of the second dividend in July 2025 of 42.50 pence per share.

Read more in Financial review

Board focus areas
as at 31 March 2025

Strategy

Read more in Key performance indicators

Financial

Read more in Financial review

Portfolio companies

Read more in Business review

Purpose, culture and values

Read more in Sustainability report

Risk management and internal control

Read more in Risk Management

Governance

Read more in Governance report

A balanced Board
as at 31 March 2025

40%
Female representation

20%
Ethnically diverse

70%
Independent directors

Board priorities for FY2026

Growth
To support the management in delivering the strategic plan

Shareholders
To achieve long-term growth for shareholders

Sustainability
Continue to oversee delivery of the sustainability strategy

Corporate Governance statement

The Financial Reporting Council's UK Corporate Governance Code 2018 (the "Code") is the standard against which we measured ourselves in FY2025.

The Company complied with all of the provisions set out in the Code throughout the period under review, save for provision 19 of the Code in respect of the Chair's tenure.

Details on how we have applied the principles set out in the Code and how governance operates at 3i have been summarised throughout this Governance section and elsewhere in this Annual report, as set out below. (The Code is available to view on the Financial Reporting Council's website).

Our Governance framework is set out on page 101.

Corporate Governance code

Board leadership and Company purpose

Audit, risk and internal control

Division of responsibilities

Remuneration

Composition, succession and evaluation

Explanation on Provision 19 – Chair tenure

The Board and the Nominations Committee have carefully considered the extended tenure of the Chair.

As detailed in our previous Annual reports, when appointing David Hutchison as Chair in November 2021, the Nominations Committee and the Board were mindful of the Code's provision regarding a Chair's tenure exceeding nine years, and the fact that David had then already served as a non-executive Director for eight years. Despite this, the Nominations Committee and the Board, when considering the Company's long-cycle investment business, recognised that David's extensive knowledge of the Company's business and portfolio assets – gained in part from his seven-year tenure as Chair of the Valuations Committee – and his understanding of the Board's conservative balance sheet and selective investment strategies, made him the most suitable candidate to promote the success of the Company.

The Nominations Committee and the Board recognise the potential risks associated with extended tenure of a chair, including the possibility of compromised objectivity, inadequate management accountability, and insufficient promotion of constructive challenge among Board members. To mitigate the risks associated with extended tenure a number of steps have been taken as detailed below. The Nominations Committee and the Board have noted that to date shareholders have not expressed any significant concerns to the Company relating to the Chair's continued appointment.

Steps taken to mitigate risks associated with extended tenure

- The Committee and the Board sought to balance this appointment by appointing an experienced Senior Director as Senior Independent Director. This role, filled by Lesley Knox since October 2021, includes ensuring corporate governance arrangements remain robust and appropriate and leading the annual review of whether David's continued tenure as Chair is in the best interests of the Company.
- It was agreed that the Nominations Committee would undertake an annual review, led by the Senior Independent Director, of the continued appropriateness of David's appointment. This would be in addition to the mitigation provided by the Board and Chair annual performance reviews.

  The first such annual review was held by the Nominations Committee in March 2023 and further reviews were conducted in March 2024 and March 2025 (all in the absence of David). Each of these reviews concluded that David continued to perform effectively as Chair, maintained objective judgement and independence, and promoted constructive challenge among Board members.

  The Committee also noted that in a business where long-term knowledge of the business and its assets is crucial, David's continued appointment was appropriate. The Committee's overall conclusion in March 2025 was that David's continued appointment as Chair for the coming year was in the best interests of the Company and that the balance and independence of the Board remained appropriate.
- Since 31 March 2023, David has not been a member of the Remuneration Committee.
- The appointment in November 2021 of Peter McKellar, an independent non-executive Director with extensive experience of asset management and asset valuation, as Chair of the Valuations Committee, provided continuity and effective governance of that Committee.

The Nominations Committee will undertake its next review in March 2026.

Recommendation

The Board has carefully considered the Chair's tenure and believes that it is in the best interests of 3i and its stakeholders that David remains as Chair. The Board is therefore recommending to shareholders the re-election of David at the forthcoming AGM on 26 June 2025.

For more information
Page 117

Corporate governance statement continued

Governance framework

Board

- Approves risk appetite and strategy
- Responsible for ensuring effective risk management and oversight processes exist
- Oversees sustainability strategy, approach and policies
- Assisted by four Board Committees with responsibility for specific areas
- Delegates management to the Chief Executive
- Assesses investment performance against objectives

Company Secretary

Nominations Committee

- Responsible for ensuring that the Board has the necessary skills, experience and knowledge
- Responsible for appointing a diverse Board
- Responsible for Board and senior executive succession

Audit and Compliance Committee

- Reviews and oversees financial and non-financial reporting (including sustainability matters), risks and internal controls, and the relationship with the External auditor
- Reviews and challenges management reports
- Receives updates from the Chief Executive on outputs from GRC
- Oversees tax policy and strategy

Valuations Committee

- Specific and primary responsibility for the valuation policy and valuations (including underlying assumptions) of the Group's investment portfolio
- Direct engagement with the External auditor, including its specialist valuations team

Remuneration Committee

- Ensuring a remuneration culture weighted towards performance based variable reward, whilst discouraging inappropriate risk taking and taking non-financial indicators, including sustainability indicators, into account
- Approves carried interest and asset performance linked schemes
- Ensuring Executive Directors' remuneration is closely aligned with shareholder returns
- Oversees the implementation of fair remuneration for employees

Chief Executive

- Delegated responsibility for management of the Group
- Delegated responsibility for investment decisions
- Delegated responsibility for risk management
- Delegated responsibility and day-to-day accountability for sustainability matters

Executive Committee

- Assists the Chief Executive in setting the Group strategy, including sustainability aspects
- Monitors divisional performance
- Facilitates information sharing between divisions
- Responsible for recruitment and retention
- Meets monthly

Conflicts Committee

- Deals with potential conflicts as required

Treasury Transactions Committee

- Considers specific treasury transactions as required

Market Abuse Regulation Committee

- Considers potential disclosure matters as required

Investment Committee

- Manages the Group's investment portfolio and monitors its most material risks
- Meets when required
- Strict oversight of each step of the investment lifecycle
- Approves investment, divestment and material portfolio decisions
- Monitors investments against original investment case
- Ensures investments are in line with the Group's investment policy and risk appetite
- Implements the Responsible Investment policy
- Chaired by the Chief Executive

Group Risk Committee

- Assists the Chief Executive with the oversight of risk management
- Implements the Group's risk appetite policy and monitors performance
- Maintains the Group risk review which details its principal risk exposures; a watch list of new and emerging risks; and appropriate mitigations and controls
- Two members of the GRC form the Risk Management function as required by FCA rules
- Maintains oversight of sustainability risks, and relevant sustainability regulations
- Oversight and review of the Responsible Investment policy
- Chaired by the Chief Executive

Sustainability Committee

- Advises the Chief Executive, directly and through the Investment and Group Risk Committees, on sustainability risks and opportunities
- Develops the Group's sustainability approach, and related policies and procedures
- Ensures the Group's compliance with relevant sustainability-related legal and regulatory requirements, standards and guidelines
- Coordinates sustainability-related activities and initiatives
- Reviews and monitors the Group's sustainability performance
- Monitors stakeholder expectations, market developments, trends and best practice in relation to relevant sustainability matters
- Chaired by the General Counsel

Board leadership and Company purpose

Board of Directors
at 31 March 2025

The Board promotes a culture of strong governance across the business.

David Hutchison
Chair

Chair since November 2021 and non-executive Director since 2013. David has considerable investment and banking experience across a range of asset classes which supports his leadership of the Board.

Previous experience
Chief Executive of Social Finance Limited from 2009 to 2022. Until 2009 Head of UK Investment Banking at Dresdner Kleinwort Limited and a member of its Global Banking Operating Committee. From 2012 to 2017, a non-executive director of the Start-Up Loans Company.

Simon Borrows
Chief Executive

Chief Executive since 2012, and an Executive Director since he joined 3i in 2011. Chair of the Group's Risk Committee, Executive Committee and Investment Committee. Chair of the Supervisory Board of Peer Holding I B.V., the Dutch holding company for the Group's investment in Action.

Previous experience
Formerly Chair of Greenhill & Co International LLP, having previously been Co-Chief Executive Officer of Greenhill & Co, Inc. Before founding the European operations of Greenhill & Co in 1998 he was the Managing Director of Baring Brothers International Limited. Formerly a non-executive director of the British Land Company PLC and Inchcape plc.

James Hatchley
Group Finance Director

Group Finance Director since June 2022 and an Executive Director since May 2022. A member of Executive Committee, Investment Committee, Group Risk Committee and Sustainability Committee. Joined 3i in 2017 and was Group Strategy Director until June 2022.

Previous experience
Formerly Chief Operating Officer of KKR in Europe and, before that, Co-CEO of Avoca Capital. Earlier in his career, James was a corporate finance professional for 20 years, principally with Greenhill & Co. and Schroders. He qualified as a chartered accountant in 1992. Formerly a non-executive director of Great Ormond Street Hospital for Children NHS Foundation Trust.

Jasi Halai
Chief Operating Officer

Chief Operating Officer and an Executive Director since May 2022. A Member of Executive Committee, Investment Committee, Group Risk Committee and Sustainability Committee. Joined 3i in 2005 and has held a variety of posts in the business, most recently as Group Financial Controller and Operating Officer. A member of the Supervisory Board of Peer Holding I B.V., the Dutch holding company for the Group's investment in Action and also a non-executive director of Barratt Redrow plc.

Previous experience
Prior to joining 3i, worked for CDC Group (now British International Investment) and at Actis following its demerger from CDC. Jasi is a chartered management accountant. Formerly a non-executive director of Porvair PLC.

Stephen Daintith
Independent non-executive Director

Non-executive Director since 2016. Chief Financial Officer and an executive director of Ocado Group plc. Stephen contributes directly relevant financial and operating experience as Chair of the Audit and Compliance Committee, drawn from a range of consumer, digital, engineering and other international businesses, to the Board's decision making.

Previous experience
Formerly an executive director of Rolls-Royce Holdings plc from 2017 to 2021 and Finance Director of Daily Mail and General Trust plc ("DMGT") from 2011 to 2017. Non-executive director of ZPG Plc. Prior to joining DMGT he was Chief Operating Officer and Chief Financial Officer of Dow Jones and prior to that Chief Financial Officer of News International. He originally qualified as a chartered accountant with Price Waterhouse (now part of PwC).

Lesley Knox
Independent non-executive Director

Non-executive Director since October 2021 and Senior Independent Director since November 2021. Also Senior Independent Director of Legal & General Group plc, non-executive director of Dovecot Studios Limited, Senior Independent Director and Chair of Remuneration Committee of Genus Plc, and a trustee of Grosvenor Group Limited pension fund and National Galleries of Scotland Foundation. Lesley brings to the Board's discussions a wealth of international, strategic and financial services experience having spent over 17 years in senior roles in financial services, including in asset management and corporate finance.

Previous experience
Formerly held a number of senior roles in financial services, including head of institutional asset management at Kleinwort Benson. Also previously served as Chair of Alliance Trust PLC, as Senior Independent Director at Hays plc and non-executive director of SAB Miller plc, Centrica plc and Thomas Cook Group plc.

Coline McConville
Independent non-executive Director

Non-executive Director since 2018. Also a member of the Supervisory Board of Tui AG and a director of EBOS Group Limited. Coline has a diverse commercial background, having worked in a range of sectors and also brings to the Board significant listed board experience including chairing several remuneration committees and previously acting as Senior Independent Director at Fevertree. This enables her to make valuable contributions to the Board's discussions and to those of the Remuneration Committee, which she now chairs.

Previous experience
Formerly non-executive director and Chair of the ESG Committee at King's Cross Central General Partnership, a non-executive director of Fevertree Drinks plc, Travis Perkins plc, Tui Travel plc, UTV Media plc, Wembley National Stadium Limited, Shed Media plc, HBOS plc, Inchcape plc and Halifax plc. Prior to that was Chief Operating Officer and Chief Executive Officer Europe of Clear Channel International Limited and had previously worked for McKinsey and LEK.

Peter McKellar
Independent non-executive Director

Non-executive Director since 2021. Also Chair of Partners Group Private Equity Limited (formerly Princess Private Equity Holding Limited) and a non-executive director of Investcorp Capital plc. Peter brings to the Board significant experience and understanding of financial services and asset management, with a particular expertise in private equity and infrastructure. This enables him to bring a valuable asset management perspective to the Board's discussions and to those of the Valuations Committee, which he now chairs.

Previous experience
Formerly Deputy Chair of AssetCo plc, Global Head of Private Markets at Standard Life Aberdeen plc and a non-executive board member of Scottish Enterprise. Previously led Standard Life Investments' private equity and infrastructure business and was their Chief Investment Officer. Prior to that, he held a variety of finance posts in industry and corporate finance positions.

Hemant Patel
Independent non-executive Director

Non-executive Director since February 2025. Chief Financial Officer and an executive director of Whitbread PLC since March 2022. Hemant brings to the Board good and relevant financial and commercial experience from his different roles in retail and consumer businesses.

Previous experience
Formerly Finance Director, UK and Germany, at Whitbread, Finance Director of Greene King and before that worked at Asda-Walmart for 11 years, in various management roles including Commercial Finance Director, Director of Own Label and Director of Strategy. He also had several finance roles over six years at Mars, Inc. Hemant was non-executive Director and Audit Chair at the Department of Digital, Culture, Media and Sport from 2020 to 2023 as well as being on the board of the Cultural Recovery Fund. He was also a Trustee of the Royal Armouries Museum from 2010 to 2019 and Chair from 2018 to 2019. Hemant is a Chartered Management Accountant.

Alexandra Schaapveld
Independent non-executive Director

Non-executive Director since 2020. Also non-executive director and Chair of the Audit Committee at Société Générale S.A. Alexandra brings extensive financial services expertise in a number of important markets for 3i as well as considerable board experience in a variety of sectors. These help provide an international perspective to the Board's decision-making process.

Previous experience
Formerly on the boards of Bumi Armada Berhad, Vallourec S.A., FMO N.V., Stage Entertainment N.V., Holland Casino N.V., VU University and VU Medical Center and Duin & Kruidberg. Prior to that, many years of corporate and investment banking at RBS and ABN AMRO.

Executive Committee

at 31 March 2025

Simon Borrows
Chief Executive

James Hatchley
Group Finance Director

Jasi Halai
Chief Operating Officer

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See profiles

Simon Borrows
Chief Executive

James Hatchley
Group Finance Director

Jasi Halai
Chief Operating Officer

Kevin Dunn
General Counsel and Company Secretary

Joined 3i in 2007 as General Counsel and Company Secretary. Responsible for 3i's legal, compliance, internal audit and company secretarial functions. A member of Executive Committee, Group Risk Committee and ESG Committee.

Previous experience
Prior to joining 3i, was a Senior Managing Director, running GE's European Leveraged Finance business after serving as European General Counsel for GE. Prior to GE, was a partner at the law firms Travers Smith and Latham & Watkins.

Board leadership and Company purpose continued
Executive Committee continued

Peter Wirtz
Head of Private Equity

Joined 3i in 1998 and served as 3i Germany Co-Head between 2009 and 2019 and Co-Head of Private Equity from 2019 to 2024. Head of Private Equity since October 2024. A member of Executive Committee, Investment Committee and Group Risk Committee. Also a non-executive director of Luqom, WaterWipes, OMS Testing and Audley Travel.

Previous experience
Prior to joining 3i, worked for Deutsche Bank and spent four years with Procter & Gamble in various finance functions.

Bernardo Sottomayor
Managing Partner, Head of European Infrastructure

Joined 3i in 2015 as a Partner with responsibility for origination and execution of new investments across Europe. Managing Partner, Co-Head of European Infrastructure from July 2022 to February 2025 and Head of European Infrastructure since February 2025. A member of Executive Committee, Investment Committee and Group Risk Committee. Also a non-executive director of TCR and ESP.

Previous experience
Prior to joining 3i, was a Partner at Antin Infrastructure and his other previous infrastructure management experience includes roles as Managing Director at Deutsche Bank's European infrastructure fund, Head of M&A at Energias de Portugal and further infrastructure M&A advisory experience with UBS and Citigroup in London.

Rob Collins
Managing Partner, Head of North American Infrastructure

Joined 3i in 2017 as the Managing Partner for North American Infrastructure. A member of Executive Committee and the NAIF Investment Committee. Also a non-executive director of Smarte Carte, Regional Rail and EC Waste.

Previous experience
Prior to joining 3i, led Hastings' infrastructure investment team in North America and Europe. Founded the infrastructure M&A practice at Morgan Stanley and Greenhill where he was a Managing Director at both firms. Started his infrastructure career at Goldman Sachs after serving as a nuclear-power officer in the US Navy.

Tony Lissaman
Partner and Chief Operating Officer, Private Equity

Joined 3i in 1998 and became Chief Operating Officer, Private Equity, in 2010. A member of Executive Committee, Investment Committee, Group Risk Committee and the Private Equity Leadership Team. He currently sits on the boards of Scandlines and MPM.

Previous experience
Prior to joining 3i, worked at KPMG where he qualified as a Chartered Accountant.

Julien Marie
Chief Human Resources Officer

Joined 3i in 2001 as HR Manager, was appointed HR Director in 2004 and Chief Human Resources Officer in 2021. A member of Executive Committee and Group Risk Committee.

Previous experience
Prior to joining 3i, worked at Bouygues Construction and Bouygues Telecom for six years.

The role of the Board

The Board's role is to lead the Company in promoting its long-term success and thereby generate value for shareholders. The Board operates within a robust corporate governance framework and ensures that this framework is embedded across the organisation.

The Board oversees the Company's purpose, values and strategy and satisfies itself that these are aligned with the Company's culture. All Directors are expected to demonstrate integrity and adhere to the Company's culture and values.

The Board approves the Group's strategic objectives and ensures the necessary resources are in place for the Company to meet these objectives through a Board approved planning and budgeting process. The Board measures performance against those objectives using the KPIs set out on pages 16 and 17 which are reported to the Board in the monthly Board report.

The Board, through its Audit and Compliance Committee, assesses and monitors behaviours and adherence to the Company's values. Regular reports from the Internal Audit and Group Compliance teams consider and comment on culture within the business. The Remuneration Committee reviews workforce remuneration and the alignment of incentives and rewards with culture. The Board ensures that employee policies and practices are consistent with the Company's culture and values and support its long-term success during its annual review of succession planning and strategic capability.

The Board meets formally on a regular basis for scheduled Board meetings and on an ad hoc basis when the need arises. There is a clearly defined schedule of matters reserved for the Board. The Board is assisted by various Principal Board Committees which report to it regularly. Details of their activities in the year are provided on pages 116 to 147.

Attendance at Board and Committee meetings[1]

	Independence	Board	Audit and Compliance Committee	Nominations Committee	Remuneration Committee	Valuations Committee
Total meetings held[1]		7	6	3	7	4
Number attended:						
D A M Hutchison	Independent on appointment	7(7)	–	2(3)	–	4(4)
S A Borrows	Executive Director	7(7)	–	–	–	4(4)
J G Hatchley	Executive Director	7(7)	–	–	–	4(4)
J H Halai	Executive Director	7(7)	–	–	–	–
S W Daintith	Independent	7(7)	6(6)	3(3)	–	–
L M S Knox	Independent	7(7)	–	3(3)	6(7)	2(4)
C McConville	Independent	7(7)	6(6)	3(3)	7(7)	–
P A McKellar	Independent	7(7)	–	3(3)	7(7)	4(4)
H K Patel[2]	Independent	1(1)	1(1)	1(1)	–	–
A Schaapveld	Independent	7(7)	6(6)	3(3)	7(7)	4(4)

1 This table shows the number of scheduled full meetings of the Board and its Committees attended by each Director who was a member thereof in the year, together with (in brackets) the number of meetings they were eligible to attend. In addition to these meetings a number of additional meetings of the Board and its Committees were held, often at short notice, to deal with ad hoc business as it arose. Non-attendance at meetings was due to unavoidable prior commitments or illness. As explained in this report Mr Hutchison did not attend the Nominations Committee meeting which included discussion of the Chair's tenure and performance.
2 Mr Patel was appointed as a Director with effect from 3 February 2025.

Non-executive Directors also attended a number of other Company meetings, portfolio company reviews and Infrastructure partner reviews to increase their understanding of the 3i business, the portfolio companies and the strength and depth of our people.

Division of responsibilities

How the Board operates

The Board meets regularly and holds two meetings a year in non-UK locations, including one in Amsterdam, providing a chance for non-executive Directors to meet our local teams and the management of selected portfolio companies. The January 2025 Board and Committee meetings were held in Amsterdam where Directors met the Action senior management team at Action's headquarters and visited an Action store. They also met and received presentations from the CEO of European Bakery Group and the Private Equity team for Royal Sanders. In March 2025, the Board and Committee meetings were held at 3i's Frankfurt office where Directors met 3i's Frankfurt team and received presentations from the CEOs of OMS and Luqom.

The Board holds an annual Strategy Day.

The Board receives regular reports on potential conflicts of interests involving Directors and any actual conflicts of interest identified are managed appropriately. This may involve excluding the Director concerned from relevant information and discussions.

There is a clear division of responsibilities between the Chair and Chief Executive. Day-to-day management of the Group is the responsibility of the Chief Executive. To assist him in this role, the Chief Executive has established a number of additional management committees, including the Investment Committee, Group Risk Committee and Sustainability Committee, which are outlined in our governance framework on page 101.

The Board ensures that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

Responsibilities of the Chair

- Leads the Board and is responsible for its overall effectiveness in directing the Company.
- Leads the Board in its oversight of the Company's purpose, values and culture.
- Leads the Board in setting its agenda, approving strategy, monitoring financial and operational performance, and establishing the Group's risk appetite.
- Organises the business of the Board, ensuring the Company's effectiveness, and the maintenance of an effective system of internal controls.
- Ensures that Directors receive accurate, timely and clear information. This includes ensuring that the non-executive Directors receive regular reports on shareholders' views on the Group.
- Responsible for the composition of the Board, facilitates constructive Board relations and the effective contribution of all non-executive Directors.
- Leads the annual Board and Board Committee evaluation process.

Responsibilities of the Chief Executive

- Direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group.
- Chairs the Investment Committee to review the acquisition, management and disposal of investments.
- Leads the Executive management team to develop and implement the Group's strategy and manage the risk and internal control framework.
- Reports to the Board on financial and operational performance, risk management and progress in delivering the strategic objectives.
- Regularly engages with shareholders and other key stakeholders on the Group's activities and progress.
- Oversees the implementation of the Sustainability strategy.
- Oversees the Group's values and culture.

Role of the Senior Independent Director

- The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the other Directors and the shareholders.
- Leads succession planning for the Chair.
- Leads the Chair's performance review and the annual review of the continued appropriateness of the Chair's appointment.

Role of non-executive Directors

- Provide constructive challenge, strategic guidance and hold management to account.
- Scrutinise the performance of management in meeting agreed objectives.
- Seek assurance on the integrity of the financial information and that financial and non-financial controls and systems of risk management are robust and defensible.
- Determine appropriate levels of remuneration for Executive Directors and Executive Committee and together with the Chair, have a prime role in appointing Directors and in succession planning for the Board.
- Ensure that they have sufficient time to meet their Board responsibilities.

What the Board did in FY2025

In FY2025, the Board met for seven scheduled meetings and a strategy day in December 2024 (see page 106).

The Chair sets the Board's agenda. Board members and, as appropriate, executives from the relevant business areas are invited to present on key items allowing the Board the opportunity to debate and challenge initiatives directly with the senior management team.

As described on page 94 when making decisions the Board has regard to the interests of stakeholders, as well as the section 172 factors.

Examples of some important decisions taken by the Board in the year and how, where relevant, the Board had regard to the interests of relevant stakeholders are set out on page 95. Our key stakeholders are set out below and discussed in more detail on pages 110 to 113.

In addition to the Board decisions referred to above, the Board also dealt with its regular annual cycle of business, examples of which are set out on the next page.

Our key stakeholders

Division of responsibilities continued

What the Board did in FY2025 continued

FY2025 Focus areas	Matters approved	Other matters considered/outcomes	Stakeholders
Purpose, culture and values	• Responsible Investment Policy • Operation and effectiveness of the Remuneration Policy both for Executive Directors and the wider employee group	• Executive and senior management succession planning • Organisational capability • Employee leadership and development initiatives • Diversity, equity and inclusion initiatives • Equal Opportunities and Diversity policy and compliance with external board diversity recommendations • Board evaluation	
Portfolio companies	• Non-executive Director approvals for certain investments and divestments • Portfolio company valuations	• Presentations from the CEOs of Action, European Bakery Group, Luqom, OMS, and the deal team of Royal Sanders • Visit to Action HQ and Action store • Detailed reporting on Action and rotating updates on portfolio companies at Board and Valuations Committee • Sustainability reviews of portfolio companies • Attendance at portfolio company reviews and Infrastructure partner reviews	
Strategy	• Group's approach to environmental sustainability and climate change • Senior leadership succession and contingency planning	• Strategy day – 3i Group strategic financial planning and analysis – Private Equity strategic plan and sector presentations – Analysis and materials related to our long-term hold portfolio companies – Infrastructure strategic plan • Private Equity and Infrastructure business and portfolio updates	
Financial	• Recommendation of the FY2024 second dividend paid in July 2024 and payment of the FY2025 first dividend in January 2025 • Operating budget • Annual report, half-year report and quarterly updates • Approval of investment valuations	• Financial reporting from the Group Finance Director including key financial highlights and performance against budget • Valuations reporting from Group Finance Director and Chief Operating Officer • Market overviews • Funding and Treasury review • Assessment of investment performance against objectives	
Risk management and internal control	• Board risk appetite • Risk review	• Compliance and internal controls updates • Detailed reporting from the Group Risk Committee including updates on the business continuity plan, cyber security and IT • Going concern, Viability statement, stress testing and Resilience statement	
Governance	• Approval of the Chair's continued tenure • Appointment of a new non-executive Director • Approval of changes to Valuations Committee terms of reference	• Updates on the Code • Oversight of sustainability strategy and compliance with sustainability regulation	

Engaging with stakeholders

Engaging and communicating with our stakeholders is an integral part of 3i's business and critical to ensuring our continued success. We engage with our stakeholders in a variety of ways, as detailed in this section.

Engaging with shareholders

The CEO, Group Finance Director and the Group Investor Relations and Sustainability Strategy Director meet with institutional shareholders and potential investors after the announcement of the annual and interim results and throughout the year. The Chair offers to meet large institutional shareholders once a year.

The Investor Relations and Company Secretariat teams are available to retail shareholders to respond to their queries.

In FY2025, shareholders were principally interested in the performance of Action and of the rest of the portfolio, capital allocation strategy and market conditions for new investments and realisations.

In addition to this ongoing investor engagement, the Company has an extensive engagement programme detailed below which enables investors to make informed decisions about their investment in the Company:

Our FY2025 Investor Relations programme

We engage shareholders through a full programme of events. Our results presentations and capital markets seminars are webcast live and available to all who are interested. On-demand webcasts and transcripts are also available on the Company's website after the events.

2024

April
- Barclays European discount retail forum

May
- Annual results announcement and presentation webcast
- Citi diversified financials conference

June
- BNP Paribas Exane European CEO Conference
- Annual General Meeting

July
- Q1 performance update
- Chair's meetings with shareholders
- RBC retail conference

September
- Private Equity capital markets seminar
- Bank of America financials conference

November
- Half-yearly results announcement and presentation webcast
- JPMorgan UK Leaders conference
- Barclays retail forum

December
- Redburn CEO conference

2025

January
- Consultation on proposed Executive Director salary changes

February
- Q3 performance update

March
- Action capital markets seminar
- Morgan Stanley financials conference

Institutional investors

- One-on-one meetings with 3i's UK and international principal shareholders twice a year and throughout the year as required.
- Large group investor calls are held after the publication of the annual and half-year results and quarterly performance updates, and after other significant developments, to target both existing and potential institutional investors.
- The Chair offers to meet with significant institutional shareholders once a year and met a number of large institutional holders in July 2024. The SID and the Audit and Compliance Committee Chair are also available as required.
- In January 2025, the Chair of the Remuneration Committee consulted our largest shareholders on proposed changes to the Executive Directors' remuneration.
- Meetings with potential shareholders on a regular basis as part of arranged UK and international roadshows and as required.
- Participation in conferences for institutional investors organised by a number of international banks and brokers.
- Engagement with analysts from investment banks by the Group Investor Relations and Sustainability Strategy Director.

Capital market seminars

- Two capital markets seminars in FY2025, held in September 2024 and March 2025, both held via a webcast accessible to all on the 3i website.
- The September 2024 seminar included presentations from the investment teams on our Private Equity investments in the Services & Software sector, as well as on our investment in Audley Travel.
- The March 2025 seminar focused on Action, with results and strategy updates from the CEO and CFO of Action, as well as an update by the 3i Chief Executive.

Annual and half-year results presentations

- The annual and half-year results are presented via live webcasts accessible to all on the 3i website. Listeners are encouraged to submit questions during the webcasts.

Individual investors

- Can attend live webcasts of the results presentations and capital markets seminars.
- Can engage directly with non-executive Directors, Executive Directors, the Company Secretary and the Group Investor Relations Director at the AGM.
- Can engage with and contact the Group Investor Relations and Sustainability Strategy Director and the Company Secretary, whose contact details are on the website, to raise issues and provide feedback.

Annual General Meeting

- The AGM is held as an in person meeting, preceded by business presentations from the Chair and Chief Executive.
- Shareholders are encouraged to ask questions during the meeting and have the opportunity to meet Directors before and after the formal proceedings.

Website

- The 3i website (www.3i.com) provides a wealth of useful and detailed information for all existing and potential shareholders, who can also sign up for our email alert service to be notified of key announcements.
- The website was refreshed in FY2025 to provide more user-friendly content and information.

Outcome of engagement with shareholders

The extensive Investor Relations programme enables investors to understand 3i's performance, assists them in making their investment decisions and provides them with an opportunity to engage with Directors and senior management. Executive Directors routinely update the Board on investor relations activities and on any feedback received from analysts and shareholders. Any major issues brought up by shareholders concerning the Group are communicated to and discussed with the Board.

Engaging with other stakeholders

Stakeholders	Engagement	Outcome
Employees	**Why?** 3i is a people business. Our people are critical to the success of the Company and we rely on having motivated people with the appropriate expertise and skills required to deliver our strategy. **How?** Our approach as a responsible employer is described in the Sustainability section. The Directors' report on page 152 includes details on their engagement with our employees. We continue to support our employees and to maintain strong employee engagement.	Having meaningful engagement with employees helps create a strong, supportive work culture, which develops and retains talent, enabling 3i to continue to deliver strong performance. **Pages 52-55 Sustainability report**
Portfolio companies	**Why?** 3i's long-term, responsible approach to its investments means that it participates in the active management of its portfolio companies. Close engagement and a strong governance framework enables us to help them grow and create value. **How?** Our investment teams work closely with investee companies and their management teams. One or more investment team professionals are usually appointed as directors of each investee company. In addition, regular forums across the Private Equity and Infrastructure portfolios share best practice and experience. During the year, we held our biennial CEO and Chair forum with a theme of the growth agenda. Topics discussed ranged from the global macro-economic climate and current geopolitical uncertainties, to delivering growth through buy-and-build and the latest advancements in Generative AI. We held a CTO Forum with 25 CTOs from across our private equity and infrastructure portfolio. Discussions explored the importance of IT in business strategy and delivering a successful ERP transformation, as well as sessions on GenAI and cybersecurity. We also held a CTO Artificial Intelligence webinar where colleagues shared progress and learnings on the GenAI landscape.	We are able to share best practice and connect management teams across the portfolio. Growing and generating value in the portfolio companies enables 3i to generate attractive returns for our shareholders and fund investors, contributing towards the long-term success of 3i. **Pages 14-15 Our business model** **Pages 42-51 Sustainability report** **Pages 19-38 Investment activity**
Fund investors	**Why?** Fund investors, like shareholders, want to understand and have confidence in 3i's strategy, performance, culture, sustainability policies, compliance and governance. It is also important that the Board and management understand issues that are specific to them. **How?** There is an engagement programme with fund investors and co-investors led by the Fund Investor Relations team with regular and ad hoc meetings, supported by comprehensive reporting. The Chief Executive and relevant investment professionals participate in some of these meetings, as appropriate.	Fund investors have provided capital we have invested in certain assets as part of our investment management activities and which generates fee income for 3i. They are customers to whom we owe regulatory duties. Positive engagement with Fund investors enhances our relationship with them and provides them with the information they require to maintain their investment in the relevant fund. **Page 37 Assets under management**

Division of responsibilities continued
Engaging with stakeholders continued

Stakeholders	Engagement	Outcome
Debt holders	**Why?** Access to debt markets provides important flexibility and resilience to the Company's financial structure. **How?** Together with the Group Finance Director, the Group Treasurer engages with debt providers, hedging counterparties and rating agencies through regular reviews and updates including the Group's results presentations. A dedicated section on 3i.com is maintained for debt investors.	The Company's ability to issue further bonds where appropriate (as with the successful issue in 2023 of our €500 million euro bond) demonstrates the benefits of positive engagement with debt holders. **Page 70** **Financial review** **Page 94** **Directors' duties under Section 172** **Pages 181-182** **Notes to the accounts**
Government and Regulators	**Why?** The Company works in a regulated environment and can only continue to operate if it complies with relevant laws and regulations. **How?** Our Group Compliance team and local professionals lead our relationships with national and international regulators, including the UK FCA, the US SEC and the Luxembourg CSSF. The Company actively participates in policy forums, engages on regulatory matters and is a member of a number of industry bodies, including the British Private Equity & Venture Capital Association and Invest Europe. We maintain relationships with other governance-related bodies including the FRC, relevant UK government departments, ESG rating agencies, the FTSE Women Leaders Review, the Parker Review and proxy advisers through participation in consultations, surveys and events.	Maintaining open and constructive dialogue and strong relationships with relevant authorities and governance bodies helps support the achievement of our strategic goals within a compliant framework.
Third-party professional advisers and service providers	**Why?** The Company relies on its extensive network of professional advisers and service providers to help it originate, analyse and execute new investments, to assist with portfolio management and to support the business operations of the Company. **How?** The investment teams, Executive Directors and functional teams lead these relationships and maintain close and regular dialogue with our professional advisers and service providers who include due diligence providers, operational and IT support providers, law firms, the Registrars, the External auditor and the Company's corporate brokers.	The support from our advisers and service providers contributes to 3i's long-term success.
Communities	We embed responsible business practices throughout our organisation by promoting our values and culture. We use our influence with our portfolio companies to ensure that they assess their environmental and social impacts and dependencies and, where relevant, devise strategies to address them. We also partner with organisations and charities that support charities which relieve poverty, promote education and support elderly and disabled people.	For details of the Company's contribution to and engagement with communities see the Sustainability section. **Page 56** **Act as a good corporate citizen**

Composition, succession and evaluation

Board performance review

In accordance with the Code, during the year, the Board conducted its annual review of its own performance and that of its Committees and the Chair. The review process operates on a three-year cycle being externally facilitated at least once every three years. During the year, the performance review was undertaken externally by Lintstock Limited. Lintstock Limited performed no other services for the group during the year.

Board performance review process

1. Each Director and member of Executive Committee completed a Board performance review questionnaire and (except in the case of the Chair) a Chair performance review questionnaire. They each had a one-on-one discussion with Lintstock.
2. Responses to the Board performance review questionnaire were collated by Lintstock and a report shared with the Chair on a non-attributable basis.
3. The Lintstock Chair review report was shared with the Senior Independent Director.
4. The Senior Independent Director led the review by the other Directors of the Chair's performance and discussed the outcome of the review with him.
5. The report from Lintstock was shared and discussed with the Board at its March 2025 meeting.

Topics covered in the 2025 review

- Board composition;
- Board dynamics and relationships;
- Meetings, support and Committees;
- Understanding stakeholder views;
- Oversight of strategy and investments;
- External developments and risks; and
- People and succession.

Findings from the 2025 review

The overall finding was that the Board had continued to perform strongly and had benefitted from the leadership provided by the Chair. The review was very positive across a broad range of issues. It confirmed a consensus between the Board and executives that they were working well together and were focussed on the right issues and priorities for the year ahead. The Board agreed steps including:

- to continue promoting greater interaction between non-executive Directors and the investment teams and to deepen non-executive Directors' knowledge of the portfolio. This would include greater in person attendance at the six-monthly portfolio asset reviews;
- to review the allocation of Board time between Action and other parts of the business, including potential long-term hold assets;
- to provide additional opportunities for non-executive Directors to discuss people and organisational development topics directly with the Chief Human Resources Officer; and
- to provide additional opportunities for non-executive directors to discuss investor feedback and themes with the Group Investor Relations Director and Sustainability Strategy Director.

Composition, succession and evaluation continued

Focus areas from the 2024 performance review	Actions and steps taken
Continued oversight on the performance of Action and other long-term-hold assets, and ensuring the Board developed and maintained appropriate mechanisms to satisfy itself in this regard.	The Board received regular updates on the performance of both Action and Royal Sanders, the Company's second identified long-term hold asset. Non-executive Directors attended the six monthly asset reviews and the Board and Valuations Committee considered and approved the quarterly valuations. In January 2025, the Board visited Action's head office and received presentations from the Action's CEO and other senior executives as well as visiting an Action store. The Board also received a presentation on Royal Sanders from the relevant investment team.
Maintaining oversight over the rest of the Private Equity and Infrastructure portfolio.	The Board maintained oversight over the Private Equity and Infrastructure portfolios in various ways including regular reports from the Chief Executive, involvement in the six-monthly asset reviews, consideration and approval of the quarterly valuations as well as presentations from investment teams and from portfolio companies. In the year, the Board received presentations from the CEOs of Action, European Bakery Group, Luqom, OMS, and the deal team of Royal Sanders.
Director succession planning.	Nominations Committee keeps Director succession planning under review considering the size, balance and composition of the Board in light of likely retirements and the needs of the Board going forward. For further details, see the report of the Nominations Committee on pages 116 to 120. During the year, Russell Reynolds, an independent search firm, assisted Nominations Committee in the search for a new non-executive Director. The process focused on the best candidate with appropriate skills and qualifications including being able to chair the Audit and Compliance Committee when Stephen Daintith retires from the Board. Hemant Patel was appointed as a Director in February 2025.
The form and process for the FY2025 board performance review.	After discussions on the form and process for the FY2025 Board performance review, the Board decided that as required by the UK Corporate Governance Code the FY2025 review should be externally facilitated and also decided that for continuity the review should be facilitated by Lintstock Limited which had led previous reviews.

Directors review of the performance of the Chair

In her role as Senior Independent Director, Lesley Knox led a review by the Directors of the performance of the Chair which was also facilitated by the results of the Board performance review conducted by Lintstock Limited. Ms Knox subsequently reported back to the Board on the review and provided feedback to the Chair.

Read more on page 116
Nominations Committee report

Nominations Committee report

David Hutchison
Committee Chair

I am pleased to present the Nominations Committee report for the year ended 31 March 2025. My report explains the role of the Committee and its work this year.

What the Committee reviewed in FY2025

- **Board and senior management succession**
  - Non-executive Director recruitment
  - Chair tenure
  - Contingency Executive Director succession plan
  - Board and senior management succession plans
- Board and Chair evaluation
- Size, balance and composition of the Board

Committee membership

Committee membership	Meetings
David Hutchison (Chair)	2(3)
Stephen Daintith	3(3)
Lesley Knox	3(3)
Coline McConville	3(3)
Peter McKellar	3(3)
Hemant Patel	1(1)
Alexandra Schaapveld	3(3)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. As explained in this report Mr Hutchison did not attend the meeting which included discussions of the Chair's tenure and performance.

Dear Shareholder

Role and purpose of the Committee

The Committee's principal role is to ensure the Board has the necessary skills and experience to enable the Group to deliver its current and future strategic objectives. In doing this it keeps under review the size, balance and composition of the Board and ensures that plans are in place for orderly succession for both the Board and senior management positions, including contingency plans for unanticipated events. It also reviews the Company's work on diversity, equity and inclusion. The Committee's discussions are complemented by discussions at meetings of the full Board where appropriate.

Directors

Directors' biographical details are set out on pages 102 and 103.

All Directors are subject to re-appointment every year. Accordingly, at the AGM to be held on 26 June 2025, all the Directors will retire from office and, being eligible, will seek re-appointment. The Board's recommendation for re-appointment of Directors is set out in the 2025 Notice of AGM.

Hemant Patel was appointed to the Board as an independent non-executive Director with effect from 3 February 2025. There were no other changes to the membership of the Board during the year.

Throughout the year, Lesley Knox continued to serve as Senior Independent Director. As Senior Independent Director, Lesley provides support to me, acts as an intermediary with the other Directors, if necessary, and oversees my appraisal and the review of my tenure by the other Directors. Lesley is also available to the Company's shareholders to address any concerns they have been unable to resolve through me, Simon Borrows or James Hatchley or where they consider these channels to be inappropriate.

Appointments and appointment process

We maintain a structured and transparent procedure for identifying the requisite skills and experience, evaluating suitable candidates, and appointing new Directors. For non-executive Directors, the assessment process includes an evaluation of their availability to fulfil their roles. Recommendations for appointments require Board approval. There was one non-executive Director appointment during the year. Russell Reynolds, an external search consultancy, assisted in the search process. The Committee conducted a review of its appointment process during the year and confirmed its continued appropriateness.

Succession planning for the Board

Our approach to succession planning seeks to ensure that Board retirements are planned for and occur in a coordinated manner and that the Board has an appropriate mix of skills and experience. This mitigates risks to the Company's strategic objectives by avoiding gaps in key skills or a lack of continuity. The Committee believes that length of service will not necessarily compromise the independence or contribution of the Company's Directors. The Nominations Committee evaluates the appropriate balance between the retention of the corporate memory of the Company (including detailed knowledge of portfolio companies in which it has been invested for many years), with maintaining a suitable rate of refreshment at any given point in time.

The Board and Nominations Committee have carefully considered the question of Chair tenure as detailed on page 100. In my absence the Nominations Committee, chaired by the Senior Independent Director, reviewed my tenure as Chair in March 2025. Further details are set out in the Report from the Senior Independent Director on this page and in the Corporate Governance statement on page 100.

The Board also recognises that in providing leadership, governance, challenge and support it must, when considering the Chair tenure, take account of matters including: the importance of Director independence; the need to periodically refresh the Board and its leadership; knowledge and understanding of the Company's investment business and its strategic objectives; as well as diversity, continuity and retention of corporate memory. We believe that an appropriate balance of all these factors is essential both for the effective functioning of the Board and the delivery of the Board's purpose. At times, this may result in some longer-serving Directors, including the Chair.

Report from the Senior Independent Director on the Committee's annual review of Chair's tenure

David Hutchison, who was appointed as Chair of the Board in November 2021, has now served as a Director for more than eleven years. This does not comply with the provisions of the UK Corporate Governance Code ("the Code") and a full explanation of the background to David's appointment as Chair and why the Nominations Committee and the Board believe it appropriate for the Chair to continue in office is therefore set out on page 100.

The Board and Nominations Committee are aware of the risks to good corporate governance which could follow from excessive Chair tenure. As one of the measures adopted to mitigate this risk the Nominations Committee decided that it would review annually the continued appropriateness of the Chair's appointment. This review is led by the Senior Independent Director and takes place in the absence of the Chair.

The first such annual review, led by me, took place in March 2023 and the most recent review was conducted in March 2025. The Nominations Committee discussed the reasoning behind the provisions of the Code limiting Chair tenure, reviewed the circumstances of David Hutchison's appointment as Chair and reviewed his performance in this role over the past year. This review was conducted in parallel with the annual Chair evaluation which acts as a further mitigant to the risks associated with tenure beyond nine years.

At the 2024 AGM, over 91% of shareholders who voted at the AGM voted in favour of David Hutchison's continued appointment. To date, shareholders have not expressed any significant concerns to the Company relating to David's continued appointment.

This year's review concluded that David continued to perform effectively as Chair, continued to exercise objective judgement and continued to appropriately promote constructive challenge amongst Board members. The Committee noted the very favourable results from the Chair evaluation review, in particular the exceptional support David provides to his 3i and Board colleagues and the fact that he strikes the right balance in terms of leading the Board in a collegiate manner and also respecting the stewardship of the strategy and portfolio by executive management.
The Nominations Committee also noted that in the context of a company where long-term knowledge of the business and its portfolio companies was of great importance, David's continued appointment was all the more appropriate. The Committee concluded unanimously that David's continued appointment for the coming year was in the best interests of the Company.

Lesley Knox
Senior Independent Director
14 May 2025

Diversity and inclusion

The Board strongly supports the principle of boardroom diversity. The Board's aim is to appoint Directors on merit so as to have a Board who have an appropriate mix of skills, experience and knowledge which is diverse in terms of gender, social and ethnic backgrounds, as well as cognitive and personal strengths. When we engage external consultancies to assist with Director appointments, they are instructed to put forward a diverse range of candidates for consideration from which the Board can make appointments on merit and against objective criteria.

The Board currently comprises ten Directors, of whom four are women. This meets the 40% female gender diversity target set by the FTSE Women Leaders review. The Board also meets the Parker Review recommendation of having at least one Director from a minority ethnic group.

During the year, the Committee reviewed the Company's Equal Opportunities and Diversity policy and decided that no changes to the policy were required at this time. The Committee also reviewed the Company's diversity, equity and inclusion activities during the year and considered how the Company's Equal Opportunities and Diversity policy had been implemented. Further details are set out in the Sustainability report on pages 52 to 55.

The Committee reviews and monitors initiatives aimed at developing a diverse pipeline of talent within the Company below Board level through the succession planning process referred to above and the appointments process. When hiring, we seek to recruit on merit from a diverse pool of candidates.

Despite our approach the challenge nonetheless remains that there is a limited size talent pool, particularly at senior levels, within an extremely competitive market.

The gender balance of our employees and our senior managers is reported in more detail in the Sustainability section on page 53. At 31 March 2025, our employees were 60.5% male and 39.5% female. The under-representation of women in senior management and investment roles at 3i is an issue we share with much of the private equity and alternative asset investment sector. Nonetheless, 3i continues to focus on increasing the number of women in these roles, whilst recognising that significant change will take time to achieve. As at 31 March 2025, 20% of Executive Committee plus their direct reports who were senior managers were female. (For further information and details on how this figure is calculated see page 53).

Details of progress and action on ethnic diversity are contained in the Sustainability report on page 54.

The Company participates in a number of diversity, equity and inclusion initiatives, details of which are contained in the Sustainability report on pages 53 and 54.

Diversity of individuals on the Company's Board and in executive management

In accordance with LR 6.6.6 R (9) of the FCA Listing Rules, the Board confirms that, as at 31 March 2025, the Company met the targets set out in that rule in that at least 40% of the Board were women, that at least one of the specified senior positions on the Board (the Chair, the Chief Executive, the Senior Independent Director or the Chief Financial Officer) was held by a woman and that at least one Director was from a minority ethnic background. There have been no changes to the Board since 31 March 2025 that would affect the Company's ability to meet these targets.

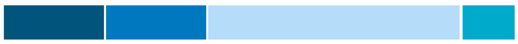
In accordance with LR 6.6.6 R (10) of the FCA Listing Rules, the following tables set out data, as at 31 March 2025, on the ethnic background and the gender identity or sex of the individuals on the Company's Board and in its executive management.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Gender identity or sex					
Men	6	60%	3	8	89 %
Women	4	40%	1	1	11 %
Not specified/prefer not to say	–	–	–	–	–
Ethnic background					
White British or other white (including minority-white groups)	8	80%	4	6	67 %
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	20%	–	1	11 %
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	2	22 %

The tables above include data for three individuals who are included in both the Board and executive management. The Company's approach to collecting the data used for the purposes of the above disclosures was to use data on gender or sex from our employee records and to ask the individuals which ethnic background was applicable to them together with permission to use it for this purpose, save where individuals were located in non-UK jurisdictions where we believe it would be inappropriate or unlawful to make such a request.

Composition of the Board
at 14 May 2025

Tenure



- **20%** >9 years
- **20%** 6-9 years
- **50%** 3-6 years
- **0%** 1-3 years
- **10%** 0-1 years

Ethnicity

- **20%** Ethnically diverse
- **80%** Not ethnically diverse

Gender diversity

- **40%** Women
- **60%** Men

Directors' skills, experience and knowledge

The Directors have a range of core skills, experience and knowledge which enable them to effectively support and appropriately challenge management on the delivery of 3i's strategy. These skills include the following:

- Audit and finance
- Financial services and global markets
- Investment trusts and asset management
- Retail/Consumer/Commercial
- Remuneration
- Sustainability
- Digital
- UK plc governance
- Prior experience as Chief Executive/Chief Financial Officer/Chief Investment Officer

Training and advice

The Company has a training policy which provides a framework within which training for Directors is planned with the objective of ensuring Directors understand the duties and responsibilities of being a director of a listed company and are updated on developments that particularly impact 3i. All Directors are required to keep their skills up to date and maintain their familiarity with the Company and its business.

On appointment, all non-executive Directors participate in an extensive induction programme. They have discussions with the Chair and the Chief Executive. This is followed by briefings on: strategy; finance; Private Equity and Infrastructure including portfolio assets; external funds and co-investment and legacy funds; HR, remuneration and carry schemes; and legal, regulatory and compliance matters including the responsibilities of Directors. The Company provides opportunities for non-executive Directors to obtain a thorough understanding of the Company's business by meeting members of the senior management team who in turn arrange, as required, visits to investment or support teams.

In the year, Directors received presentations on Generative AI and the economic outlook, in addition to presentations given by the CEOs and Private Equity investment teams of a number of portfolio companies. They also received, during the course of Board and Committee meetings, updates on developments in relation to regulatory matters, sustainability, risk, financial and other reporting requirements and the UK and global tax environment. Directors have the opportunity to suggest additional subjects for presentations where they believe it would be helpful. All non-executive Directors have the opportunity to access the Company's compliance e-training modules which are used to train the Company's employees on regulatory compliance matters.

The Company has procedures for Directors to take independent legal or other professional advice in relation to the performance of their duties. In addition, Directors have access to the advice and services of the Company Secretary, who advises the Board, through the Chair, on governance matters.

Activities in the year

What was discussed	What the Committee did	Outcome
Board and senior management succession	**Size, balance and composition of the Board, and non-executive Director appointments** The Committee has continued to keep Board succession plans as well as the size, balance and composition of the Board under review. During the year, one appointment of a new non-executive Director was made. The Board now comprises ten Directors, being the Chair, three executive Directors and six independent non-executive Directors.	The Committee remains of the view that a nine or 10 member Board is an appropriate size of Board for the Company and that the Board has the right balance of skills and experience.
	Contingency Executive Director succession plan The Committee reviewed its short-term contingency succession plans for scenarios where any of the executive Directors was unexpectedly unable to carry out their duties.	The Committee noted the existing contingency arrangements for circumstances where any of the executive Directors suddenly became unable to carry out their duties. No changes to these arrangements were recommended.
	Senior management succession plans In relation to succession planning below Board level, and as part of the Board's work to support the development of a diverse pipeline of talent, the Committee and the Board considered and discussed the 2024 Group Succession Planning and Strategic Capability Review, which was presented to the Directors by the Chief Human Resources Officer and other relevant Executive Committee members. This annual review identifies development and succession plans for key staff, including all members of the Executive Committee and their direct reports, with details of short-term contingency arrangements in case of a sudden vacancy, planned successors and identification of those who, with further experience, could be potential longer-term successors.	The Board and the Committee were able to satisfy themselves as to the appropriateness of the succession planning process in place for senior positions within the Group.
Board performance review	Details on how the annual Board performance review process was conducted and areas covered are on pages 114 and 115. The evaluation process for the year was externally facilitated by Lintstock Limited. The Committee reviewed the evaluation process which had been followed in the year with a view to identifying whether any changes or improvements should be made for future years.	Details on the actions taken in response to the 2024 review and details of the outcome of the 2025 review are set out on pages 114 and 115.
Review of Chair tenure	The Committee keeps the continued tenure of the Chair under regular review. This process is led by the Senior Independent Director and is particularly important given that the Chair has served as a Director for in excess of nine years.	Details of the review are set out on page 117 in the report from the Senior Independent Director. The Committee concluded that the Chair's continued appointment for the coming year was in the best interests of the Company.

David Hutchison
Chair, Nominations Committee

14 May 2025

Audit, risk and control

Audit and Compliance Committee report

Stephen Daintith
Committee Chair

I am pleased to present the Audit and Compliance Committee report for the year ended 31 March 2025. My report explains the Committee's work this year.

What the Committee reviewed in FY2025

- Financial and non-financial reporting
- External audit
- Internal control, compliance and risk management
- Risk review

Committee membership

	Meetings
Stephen Daintith (Chair)	6(6)
Coline McConville	6(6)
Alexandra Schaapveld	6(6)
Hemant Patel[1]	1(1)

1 Mr Patel joined the Board on 3 February 2025.

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Other regular attendees at the Committee meetings include the following: the Chair; Chief Executive; Group Finance Director; Chief Operating Officer; Company Secretary; Director of Group Reporting and Valuations; Head of Internal Audit; Head of Group Compliance; and the External auditor, KPMG LLP.

Dear Shareholder

We held six regular scheduled meetings this year, four of which were coordinated with 3i's external reporting timetable.

During the year, the Committee focused time on the Group's technology roadmap which encompasses our IT strategy, cyber security, key system implementations, data strategy and architecture and emerging technologies including artificial intelligence. Management have successfully implemented a new treasury management system and HR system in FY2025, and are progressing well with a new ERP system. The Committee was also updated on the AI initiatives across the Group and our portfolio companies.

In anticipation of the new requirements under provision 29, applicable to financial years beginning on or after 1 January 2026, the Committee considered management's identification of key material controls across financial and non-financial reporting operations and were satisfied that the Group's operations remain well controlled and the Group is well positioned to satisfy the new rules and reporting requirements under provision 29. An integral part of our control environment is the work our Internal Audit function conduct, and during the year, we oversaw the successful selection and transition of a new head of Internal Audit.

The Audit Quality Review team (AQRt) of the FRC performed a review of KPMG's audit of the Group's FY2024 financial statements. The Committee reviewed and discussed the report with KPMG.

In advance of each Committee meeting, I met with the Group Finance Director, the Chief Operating Officer and the Heads of Compliance and Internal Audit to discuss their reports as well as any relevant issues. I also met privately with KPMG as part of my ongoing review of their effectiveness and, periodically, with other members of the 3i senior management team. I continue to have regular discussions and planning meetings with management and KPMG on delivering an effective audit.

The rest of the report sets out in detail the Committee's activities in the year. It is structured as follows:

- Governance
- Report on the year
- Areas of accounting judgement and control focus
- Risk management and internal control effectiveness
- Internal audit
- External audit

I look forward to engaging with you on the work of the Committee.

Stephen Daintith
Chair, Audit and Compliance Committee

14 May 2025

Audit and Compliance committee's terms of reference
www.3i.com/investor-relations/governance/principal-board-committees

What the Committee reviewed in FY2025

Financial and non-financial reporting

- Annual and half-year reports and quarterly performance updates
- Key accounting judgements and estimates
- Update on the relevant thematic reviews from the FRC
- Reviewed the Annual report to ensure that it is fair, balanced and understandable, including APMs
- Going concern, Viability and Resilience statement
- Sustainability disclosure enhancements including TCFD reporting and science-based targets

External audit

- Confirmation of the external auditor independence
- Policy and approval for non-audit fees
- FY2025 audit plan, including significant audit risk (being the valuation of the unquoted investment portfolio)
- Audit results report, including the results from testing Key Audit Matters
- External auditor performance and effectiveness

Internal control, compliance and risk management

- Review of 3i's system of risk management and internal control, including overseeing implementation of a new financial reporting key internal controls system, replacing the existing system
- Internal audit reports assessing internal control, processes, fraud and matters relevant to financial reporting
- Review of the Viability statement and the supporting stress test scenarios
- Update on cyber security and penetration tests
- Business resilience including IT and disaster recovery
- Annual staff verification exercise
- Audit and Assurance policy

Risk review

- Valuation reports and recommending the investment portfolio valuation to the Board
- Review of investment themes from portfolio company review process and portfolio performance including sustainability issues and risks
- Regular reviews of compliance with regulatory rules and compliance monitoring findings
- Annual tax update and reports on tax policy and strategy
- Reports from the Group Risk Committee ("GRC") and the risk log
- Update on litigation matters

Governance

All members of the Committee are independent non-executive Directors. The Board believes members have the necessary range of financial, risk, control and commercial experience required to provide effective challenge to management. In particular, the Board is satisfied that Stephen Daintith has recent and relevant financial experience as outlined in the Code and the Committee as a whole has competence relevant to the sector in which it operates. The attendance of members at meetings is shown in the table on page 121.

The Committee meets privately for part of its meetings and also has regular private meetings with the External auditor, the Group Finance Director, the Chief Operating Officer, the Head of Internal Audit and the Head of Compliance in the absence of other members of the management team.

Report on the year

The review work of the Committee in the past year is summarised in the table on this page. This work included the assessment and evaluation of the areas of significant accounting judgement, and monitoring the effectiveness of 3i's risk management framework as described in more detail later in this section. In addition, the Committee focused on a number of topics, which are set out below.

Taxation

The Committee received an annual update from the Group Tax Director on the Group's taxation status which covered liaison with fiscal authorities in the UK and other jurisdictions, relevant external developments, and material tax projects.

Cyber security and IT

The Committee also received an annual update on cyber security and key IT projects. There were no serious cyber incidents reported in the year and the Committee noted the work undertaken to: further improve 3i's cyber security maturity and detective and protective controls; enhance business operational resilience and manage third party IT supplier risk; and maintain staff training and awareness on cyber security risks. The update on IT projects covered resilience and continuity planning, and monitoring progress on key system projects, including the replacement of the Treasury Management and HR systems completed during the year, and of the ERP system, currently underway.

Going concern and viability

The Directors are required to make a statement in the Annual report and accounts as to 3i's viability. The Committee provides advice to the Board on the form and content of the statement, including the underlying assumptions. In advance of the year-end the Committee reviewed the Group's proposed stress test scenarios to support the going concern basis and Viability statement. At the year end, the Committee evaluated a report from management setting out its view of 3i's viability and content of the proposed Viability statement.

This report was based on the Group's strategic plan and covered forecasts for investments and realisations, liquidity and gearing, including forecast outcomes of the stress tests and forecast capital and liquidity performance against an assessment of the Group's risk profile. It incorporated the 31 March 2025 valuations and consideration of a range of economic outcomes. The Committee discussed whether the choice of the three-year period remained appropriate and concluded that it remained the most appropriate period and provided more certainty on the Group's performance due to the nature of the Group's business and its risk appetite to invest in Private Equity and Infrastructure investments for a period of four to six years, whilst acknowledging the reduced reliability of assumptions in the later period of the plan. See our Resilience statement on page 127 for further details.

The Directors believe the Group has sufficient financial resources and liquidity, 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 issue of these financial statements. The Directors have also considered key dependencies set out within the Risk management section including investment and operational requirements.

Taking into account the assessment of the Group's stress testing results and its risk appetite statement on page 80, the Committee agreed to recommend the Viability statement and three-year viability period which was subsequently approved by the Board.

Audit and Assurance policy

Our Audit and Assurance policy was considered by the Committee as part of its review of the effectiveness of 3i's risk management and internal control system; in particular, in its assessment of the scope and adequacy of audit and assurance activities.

Areas of accounting judgement and control focus

The Committee pays particular attention to matters it considers to be important by virtue of their complexity, level of judgement and potential impact on the financial statements and wider business model. Significant areas of focus considered by the Committee are detailed on the next page, alongside the actions taken by the Committee (with appropriate challenge from the External auditor) to address them.

Areas of accounting judgement and control focus

Valuation of the proprietary capital investment portfolio

Area of significant attention

The most material area of judgement and estimation in the financial statements, and noted as a significant risk and Key Audit Matter by the External auditor, relates to the valuation of the unquoted investment portfolio, which, at 31 March 2025, was £24,663 million, or 93% of gross assets, under the Investment basis.

In recognition of the importance of this area, the Board has a Valuations Committee to review the valuations policy, process and application to individual investments. The Valuations Committee provides quarterly oral reports to the Audit and Compliance Committee and the Board, supported by the relevant minutes of the Valuations Committee.

What the Committee reviewed and concluded

On behalf of the Board, the Committee received and evaluated quarterly reports from the Chair of the Valuations Committee and the External auditor, with particular focus on the assumptions supporting the valuation of unquoted asset investments, any valuation uncertainties and the proposed disclosures in the financial statements. Members of the Committee also attend the Valuations Committee meetings.

The detail on the key valuation considerations and the review and challenge undertaken in the year is included in the Valuations Committee report on pages 130 to 134.

The Committee also reviewed and concluded that no fair value adjustment should be made to the investment entity subsidiaries' NAVs and judgement for control is appropriate for those investees and funds consolidated within the Group.

Fair, balanced and understandable and the presentation of 3i's reports and accounts

Area of significant attention

Under the Code, the Board should establish arrangements to ensure the Annual report presents a fair, balanced and understandable assessment of the Group's position and prospects.

The Group prepares the non-GAAP Investment basis financial statements to provide a disaggregated view of the underlying portfolio alongside the IFRS basis to aid in the understanding of the results and performance of the underlying portfolio.

What the Committee reviewed and concluded

The Committee reviewed the half-yearly and annual financial statements as well as the quarterly performance updates with management, focusing on the integrity and clarity of disclosures and enabling the Board to provide the fair, balanced and understandable confirmation to shareholders in the Annual report and accounts 2025.

A report summarising the considerations for the Annual report and accounts 2025 was reviewed by the Committee in advance of the year-end and a summary of the detailed procedures undertaken was prepared alongside the Annual report and accounts 2025.

Internal audit

The Committee continued to monitor the scope, activity, and resources of the Group's Internal Audit function, including approving the internal audit plan and assessing whether its operating model remained effective and in line with relevant professional standards. The Committee receives quarterly updates on internal audit activity, including the results of reviews of 3i's investment offices and professional services teams; updates on outstanding agreed actions from previous reports; and any changes to the audit plan in response to business developments or new areas of higher risk.

In the absence of an external quality assessment in FY2025, the Committee also received an effectiveness self-assessment from the Head of Internal Audit which is designed to assist the Committee in its monitoring of the function.

Based on reports and other evidence seen, and meetings held over the course of the year, the Committee concluded that the Internal Audit function remained effective.

External audit

The Committee has responsibility for making recommendations to the Board on the appointment of the External auditor, determining its independence from the Group and its management and agreeing the scope and fee for the audit.

Jonathan Mills, who has served as the lead audit partner since his appointment in 2021, is currently completing his fifth audit in this role. In line with rotational requirements, a new lead audit partner has been appointed for FY2026. Accordingly, the Committee has endorsed the appointment of Fang Fang Zhou as Jonathan Mills' successor.

Auditor independence

The Group has a policy for setting out what non-audit services can be purchased from the firm appointed as External auditor or a member of the firm's network. The aim of the policy is to support and safeguard the objectivity and independence of the External auditor and to comply with the FRC's Ethical Standards for auditors. It also ensures that where fees for approved non-audit services are greater than a pre-determined limit, they are subject to the Committee Chair's prior approval.

The policy permits certain non-audit services to be procured, following approval, when the Committee continues to see benefits for the Group in engaging KPMG. Examples of this include work:

- that is closely related to the external audit as described in para 5.36 of the FRC's Ethical Standards;
- where a detailed understanding of the Group is required; and
- where KPMG is able to provide a higher quality and/or better value service than other potential providers.

The key principle of our policy is that permission to engage the External auditor will always be refused when a threat to independence and/or objectivity is present or perceived or without any proper safeguards in place. In line with the FRC's Ethical Standards, 3i will not generally use KPMG for any non-audit services (unless explicitly permitted) that are not closely related to KPMG's role as 3i's External auditor. This includes tax and legal, consulting and investment-related services such as due diligence.

All proposals for services with KPMG must be forwarded to the Chief Operating Officer in the first instance and will require approval by the Chair of the Audit and Compliance Committee above a defined limit and provided the work is not closely related to KPMG's role as 3i's External auditor. Examples of services that require additional approval include:

- the fee exceeds £100,000; or
- the service is work other than services closely related to KPMG's role as 3i's External auditor.

Smaller engagements with fees of less than £100,000 and services that are explicitly permitted and are not considered closely related to the audit are approved by the Chief Operating Officer on behalf of the Committee.

KPMG has reviewed its own independence in line with these criteria and its own ethical guideline standards. This includes the review of due diligence processes undertaken within the Group's investment activities. KPMG has confirmed to the Committee that following its review it is satisfied that it has acted in accordance with relevant regulatory and professional requirements.

Audit and non-audit fees

The total audit fee for the year was £2.9 million (2024: £3.1 million). Non-audit fees paid to the External auditor were £0.4 million (2024: £0.4 million). Non-audit service fees represent 14% of the audit fee and remain well within the cap of 70% of the average audit fee over the previous three years. The Committee concluded that these fees fell within its criteria for engaging KPMG and do not believe they pose a threat to the External auditor's independence or objectivity.

Assessing external audit effectiveness

The Committee reviews the effectiveness of KPMG through the use of questionnaires completed by management, by considering the extent of its contribution at Committee meetings throughout the course of the year, and in one-to-one meetings.

The FY2025 evaluation also reviewed the quality of the audit process, the use of KPMG's valuation specialists to support the audit of the portfolio valuations and the technical knowledge of the team.

The Committee concluded that the audit was effective and that there should be a resolution to shareholders to recommend the re-appointment of KPMG LLP at the 2025 AGM.

Risk management and internal control framework

The Committee is responsible, on behalf of the Board, for overseeing the effectiveness of the Group's risk management and internal control system. The overall framework is reviewed by the Committee in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC.

The GRC, Executive Committee and senior managers are required to provide the Committee with regular updates on a range of topics to enable the Committee to form a view on the Group's principal risks, risk mitigation plans and any significant new risks, themes or developments.

The GRC provides an update on the assessment of the Group's principal risks and new and emerging risks, together with details of how these are being managed or mitigated in the context of the Group's strategic objectives and risk appetite. The reports also include updates on key sustainability risks and developments, both in relation to the Group and the investment portfolio. Further details can be found in the Risk management section on pages 80 to 93.

The Committee receives a range of reports and information on the operation of the Group's system of internal control, including controls over financial reporting. The Group's external reporting is subject to a well-established input, review and verification process, which the Committee is briefed and consulted on.

Details of what the Committee reviewed can be found in the tables on pages 122 and 124. A summary of the key control framework is set out below.

Review of effectiveness

For monitoring and reporting purposes, a significant control failure or weakness is defined as one resulting in or with potential to result in a material misstatement in the financial statements or loss to the business, or significant reputational damage, penalties or sanctions.

Both the External and Internal Auditors provide the Committee with details of their respective reporting frameworks, including materiality limits and risk ratings. This is to ensure there is an understanding of how the definitions are applied in evaluating the nature and severity of any risk or internal control findings and the appropriateness of remedial action plans.

The Committee's review of the risk management and internal control system takes into account the various updates and reports outlined in this section. In addition, the Committee receives an annual risk and internal control effectiveness review from Internal Audit and an end-of-audit report from the External auditor. The Executive Committee, supported by their direct reports, is also required to sign-off an annual control attestation, the results of which are reported by Internal Audit. The Committee also reviews the Group's anti-fraud programme and use of the whistle blowing facility.

The Committee performed its annual review of the system's effectiveness and reported its conclusions to the Board. The Board noted that the system has been in place for the year under review and up to the date of approval of this Annual report and accounts 2025, and that there had been no significant control failings or weaknesses which required remedial action.

Summary of key control framework

Investment process

- Due diligence process
- Investment procedures
- Investment Committee review and approval
- Sustainability assessment
- Responsible Investment policy

Investment portfolio companies

- 3i Board representatives
- Active management of senior appointments
- Minimum sustainability requirements

Investment portfolio management

- Procedures for portfolio management
- Monthly portfolio company dashboards and performance monitoring
- Six-monthly investment and portfolio company reviews, including reporting against sustainability requirements

Viability and going concern

- Stress testing methodology and modelling
- Analysis of assets and liabilities
- Capital adequacy review process
- Group strategy and liquidity forecasting models

Valuations process

- Approved Valuations policy
- Investment and portfolio company review processes
- Central oversight by the Valuations team, Investment Committee and Valuations Committee

Financial reporting

- Framework of key financial controls and reconciliations
- Portfolio, fund and partnership accounting processes
- Documented analyses of complex transactions and changes in accounting requirements and disclosures
- Operating expense budget

People and culture

- Values framework and HR policies
- Performance management framework
- Remuneration policies
- Conduct and compliance policies and monitoring
- Succession planning process

Advisory relationships

- Pre-approved suppliers of investment due diligence services
- Tendering and approval process for other advisers, eg legal, tax
- Monitoring of performance and patronage
- Confidentiality and conflicts management

Third-party service suppliers

- Use of 3i's Supplier Relationship Management tool
- Required contractual protections, eg data security and business continuity
- Oversight and governance frameworks for critical suppliers
- Independent service organisation reports

Balance sheet management

- Treasury policy and control framework
- Liquidity monitoring framework
- Fund transfer and release controls
- Portfolio concentration and vintage control monitoring framework
- FX hedging programmes

Change management

- Approval process for changes to corporate structure or new products/business areas
- Ongoing monitoring of legal and regulatory changes
- Active participation and engagement with government, regulators and trade bodies
- Business systems project governance and oversight

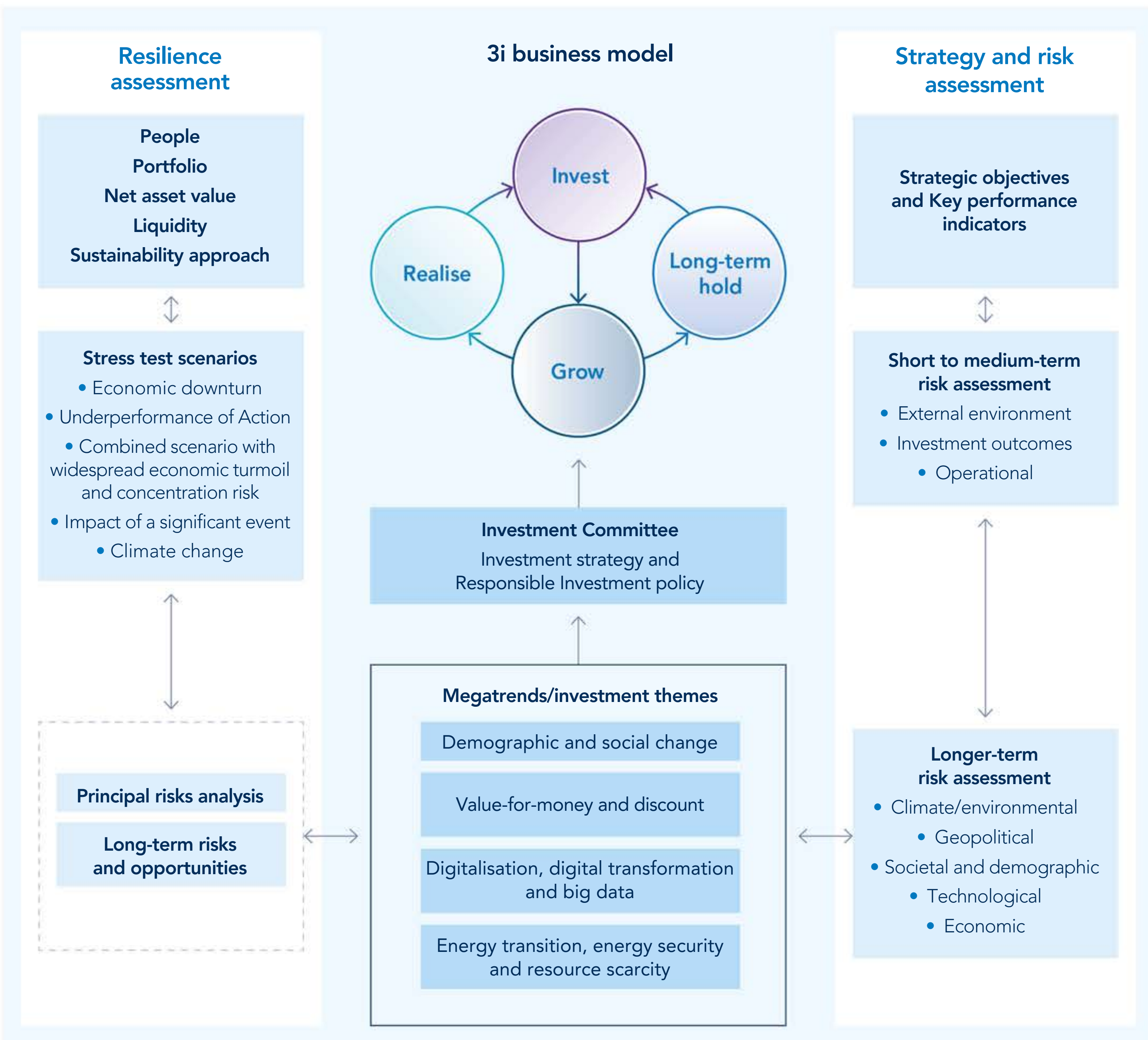
IT systems and security

- IT governance and policy framework
- Access and data security controls
- Back-up and disaster recovery procedures and testing
- IT and cyber security monitoring and control framework, and regular penetration tests
- Staff cyber security awareness training

Resilience statement

Our resilience is dependent on the success of our investment strategy, careful management of our balance sheet and costs, and the ability to attract and retain a capable and diverse team. This is underpinned by a strong institutional culture and values, robust corporate governance, and effective risk and operational management.

Our resilience assessment draws upon a number of interdependent components, illustrated below. Further information can be found in the sections on the Group's business strategy (pages 12 to 17), Approach to risk management (pages 80 to 93) and Sustainability (pages 39 to 68).



Short-term resilience

In assessing our short-term resilience, we undertake regular portfolio monitoring, including six-monthly strategic portfolio company reviews and monthly trading updates for each portfolio company. These reviews highlight and appraise sources of risk at a portfolio company level and feed into the quarterly valuation process. Regular portfolio updates are provided to the Board and Audit and Compliance Committee.

We also carry out periodic assessments of the Group's operational resilience, including key people risks, IT systems and security infrastructure, and critical third-party suppliers.

Active management of liquidity underpins our short-term resilience, which is supported by the ready availability of short-term funding and a conservative balance sheet policy that ensures a low level of structural gearing at the holding company level.

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

Going concern statement

Going concern is assessed for a period of at least 12 months from the date of approval of the Annual report and accounts. The Directors are required to evaluate whether the Group has adequate resources to continue in operational existence for at least the next 12 months. The Directors have made an assessment of going concern, taking into account both the Group's current performance and outlook using the information available up to the date of issue of these financial statements.

In carrying out their assessment of going concern and short-term resilience, the Directors considered a wide range of information, including:

- details of the Group's strategy, risk appetite, and business and operating models;
- information on the Group's principal risks and mitigation plans;
- a summary of the financial position considering performance; and
- current market volatility and geopolitical and economic uncertainties.

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements.

At 31 March 2025, the Group remained well funded with liquidity of £1,323 million (31 March 2024: £1,296 million). Liquidity comprised cash and deposits of £423 million (31 March 2024: £396 million) and undrawn RCF of £900 million (31 March 2024: £900 million). The Group monitors its liquidity regularly, ensuring it is adequate and sufficient. This is underpinned by the monitoring of investments, realisations, foreign exchange hedging (including the liquidity impact of the Group hedging programme), operating expenses and receipt of portfolio cash income.

Liquidity is also central to the Group's dividend policy to maintain or grow the dividend year-on-year. This policy is subject to maintaining a conservative balance sheet approach and is therefore informed by the outlook for investment and realisation levels. Allowing the Group to exercise discretion over the level of dividends paid ensures that the Directors can recommend a sustainable dividend which takes into account the need to maintain liquidity for new investment and operating expenses.

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 and short-term resilience, the Directors considered it appropriate to prepare the financial statements of the Company and the Group on a going concern basis.

The Group 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. The Directors have concluded that there are no material uncertainties or risks that could cast significant doubt over the short-term resilience of the Group or its ability to continue as a going concern over the duration of that period based on investment and operational requirements.

Medium-term resilience

The assessment of medium-term resilience, which includes the modelling of stress tests and reverse stress tests, considers the viability and performance of the Group in the event of specific stressed scenarios which are assumed to occur over a five-year horizon in line with the Group's strategic planning process.

The stress testing focuses upon the principal risks, but also considers those new and emerging risks which are considered to be of sufficient importance to require active monitoring by the GRC; these include, for example, the risk of underperformance in specific assets in the portfolio and the impact of climate change. The medium-term resilience of the Group is examined through analysing the impact of these scenarios on key metrics such as net asset value and liquidity.

In each stress test scenario, the Group remains viable. The medium-term resilience of 3i is further supported by the availability of controllable management actions that can mitigate the impact of certain stress events. These actions include, for example, the flexing of investment and dividend levels for liquidity purposes.

Viability statement

The stress testing as detailed above forms the basis of the Viability statement. 3i conducts its strategic planning over a five-year period; the Viability statement is based on the first three years, which reflects our long-term hold investments in Action and Royal Sanders, and the Group's risk appetite to invest in Private Equity and Infrastructure investments for a period of four to six years and, therefore, provides more certainty over the forecasting assumptions used. The Directors assess 3i's viability and medium-term resilience over a three-year period from the date that the Annual report and accounts is approved. 3i's strategic plan and associated principal risks, as set out on pages 85 to 93, are the foundation of the Directors' assessment.

The assessment is overseen by the Chief Operating Officer and Group Finance Director and is subject to challenge by the GRC, review by the Audit and Compliance Committee and approval by the Board.

The Group's strategic plan projects the performance, net asset value and liquidity of 3i over a five-year period and is presented at the Directors' annual strategy meeting in December and updated during the year as appropriate. At the strategy meeting, the Directors consider the strategy and opportunities for, and threats to, our long-term hold assets, Private Equity and Infrastructure and the Group as a whole. The outcome of those discussions is included in the next iteration of the strategic plan which is then used to support the assessment of viability and medium-term resilience. The current iteration of the strategic plan reflects the current macro-economic headwinds and geopolitical uncertainty.

The Group's viability testing considers multiple severe, yet plausible, individual and combined stress scenarios. These scenarios include a range of estimated impacts, primarily based on providing additional support to portfolio companies as a result of a downturn and delaying the Group's ability to realise and make new investments. A key judgement applied is the extent of the impact of certain market and economic developments, including the outlook on interest rates, inflation and economic growth. The scenarios tested are as follows:

- **widespread economic turmoil** – considers the impact of a recession, triggered by persistent inflation, a marked slowdown in global economic growth, and weak consumer demand;
- **underperformance of Action** – considers the impact if 3i's largest asset, Action, was to suffer an extreme downturn in performance;
- **combined scenario with widespread economic turmoil and concentration risk** – considers both scenarios occurring at the same time;
- **impact of a significant event** – considers the impact of a loss in value of certain portfolio companies following a material event such as significant operational underperformance, covenant breaches, fraud, a cyber security breach or other sustainability issues; and
- **climate change** – considers the impact of climate change on 3i's portfolio, driven by changes in consumer behaviour, regulations, and other physical and business risks.

The assessment projects the amount of capital the Group needs in the business to cover its risks, including financial and operational risks, under such stress scenarios. The results of each of the stress test scenarios indicate that the Group is able to meet its obligations as they fall due for the viability period over three years from the date of approval of these financial statements by, in certain cases, making use of controllable management actions. In all these scenarios the Directors expect the Group to be able to absorb the impact on NAV, whilst the liquidity and solvency of the Group is protected.

Mitigating actions within management control include reducing new investment levels, dividend levels and drawing on the existing RCF. The analysis shows that, while there may be a significant impact on the Group's reported performance in the short term under a number of these scenarios, the resilience and quality of the balance sheet is such that solvency is maintained, and the business remains viable.

As part of the assessment of viability and medium-term resilience, the Group also undertakes reverse stress testing to identify the circumstances under which the Group's business model would no longer remain viable. These circumstances include a prolonged delay in the projected realisation date of investments, at the same time as continued investment by the Group at a level not supported by the liquidity forecast. In the absence of any mitigating management actions, these reverse stress tests determine the point at which the Group would lack the liquidity to remain viable. Overall, the reverse stress tests are sufficiently improbable as to provide a low risk of impact to the Group's viability and medium-term resilience. In practice, in the event of a market downturn and a significant delay in realisations, mitigating actions within management control would be exercised to provide sufficient liquidity.

Taking the inputs from the strategic planning process and its stress scenarios, the Directors reviewed an assessment of the potential effects of 3i's principal risks on its current portfolio and forecast investment and realisation activity, and the consequent impact on 3i's capital and liquidity.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all their liabilities as they fall due up to at least the end of the three-year period of the assessment.

Long-term resilience

The long-term resilience of our business is underpinned by our capabilities as a leading investor in Private Equity and Infrastructure assets, including our long-term hold assets, and our effective risk management of the core elements of our business model (pages 14 and 15). This includes our long-term responsible approach to investment, conservative balance sheet strategy and an effective team built on a consistent set of shared values.

Fundamental to our long-term resilience is our investment strategy. We invest capital in businesses to deliver capital returns and portfolio and fund management cash income to cover our costs, and increase returns to our investors. Our long-term investment horizon is possible because we have a permanent capital base and are not driven by fundraising cycles. We adopt a sector and thematic approach to origination and portfolio construction which in turn supports long-term sustainable growth in the portfolio.

Crucially, this investment approach can be adapted in response to new and emerging risks and challenges including climate change, societal and demographic trends and technological changes. It also informs decision taking on portfolio realisations enabling the composition of the investment portfolio to evolve over time.

The analysis and management of our principal risks is focused on the short to medium term, and used as a basis to develop a range of stress test scenarios. Although these are modelled over a five-year horizon, the resilience shown by the Group, and its ability to recover from these stressed situations, supports the assessment of our resilience over a longer term. The availability and effectiveness of management actions employed in the stress testing scenarios demonstrates the flexibility with which we can respond to new and emerging risks.

Valuations Committee report

Peter McKellar
Committee Chair

I am pleased to present the Valuations Committee report for the year ended 31 March 2025. My report explains the role of the Committee, as well as the work we reviewed this year.

Committee membership	Meetings
Peter McKellar (Chair)	4(4)
Simon Borrows	4(4)
James Hatchley	4(4)
David Hutchison	4(4)
Lesley Knox	2(4)
Alexandra Schaapveld	4(4)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Other regular attendees at the Committee include the following: Audit and Compliance Committee Chair; Chief Operating Officer; Group General Counsel; Managing Partners of Private Equity; Director of Group Reporting and Valuations; and the External Auditor, KPMG LLP.

Dear Shareholder

The Valuations Committee plays a key role in providing the Board with assurance that the valuation methodology and process are robust and independently challenged. During the year, we met four times as part of the Group's external reporting timetable. We reviewed and challenged the assumptions behind management's proposed asset valuations and reported to the Audit and Compliance Committee and the Board.

Throughout FY2025, we have maintained our usual rigour and challenge of earnings and multiples across the portfolio. Our long-term hold assets, Action and Royal Sanders, have delivered very strong performance, as well as a number of other larger assets across our portfolios. As the most significant asset by value for the Group, we continue our focus on the valuation of Action, for which the valuation methodology used, an earnings basis, is in line with the vast majority of our other Private Equity portfolio companies. Further details on the Action valuation can be found on page 133.

We also spent a considerable amount of time in the year on assets facing market-specific challenges. In these instances, where assets are at a low point in their respective market cycles, we have discussed with management the approach to determining the maintainability of earnings, quality of normalisations and, where applicable, triangulation against multiple data points to determine a fair value range. We have also spent time considering the valuation trajectory of those assets that are in a sales process, and, for those assets which have successfully been sold, conducted the relevant backtesting analysis.

At the time of conducting our valuation process at 31 March 2025, equity markets experienced heightened uncertainty as a result of the anticipated and resulting US tariff announcements. Following the announcement, our teams were quickly able to determine that only a small number of our portfolio companies would likely be directly impacted, and where impacts were identified, we would expect these to be largely mitigated. Our valuation approach, much like the approach we have taken during other times of heightened volatility, for example the pandemic and Russia's invasion of Ukraine, is to maintain our longer-term view on our portfolio and valuation multiples, and consider a wide range of data points, including, but not limited to, the peer group current averages, long-term through the cycle averages, recent comparable transactions and exit guidance. Our selection of multiple movements in the year reflected this analysis.

We welcome the FCA's 2024 review of Private Market Valuations, published on 5 March 2025. We were selected to participate in Phase 1 of the review, which was a questionnaire. We provided detailed responses to this questionnaire covering how we operate our valuation process and the policies, procedures and governance that underpin it. This was submitted in August 2024. We were not involved in Phase 2 which consisted of an in-depth review by the FCA of governance and processes at certain firms. Our existing valuation policy, process and governance are aligned to the FCA's guidance, and we remain committed to ongoing transparency in our valuation practices for shareholders, regulators, and other stakeholders.

Our valuation process is well-controlled, rigorous, and robust, guided by a Group Valuation Policy aligned with the IPEV principles. Independent challenge by both management and this Committee is integral to our process, particularly in key areas of themes and judgement, such as earnings maintainability, appropriate multiples, and discount rates. We apply the same discipline across all asset classes, including in our role as manager to 3iN. Recent transactions continue to validate our valuation approach, with premiums on exit primarily driven by competitive tension in the exit process. We complete backtesting of realisations to help inform on our process.

Our principal focus year on year is the Group's unquoted investments in Private Equity and Infrastructure, as a high level of judgement is required to value this portfolio of assets. This portfolio accounts for 96% of 3i's investment portfolio. The valuation of the Group's largest Infrastructure investment, namely the quoted holding in 3iN, represents 3% of 3i's investment portfolio, and the valuation is based on the share price of 3iN at the relevant balance sheet date.

Valuations Committee's terms of reference
www.3i.com/investor-relations/governance/principal-board-committees

At each Committee meeting, we received a detailed report from the Group Finance Director and Chief Operating Officer recommending the proposed valuation of the Group's investment portfolio. This report highlights the main drivers of value movement, analysed between performance (movement in earnings and net debt), multiple movements and other factors. At each meeting, we also reviewed selected assets for detailed discussion; examples of such assets covered during the year included Action, SaniSure, ten23 health and Wilson.

I met the Group Finance Director and Chief Operating Officer in advance of each meeting to discuss the key valuation assumptions and to review management's paper before circulation. I also met the External auditor, KPMG, privately to discuss the results of its quarterly reviews. These reviews challenged management's approach to valuations, the selection of comparable multiples and the relevance of earnings adjustments. Additionally, KPMG selected a sample of 11 assets, equivalent to 87% of the 31 March 2025 unquoted portfolio by value, across the half-year and full-year ends, for an in-depth review by its specialist valuations team to help to derive an independent valuation range. In March 2025, KPMG and I discussed their approach to the year-end audit and their sample of assets selected.

In advance of the half-year and full-year ends, management hold portfolio company review ("PCR") meetings with the respective investment teams. Non-executive Directors, including myself, the Chair and members of the Committee, attended a significant proportion of the meetings held in September 2024 and March 2025.

Our valuation methodology and process remain consistent. The valuation inputs for the Group's portfolio companies are reviewed on a case-by-case basis and considered against business plans, budgets, shorter and longer-term views on trading, and sector performance. Management considers various data points to support the fair value of investments, including estimates of run-rate and forecast earnings and the maintainability of these, in addition to historic earnings.

The judgements applied and resulting valuations were discussed with the Committee and the External auditor throughout the year.

We embed an assessment of sustainability factors on our portfolio companies throughout our investment lifecycle. These assessments form part of our normal portfolio management process, and as part of our PCR process, which helps inform investment decisions, mitigation of risk and value creation opportunities. As part of our case-by-case review of our portfolio companies, the risks and opportunities from climate change and other sustainability factors are one of the considerations in the overall discussion on fair value.

The rest of this report sets out in more detail what the Committee did during the year.

Peter McKellar
Chair, Valuations Committee

14 May 2025

The Committee focused on the following issues in FY2025:

Earnings and multiple assumptions

Area of significant attention

Of the total portfolio by value, 90% is valued using a multiple of earnings at 31 March 2025. The majority of assets are valued using their last-twelve-months ("LTM") earnings up to the prior quarter of the valuation date. When required, earnings of the portfolio company may be adjusted to what is considered "maintainable". We also apply a liquidity discount to the enterprise value determined according to factors such as our alignment with management and other shareholders and our investment rights in the company. The liquidity discounts are generally set at 5% of the enterprise value of the company. In some cases, such as instances where we hold a minority stake, the discount rate can be higher.

There is also a significant degree of judgement in selecting the set of comparable quoted companies and transactions which are used as a key data point in determining the appropriate multiple to calculate an enterprise value. Multiples are selected by reference to the market valuation of quoted comparable companies, long-term averages of comparable companies, M&A transactions and input, in certain cases, from corporate finance advisers. We also take into account growth profile, geographic location, business mix, degree of diversification, and leverage/refinancing risk. The multiple implied by the quoted comparables may be adjusted if, in certain cases, the longer-term view (cycle or exit plan) supports the use of a different multiple. This continues to be an important exercise given the market volatility we have seen as a result of the macro-economic environment. We continue to consider the impact of IFRS 16 and ASC 842 on the quoted comparable companies for those assets that report under local GAAP.

Private Equity assets are typically valued using a multiple of earnings. However, alternative valuation methodologies, such as a DCF valuation or a sum-of-the-parts, may be considered as an alternative benchmark for potential value or as a cross-check relative to the earnings-based valuation.

In the year, the Committee placed a key focus on:

- the budgets and projections for each portfolio company versus performance;
- the maintainability of earnings across LTM, forecast and run-rate earnings;
- the quality of earnings and the impact of one-off related normalisation adjustments;
- portfolio company leverage and covenant monitoring; and
- our long-term, through-the-cycle, view on multiples against the average of the quoted comparable peer sets.

What the Committee reviewed and concluded

Earnings data is received monthly from Private Equity portfolio companies and monitored closely by management. Actual earnings may then be adjusted in management's proposed valuations, for example, to reflect a full year's trading of an acquired business, removing profit from discontinued activities, any forecast uncertainty or to exclude exceptional transaction costs. Material adjustments are highlighted to the Committee in the quarterly report for review and approval.

At 31 March 2025, seven portfolio company valuation multiples, including Action, were valued above their peer set averages but remain well within the peer set range. Notable changes in multiples, which commonly result from significant bolt-on acquisitions, a change in performance or a shift in market sentiment in that sector, are presented to and reviewed by the Committee at each meeting.

The Committee focused on the following issues in FY2025:

Action

Area of significant attention

Action forms 70% of the total portfolio by value. Valued on a multiple of earnings basis, Action is the largest investment for the Group and, therefore, its valuation is a key area of focus.

Action's run-rate earnings grew significantly in the 12 months to the end of Action's P3 2025 (which ended on 30 March 2025), driven by new store openings and increased transaction volumes. Following a successful refinancing and capital restructuring , Action returned £1,164 million of proceeds to 3i, in addition to £433 million of cash dividends further to its strong cash generation. 3i reinvested £768 million of these proceeds, increasing its equity interest in Action from 54.8% to 57.9%.

Action was valued using its run-rate earnings for the 12 months to P3 2025 of €2,328 million and a run-rate multiple of 18.5x (31 March 2024: 18.5x) after applying a liquidity discount of 5%.

When considering the multiple for Action we paid particular attention to the following areas:

- the appropriateness of the comparable peers from both a forward and backward-looking perspective; and
- the strength of Action's performance across its key performance indicators compared to its peers.

Management also cross-checked the earnings-based valuation against a DCF model.

What the Committee reviewed and concluded

The Committee noted Action's impressive performance in the year, including the momentum in its trading, its like-for-like sales growth and consistency in its performance.

The Committee reviewed the work done by management on the comparable peer set and Action's relative performance across its key performance indicators, as well as cross-checking to a DCF model.

The Committee agreed with management's approach of valuing Action on the basis of a multiple of earnings, but noted that the DCF model provides a useful reference point.

The Committee reviewed the run-rate adjustments and earnings normalisations to ensure a consistent valuation methodology was applied.

Assets valued using a DCF basis

Area of significant attention

For assets valued using a DCF basis, which represent 4% of the total portfolio by value, the key valuation judgements relate to longer-term assumptions that drive the underlying business plan and cash flows and decisions on the appropriate discount rates and terminal value.

Amwaste, EC Waste, Regional Rail, Scandlines and Smarte Carte are the significant investments valued using a DCF valuation basis. A DCF model also forms the most significant input into the valuation of ten23 health, which is valued on a sum-of-the-parts basis.

What the Committee reviewed and concluded

Material assumptions for the DCF valuations are reviewed by the Committee. Sensitivity to assumptions is also noted. Any material changes are reviewed by the Committee at each meeting.

The Committee focused on the following issues in FY2025:

	Area of significant attention	What the Committee reviewed and concluded
Imminent sale assets	At any point in time, it is likely that a number of potential exit processes from the portfolio are underway. Judgement is applied by management as to the likely eventual exit proceeds and certainty of completion. This means that in some cases an asset may not be moved to an imminent sale basis until very shortly before completion; in other cases, the move may occur on signing, even if the time to completion is a period of some months. However, as a general rule an asset moves to an imminent sale basis only when an exit process is materially complete and the remaining risks are estimated to be small, given the completion risk around unquoted equity transactions. In FY2025, nexeye and WP were held on an imminent sale basis. Both sales were subsequently completed during the year. Management conducted backtesting analysis on both disposals.	Active sales processes are reviewed by the Committee, including details such as the timeline to potential completion, the number and make-up of bidders for investments, due diligence and execution risks, and regulatory or competition clearance issues. Management proposes a treatment for each asset in a sales process, which the Committee reviews at each meeting.

Review process

As part of its challenge and review process, the Committee:

- considered the management information provided to support the Committee's review of the valuations, including management's responses to any challenges raised by Committee members or the External auditor;
- sought assurance from the External auditor as to whether and how they had considered the appropriateness of valuations and the underlying assumptions made;
- reviewed the consistency of the views of management and the External auditor and their valuation specialists; and
- reviewed and challenged the differential between carrying values and those implied by the multiples of comparable quoted companies and transactions.

The Committee was satisfied that the application of the valuation policy and process was appropriate during the period under review, and recommended the portfolio valuation to the Audit and Compliance Committee and the Board at each quarter end for approval by the Board.

In addition, the Committee is responsible for keeping the Group's valuation policy under review and recommending any changes to the policy to the Audit and Compliance Committee and the Board. The policy is reviewed at least annually, with the last update in January 2025.

More information on our valuation methodology, including definitions and rationale, is included in Note 13 – Fair values of assets and liabilities starting on page 176 and in the Portfolio valuation – an explanation section on page 211.

External audit

As part of the half year review and year-end audit, KPMG's specialist valuations team reviews a selection of investments to support its overall audit opinion on the financial statements as a whole.

Remuneration

Directors' remuneration report

Coline McConville
Committee Chair

3i has delivered another strong set of results in FY2025 continuing our track record of consistently delivering impressive shareholder returns. This performance is reflected in the remuneration outcomes as set out in this report.

Committee membership	Meetings
Coline McConville	7(7)
Alexandra Schaapveld	7(7)
Lesley Knox	6(7)
Peter McKellar	7(7)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Ms Knox provided comments on the topics to be discussed at the Committee that she was unable to attend.
The Chief Executive, the Company Chair, the Remuneration Director and the General Counsel & Company Secretary attend Committee meetings by invitation, other than when their personal remuneration is being discussed.

Dear Shareholder

This letter summarises the key Executive Director remuneration issues considered by the Remuneration Committee in the year and the decisions we made.

FY2025 performance

3i delivered another strong set of results in FY2025 with a total return on opening shareholders' funds of 25% (2024: 23%). The global economy remained challenging, shaped by geopolitical tensions and muted growth across major markets. Our value-for-money and private label businesses remained focused on the customer and delivered strong performance.

Action was the key driver of returns, supported by strong earnings growth, cash generation and continued strategic momentum. This result was particularly impressive, as the business operated against a backdrop of muted economic growth across many of its European markets. We increased our exposure to Action during the year and completed the final associated carried interest payments, ensuring undiluted shareholder benefit going forward.

The M&A environment stabilised through 2024 as inflation and interest rates levelled out. However, investor sentiment remained cautious and we took a selective and disciplined approach to capital deployment, focusing on reinvestments in high-performing portfolio companies, making three new investments totalling £318 million (WaterWipes, Constellation and OMS Prüfservice) and 12 bolt-on acquisitions across our Private Equity portfolio in sectors we know well.

Strong growth was seen in several other portfolio companies, notably Royal Sanders, another one of our long-term hold assets, which continued its organic and acquisitive expansion. Our industrial and healthcare portfolios also performed well, while services and software assets showed resilience despite cautious IT spending.

In Infrastructure, 3iN delivered a strong realisation at a 3.6x money multiple, completed two large refinancing transactions and invested further in two existing assets. Meanwhile, our North American Infrastructure Fund added three bolt-on acquisitions.

Total realised proceeds and income across our portfolios reached £2.4 billion, including £1.6 billion from Action through refinancing, share redemption exercise and dividends. Two significant Private Equity realisations achieved multiples of 2x or higher, including one materially above its March 2024 valuation.

Shareholders have benefitted from this continued strong performance. Our total shareholder return over the year was 31% and, over a three-year period, our total shareholder return was over 210%, the third highest over that period in the FTSE 350.

FY2025 bonus scorecard

As noted in last year's letter, the Committee has reviewed the current scorecard to ensure that the scorecard was appropriately structured to reflect the Group's strategic priorities, was aligned with the shape of the Group's underlying portfolio and the delivery of sustainable performance over the cycle.

Whilst the overall construct of the scorecard was considered appropriate the Committee made the following changes:

- re-weighting the quantitative element of the scorecard (measuring returns from Action, Private Equity (ex. Action) and Infrastructure) to better reflect the relative size of each of the businesses;
- added an additional metric which measures 3i's total return; and
- simplified and reduced the weighting on the Qualitative section of the scorecard with Sustainability, Strategy & People measures.

With these changes, the quantitative element of the scorecard was weighted at 85% (FY24 70%), ensuring that reward for our Executive Directors continues to be based on output-based metrics linked to return for investors.

The FY2025 outcomes against this scorecard are shown in the Implementation Report, and delivered a result of 88% of maximum. The Committee is satisfied that this new scorecard assesses management's performance appropriately in the context of 3i's performance and determined that no adjustments were required.

2022 LTIP outcomes

The 2022 LTIP award was based on two equally weighted performance conditions: absolute and relative TSR against the FTSE 350. You will see in this report that based on performance over the three-year period, the 2022 LTIP achieved 100% vesting with absolute TSR growth of 46.3% per annum and relative TSR well above the upper decile of the peer group. The Committee considered that the value of awards vesting reflected performance and therefore made no adjustment.

Remuneration Policy

As set out in my cover letter in the 2024 Directors' Remuneration Report, during the past six months the Committee has reviewed the Remuneration Policy and considered whether it (i) remains fit for purpose; and (ii) appropriately reflects both the size and complexity of the Group's operations and the calibre of executives we have in place. Overall, the Committee continues to consider that 3i's current remuneration framework remains fit for purpose.

While the Committee felt it should review the incentive opportunity levels for our executive team, which have not kept pace with the growth of 3i since May 2012 (when Mr Borrows was appointed as Chief Executive and the new strategy announced), the Committee decided that it would be undertaken as part of the Remuneration Policy update and vote, scheduled for the 2026 AGM. However, the Committee considered that a more urgent review of executive director base salaries was required.

3i's NAV per share has increased from £2.79 (31 March 2012) to £25.42 (31 March 2025) plus £4.315 cumulative dividends, which has moved the Company from outside the FTSE 100 to within the FTSE 30 as at 31 March 2025. Over this time, our executive remuneration arrangements have fallen behind those of other UK listed businesses (general industry and asset managers) and are positioned materially behind alternative asset management peers, which are generally privately held. Reflecting this, the Committee is proposing to make changes to base salaries for the upcoming year.

The uniqueness of the Group relative to the UK markets makes remuneration benchmarking more challenging, and therefore the Committee has looked at a number of different reference points - FTSE 50 companies, FTSE listed asset management firms and Private Equity firms. Our benchmarking included comparing the CEO and the Group Finance Director's current and proposed salaries and total maximum compensation against the FTSE 50 and against a comparator peer group of eight other UK listed asset managers[1]. There is limited public data for the COO role, given the lack of such roles at other listed companies, but the Committee reviewed benchmark data and the overall positioning is consistent for all three Executive Directors. It should be noted that, unlike our private equity competitors, none of our executive directors participate in carried interest or similar incentive plans. The benchmarking is summarised as below (maximum compensation is base salary plus the maximum bonus and LTIP that can be awarded annually).

Based on the Group's performance and the supporting market data, we are proposing that the base salary for each of the three Executive Directors is adjusted by £70,000 (rounded) with effect from 1 July 2025. The base salary for our executive directors will be as follows:

- Chief Executive: £822,000 (current: £752,000) +9.3%
- Group Finance Director: £600,000 (current: £530,000) +13.2%
- Chief Operating Officer: £470,000 (current: £400,000) +17.5%

	FTSE 50	UK Listed Asset Managers
3i Group's ranking by market capitalisation	22nd	1st
Chief Executive		
Current Salary (£752k)	Below lower quartile (LQ) (£1.1m)	6th (of 9)
Proposed Salary (£822k)	Below LQ (£1.1m)	5th
Current maximum compensation (£6.7m)	Below Median (£9.3m)	2nd
Proposed maximum compensation (£7.4m)	Below Median (£9.3m)	2nd
Group Finance Director		
Current Salary (£530k)	Below LQ (£720k)	6th
Proposed Salary (£600k)	Below LQ (£720k)	4th
Current maximum compensation (£3.2m)	Below LQ (£3.8m)	4th
Proposed maximum compensation (£3.7m)	Below LQ (£3.8m)	3rd

1 Schroders, ICG, Hargreaves Lansdown, St James' Place, Bridgepoint Group, M&G, MAN Group, Aberdeen

While the Committee is conscious that the proportional increase differs by Executive Director (reflecting their current base salary) and is materially greater than the general staff base salary increase (4%), the Committee felt it is merited by the strong performance delivered by each of the Executive Directors, the complexities of their roles and in order to reduce the market gap that currently exists.

I hope that you will find this report a clear account of the way in which the Committee has implemented the remuneration policy during the year and I look forward to your support for our Annual report on remuneration at the upcoming AGM.

Coline McConville
Chair, Remuneration Committee
14 May 2025

The Annual report on remuneration (Implementation report)

During FY2025, we operated under the remuneration policy approved at the 2023 AGM, which can be found on our website at **www.3i.com**.

Director remuneration for the year (audited)

Single total figure of remuneration for each Director

	FY2025								FY2024							
£'000	**Salary/ fees**	**Benefits**	**Pension**	**Total fixed pay**	**Annual bonus**	**LTIP**	**Total variable pay**	**Total**	Salary/ fees	Benefits	Pension	Total fixed pay	Annual bonus	LTIP	Total variable pay	Total
S A Borrows	**744**	**19**	**23**	**786**	**2,646**	**8,476**	**11,122**	**11,908**	713	17	21	751	2,031	6,640	8,671	9,422
J G Hatchley	**524**	**18**	**55**	**597**	**1,166**	**3,735**	**4,901**	**5,498**	503	17	53	573	895	336	1,231	1,804
J H Halai	**391**	**20**	**50**	**461**	**791**	**2,325**	**3,116**	**3,577**	357	19	46	422	577	226	803	1,225
D A M Hutchison	**370**	**–**	**–**	**370**	**–**	**–**	**–**	**370**	335	–	–	335	–	–	–	335
C J Banszky	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	24	–	–	24	–	–	–	24
S W Daintith	**99**	**–**	**–**	**99**	**–**	**–**	**–**	**99**	89	–	–	89	–	–	–	89
L M S Knox	**114**	**–**	**–**	**114**	**–**	**–**	**–**	**114**	96	–	–	96	–	–	–	96
C McConville	**109**	**–**	**–**	**109**	**–**	**–**	**–**	**109**	98	–	–	98	–	–	–	98
P A McKellar	**109**	**–**	**–**	**109**	**–**	**–**	**–**	**109**	98	–	–	98	–	–	–	98
H Patel	**11**	**–**	**–**	**11**	**–**	**–**	**–**	**11**	–	–	–	–	–	–	–	–
A Schaapveld	**104**	**–**	**–**	**104**	**–**	**–**	**–**	**104**	92	–	–	92	–	–	–	92

- Benefits for Executive Directors include a car allowance, provision of health insurance and, for Ms Halai, the value of the Share Incentive Plan matching share awards.
- The amounts shown as pension are salary supplements in lieu of pension contributions. These supplements were in line with pension contributions for the Group's employees generally (12% of pensionable salary).
- Annual bonus awards made in respect of the year are delivered as 60% 3i Group plc shares deferred over four years, and the remaining 40% as a cash payment in May 2025. All annual bonus awards are subject to the malus/clawback policy. Those shares deferred over four years are released in four equal annual instalments commencing June 2026 and all share awards carry the right to receive dividends and other distributions.
- In addition to the table above, dividends or dividend equivalents on unvested deferred share awards were paid during the year (Mr Borrows: £121k, Mr Hatchley: £42k and Ms Halai: £21k).
- The values shown in the FY2025 LTIP column represent the performance shares vesting from the 2022 LTIP, together with the value of accrued dividends on those shares. The shares have been valued using the three-month average closing share price to 31 March 2025 (3,839.75 pence). The 2022 LTIP value attributable to share price growth since the awards were granted is £5,321k, £2,345k and £1,459k for Mr Borrows, Mr Hatchley and Ms Halai respectively. Further detail is provided on page 139. The values shown in the FY2024 LTIP column represent the shares that vested from the 2021 LTIP last year, together with the value of accrued dividends on those shares. It should be noted that the awards that vested to Mr Hatchley and Ms Halai last year were awards made prior to them being appointed to the Board. This value has been restated using the prevailing share price at the time of vesting (2,999 pence for Mr Borrows and 2,931.3 pence for Mr Hatchley and Ms Halai), being the third anniversary of grant.
- The fees shown for the non-executive Directors include fees used to purchase shares in the Company.
- Non-executive Directors receive reimbursement for their reasonable expenses for attending Board meetings. The Group meets the associated tax cost.
- Ms Halai retained Directors' fees of £83k from Barratt Developments plc.

FY2025 performance

Quantitative performance measures (85% of total. FY2025 payout 73%)

Area of strategic focus	Weighting	Metric	Threshold	Maximum	Performance	Pay-out
Portfolio returns (Action)	36.0%	Gross investment return (% of opening portfolio value)	16%	21%	32%	100%
Portfolio returns (excl. Action)	14.0%	Gross investment return (% of opening portfolio value)	10%	15%	10.3%	24%
Portfolio returns (Infrastructure)	5.0%	Gross investment return (% of opening portfolio value)	8%	10%	9.4%	76%
Total Returns	30.0%	Total return (% of opening shareholders' funds)	13%	17%	25.0%	100%

- The threshold and maximum return targets are set in line with 3iN's public return objectives.

Qualitative performance measures (15% of total. FY2025 payout 15%)

Area of strategic focus	Weighting	Metric	Comments
Sustainability	5.0%	Sustainability targets across the portfolio and 3i Group	We made further refinements in the monitoring of sustainability risks and portfolio performance, including development of a human rights framework and high-level assessment of nature-related impacts and dependencies. We enhanced the annual sustainability assessment questionnaire for portfolio companies and made progress with engagement with portfolio companies covering material topics, including CSRD, human rights and climate. We increased the number of portfolio companies which have science-based targets at 31 March 2025, with seven in comparison to one as of the FY2023 base year. We collected Scope 1 and 2 data from 100% of our Private Equity and economic infrastructure portfolio companies (excludes some legacy minority and other minority investments where we have limited influence).
Strategy & People	10.0%	Development of the strategic vision of the Group and progress of corporate projects	In July 2024 Action successfully completed a refinancing event. At the same time, it undertook a pro-rata share redemption returning £1,164 million in gross proceeds to the Group. 3i took the opportunity to increase its ownership in Action, reinvesting £768 million and increasing our gross equity stake from 54.8% to 57.9%. Additionally, we completed the final payment of the associated carried interest liability, ensuring that the full economic benefit of Action's performance is now passed through to shareholders with no dilution. The Private Equity team has successfully implemented a sector-led approach with the new sector heads appointed and managing their cross-border teams. In very difficult market and macro conditions for realisations, our investment teams were able to complete three cash realisations in the year (nexeye, Weener Plastics and Valorem) at or above 2.0x sterling money multiples. We continue to take part in various human resources initiatives both internally and across the industry, including sponsorship of Level 20, offering internships as part of GAIN (Girls Are INvestors) and 10,000 Black Interns programmes.

Executive Director annual bonus outcomes

In light of the performance detailed above, and following an assessment taking into account the shareholder, employee and wider stakeholder experience, further detail of which is provided in the Remuneration Committee Chair's statement, the Committee awarded bonuses to the Executive Directors of 88% of maximum. Bonuses are delivered as 40% paid in cash immediately and 60% deferred into the Company's shares, vesting in four equal annual instalments. Annual bonus awards are subject to the malus/clawback policy.

Share awards vesting in FY2025 subject to performance conditions

2022 Long-term incentive award (audited)

The Long-term incentive awards granted in June 2022 were subject to performance conditions based on absolute and relative total shareholder return over the three financial years to 31 March 2025. The table below shows the achievement against these conditions and the resulting proportion of the awards which will vest in June 2025.

	Weighting	Threshold		Maximum		Actual		Total
Total shareholder return measure	%	Performance	% vesting	Performance	% vesting	Performance	% vesting	% vesting
Absolute total shareholder return	50%	10% pa	20%	18% pa	100%	46% pa	100%	100%
Relative total shareholder return (as measured against the FTSE 350 Index)	50%	Median	25%	Upper quartile	100%	Above Upper quartile	100%	

The table below shows the grants made to the Executive Directors in 2022, at a share price of 1,315.5 pence, and the resulting number of shares that will vest due to the achievement against the performance targets as set out above. The value of the shares vesting has been included in the single figure table using the three-month average closing share price to 31 March 2025 of 3,839.75 pence.

Reflecting on performance delivered over the performance period (in terms of operational performance of the business and returns delivered to our shareholders), further detail of which is provided in the Remuneration Committee Chair's statement, the Committee considered the formulaic out-turn to be an appropriate reflection of performance and therefore did not exercise any discretion or downwards adjustment in relation to the award.

	Basis of award at grant	Face value at grant £'000	Number of shares awarded at 1,315.5p per share	% vesting	Number of shares vesting	Value of shares vesting at 3,839.75p per share £'000
S A Borrows	Face value award of 4 times base salary of £693k	2,773	210,792	100%	210,792	8,094
J Hatchley	Face value award of 2.5 times base salary of £489k	1,222	92,892	100%	92,892	3,567
J Halai	Face value award of 2.25 times base salary of £338k	760	57,810	100%	57,810	2,220

The proportion of the award vesting is subject to a further holding period, and shares will be released on the fifth anniversary of grant together with the value of dividends that would have been received during the period from grant to the release date.

Change in the remuneration of the Directors compared to other employees

The table below shows the percentage change in remuneration paid to each Director and employees as a whole for the past four performance years.

	FY2025			FY2024			FY2023			FY2022			FY2021		
	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus
S A Borrows	4%	11%	30%	4%	12%	(14%)	4%	–%	(10%)	3%	–%	9%	–%	–%	149%
J G Hatchley	4%	4%	30%	17%	19%	(3%)									
J H Halai	10%	8%	37%	20%	38%	1%									
D A M Hutchison	10%			3%			74%			85%			9%		
S W Daintith	11%			6%			4%			–%			–%		
L M S Knox	19%			2%			114%								
C McConville	11%			2%			3%			3%			3%		
P A McKellar	11%			2%			33%								
H Patel															
A Schaapveld	13%			10%			4%			(5%)			467%		
Employees	7%	8%	7 %	7%	27%	(5%)	13%	2%	6%	7%	9%	32%	2%	2%	76%

D A M Hutchison was appointed Chair in November 2021. L M S Knox and P A McKellar were both appointed during FY2022 and A Schaapveld during FY2020. The change in the fees shown above is due to part-year payments.

Details of share awards granted in the year

LTIP

Performance share awards were granted to the Executive Directors during the year as shown in the table below.

Description of award	A performance share award, which releases shares, subject to satisfying the performance conditions, on the fifth anniversary of award.
Face value	Chief Executive – 400% of salary, being 103,626 shares. Group Finance Director – 250% of salary, being 45,666 shares. Chief Operating Officer – 225% of salary, being 30,997 shares. The share price used to make the award was the average mid-market closing price over the five working days starting with the day of the announcement of the 2024 annual results (2,901.2 pence). We continue to apply our long-held consistent policy of measuring performance using the three-month average closing share price to 31 March and granting awards using the five-day average closing price (starting on the day of the announcement of the annual results).
Performance period	1 April 2024 to 31 March 2027.
Performance targets	50% of the award is based on absolute TSR measured over the performance period, and vests: • 0% vesting below 10% pa TSR; • 20% vesting at 10% pa TSR; • straight-line vesting between 10% and 18% pa TSR; and • 100% vesting at 18% pa TSR. 50% of the award is based on relative TSR measured against the FTSE 350 Index over the performance period, and vests: • 0% vesting for below median performance against the index; • 25% vesting for median performance against the index; • 100% vesting for upper quartile performance against the index; and • straight-line vesting between median and upper quartile performance.
Remuneration Committee discretion	The Committee can reduce any award which would otherwise vest if there are unauthorised breaches of the Group's liquidity and gearing policies or where significant adjustment is required to ensure the outcome is a fair reflection of the performance of the Company and the individual.

Deferred bonuses awarded in FY2025

All Directors are considered to be Identified Staff and, for awards made during FY2025, 60% of the annual bonus was delivered in 3i Group plc shares deferred over four years (and which vest one quarter per annum over those four years). The remaining 40% was delivered as a cash bonus in May 2024. The following awards were made on 3 June 2024 in respect of FY2024 performance:

	Face value at grant	Number of shares awarded at 2,901.2p per share	Vesting
S A Borrows	£1,219k	42,006	Four equal instalments annually from 1 June 2025
J G Hatchley	£537k	18,511	Four equal instalments annually from 1 June 2025
J H Halai	£346k	11,936	Four equal instalments annually from 1 June 2025

The face value of the awards were reported in the FY2024 single figure of remuneration. The share price used to calculate face value was the average of the mid-market closing prices over the five working days starting with the date of the announcement of the Company's results for the year ended 31 March 2024 (9 May 2024 to 15 May 2024), which was 2,901.2 pence. These awards are not subject to further performance conditions but are subject to our malus and clawback policy.

Share Incentive Plan

During the year, Ms Halai participated in the HMRC-approved Share Incentive Plan which allowed employees to invest up to £150 per month from pre-tax salary in ordinary shares ("partnership shares"). For each partnership share, the Company grants two free ordinary shares ("matching shares") which are forfeited if the participant resigns within three years of grant. Dividends are reinvested in further ordinary shares ("dividend shares").

Ms Halai purchased 54 partnership shares, and received 108 matching shares and 463 dividend shares at prices ranging between 2,865 pence and 4,054 pence per share, with an average price of 3,377 pence.

Hedging of share awards

As a matter of policy the Group ensures that it holds the maximum potential number of shares granted under the LTIP and Deferred Share Plan from the date of grant. Shares are purchased by the Employee Benefit Trust in the market as and when required to ensure that coverage is maintained.

Pension arrangements (audited)

The Executive Directors receive pension benefits on the same percentage basis (12%) of their pensionable salaries as other employees of the Company. During the year, they received salary supplements in lieu of pension of £23k (Mr Borrows), £55k (Mr Hatchley) and £41k (Ms Halai) respectively. Mr Borrows' pensionable salary is subject to the 3i earnings cap (FY2025: £217,241).

Prior to 2011, Executive Directors were eligible for membership of the 3i Group Pension Plan, a defined benefit contributory scheme. Pension accrual ceased for all members with effect from 5 April 2011. Salary linkage was removed in February 2023 and replaced with a time-limited cash allowance, which the Chief Operating Officer receives (£9k), in line with other, similarly affected staff.

Payments to past Directors (audited)

No payments to past Directors were made in the year.

Payments for loss of office (audited)

No payments to Directors for loss of office were made in the year.

Statement of Directors' shareholding and share interests (audited)

The Company's share ownership and retention policy requires Executive Directors to build up over time and thereafter maintain a shareholding in the Company's shares equivalent to at least 3.0 times gross salary in the case of the Chief Executive and 2.0 times gross salary for the Group Finance Director and Chief Operating Officer. In addition, shareholding targets have been introduced for other members of the Executive Committee at 1.5 times their gross salaries and for partners in the Group's businesses at 1.0 times their gross salaries. Since 2018, non-executive Directors and the Chair are required to build up over time and thereafter maintain a shareholding in the Company's shares equivalent to at least the same as their respective annual base fees (cash and shares).

Executive Directors are expected to maintain a shareholding in the Company for two years post-employment, at the lower of their shareholding at the time they leave employment and the applicable levels set out above.

Details of Directors' interests (including interests of their connected persons) in the Company's shares as at 31 March 2025 are shown in the table below. The closing share price on 31 March 2025 was 3,616 pence.

	Owned outright	Deferred shares	Subject to performance	Shareholding requirement	Current shareholding (% salary)
S A Borrows	16,657,061	933,383	258,810	300%	85,873
J G Hatchley	329,124	157,281	114,052	200%	4,097
J H Halai	102,350	101,973	75,095	200%	2,528

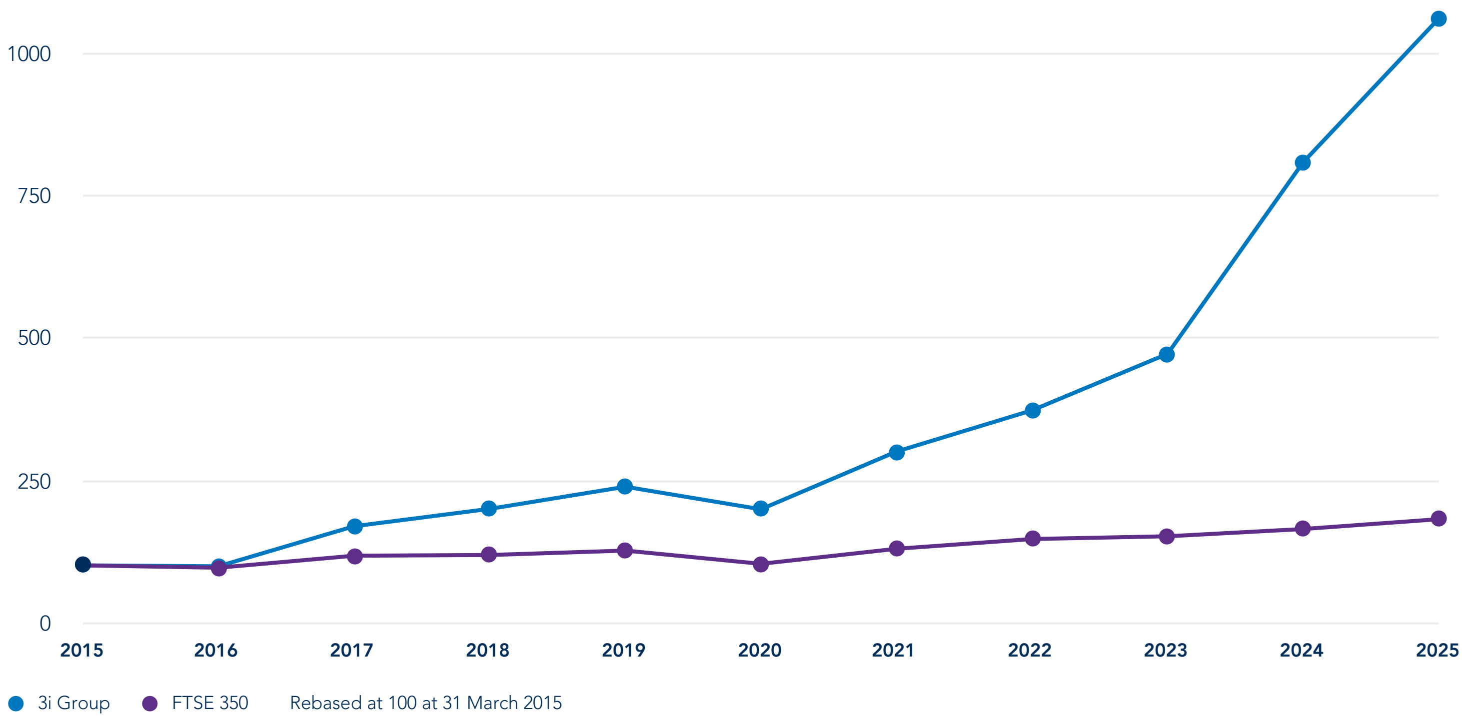
	Shares owned outright	Shareholding requirement	Current shareholding (% base fee)
D A M Hutchison	64,784	100%	633
S W Daintith	21,444	100%	1,055
L M S Knox	3,149	100%	155
C McConville	11,006	100%	541
P A McKellar	103,572	100%	5,095
A Schaapveld	17,696	100%	871

- The share interests shown for Ms Halai include shares held in the 3i Group Share Incentive Plan. The owned outright column includes partnership and dividend shares under the SIP. The deferred shares column includes matching shares under the SIP.
- The number of shares shown includes the 2022 Performance Share award. The performance against the performance targets results in 100% of the shares being released as described on page 139.
- Directors are restricted from hedging their exposure to the 3i share price.
- From 1 April 2025 to 15 May 2025, Ms Halai became interested in a further 3 shares overall outright (SIP Partnership Shares) and a further 6 deferred shares (SIP Matching Shares). There were no other changes to Directors' share interests in that period.

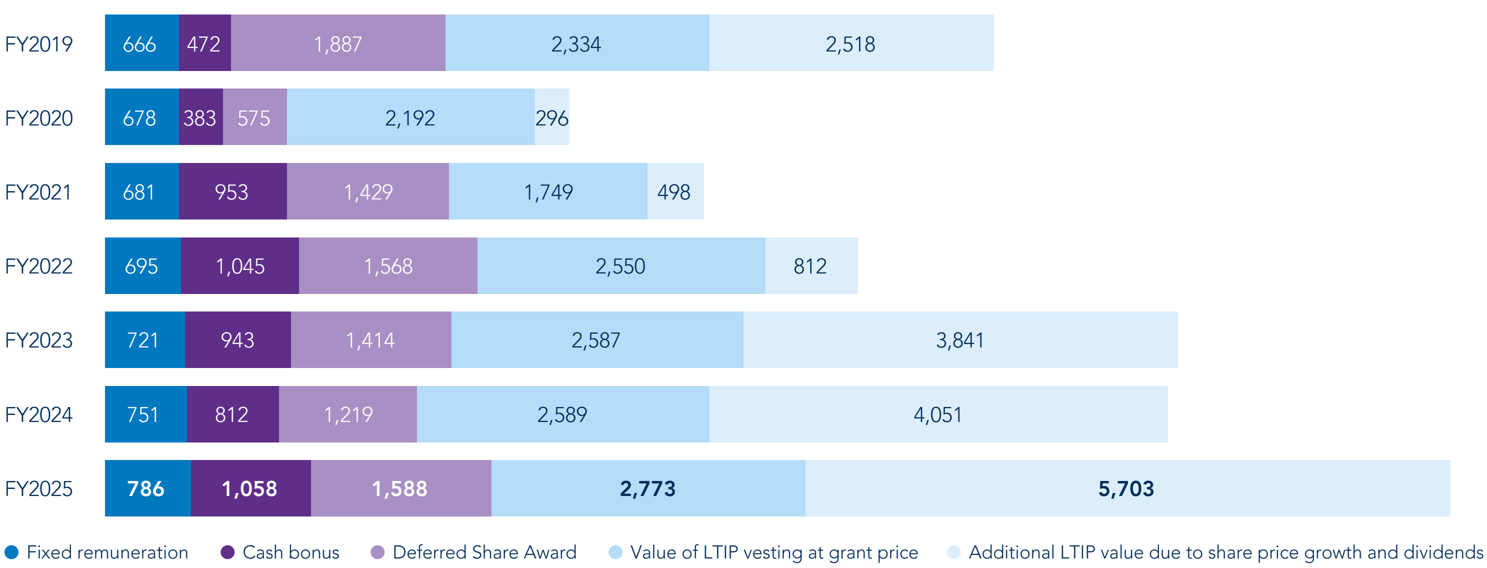
Performance graph – TSR graph

This graph compares the Company's total shareholder return for the 10 financial years to 31 March 2025 with the total shareholder return of the FTSE 350 Index. The FTSE 350 Index is considered to be an appropriate comparator as it reflects the variety of the Company's portfolio of international investments and the diverse currencies in which those investments are denominated.

3i Total shareholder return vs FTSE 350 total return over the 10 years to 31 March 2025



Chief Executive's single figure remuneration history (£'000)



Performance table

Table of historic Chief Executive data

Year	Chief Executive	Single figure of total remuneration £'000	Percentage of maximum annual bonus paid	Percentage of maximum LTIP vesting
FY2025	S A Borrows	11,908	88.0%	100%
FY2024	S A Borrows	9,422	70.6%	100%
FY2023	S A Borrows	9,506	85.0%	100%
FY2022	S A Borrows	6,215	98.0%	100%
FY2021	S A Borrows	5,310	92.0%	71%
FY2020	S A Borrows	4,124	37.0%	91%
FY2019	S A Borrows	7,877	92.5%	100%
FY2018	S A Borrows	6,847	92.5%	100%
FY2017	S A Borrows	7,544	95.0%	100%
FY2016	S A Borrows	5,821	92.5%	98%

Relative importance of spend on pay

	FY2025	FY2024	Change %
Remuneration of all employees	**£104m**	£102m	2%
Dividends paid to shareholders	**£625m**	£541m	16%

Statement of implementation of the remuneration policy in the coming year

The table below sets out how the Committee intends to operate the remuneration policy in FY2026. As mentioned in the Chair's letter, whilst our policy has delivered appropriate outcomes since the Chief Executive implemented the new strategy in 2012, the Company has changed significantly since then in terms of portfolio structure and overall size (by NAV and market capitalisation). Therefore, over the coming year the Committee will conduct a thorough review of this policy to ensure that it remains aligned with the Company's strategy and will continue to incentivise and reward management in the medium to long term. If changes to our policy are required we will consult with our largest shareholders, and present any new policy to shareholders to approve at the 2026 AGM.

Policy element	Implementation of policy during FY2026
Base salary	Base salaries for most employees will be increased by 4%. As set out in the Chair's letter, the base salaries for the current Executive Directors, from 1 July 2025, will be as follows: • Chief Executive: £822,000 (9.3%) • Group Finance Director: £600,000 (13.2%) • Chief Operating Officer: £470,000 (17.5%)
Pension	No changes to the current arrangements are proposed for FY2026 and a pension contribution or salary supplement will be as follows: • Chief Executive: 12% of benefit salary (subject to a 3i earnings cap. FY2026: £223,097) • Group Finance Director: 12% of base salary • Chief Operating Officer: 12% of base salary Prior to 2011, Executive Directors were eligible for membership of the 3i Group Pension Plan, a defined benefit contributory scheme. Pension accrual ceased for all members with effect from 5 April 2011. Salary linkage was removed in February 2023 and replaced with a time-limited cash allowance, which the Chief Operating Officer receives, in line with other, similarly affected staff.

Policy element	Implementation of policy during FY2026
Annual bonus	The maximum annual bonus opportunities for FY2026 will remain unchanged, in line with the remuneration policy, as follows: • Chief Executive: 400% of salary • Group Finance Director: 250% of salary • Chief Operating Officer: 225% of salary The Committee has agreed that the scorecard for the year will be driven 85% by quantitative financial targets around portfolio returns and similar metrics, with the balance measured against Sustainability, Strategy and People goals. The scorecard is agreed at the beginning of the financial year and the weightings of each measure reflects the weighting of our portfolio. The Committee continues to set stretching targets to ensure Executive Directors strive to maximise returns for shareholders The Committee considers that the specific targets and expectations contained within the FY2026 scorecard are commercially sensitive and therefore will not be disclosed in advance. We will report to shareholders next year on performance and the resulting bonus out-turns. At least 50% of any bonus award will be deferred into shares vesting in equal instalments over four years. Awards are subject to the Company's malus and clawback policy.
Benefits	No changes to the current arrangements are proposed for FY2026. Benefits will continue to include a car allowance, provision of health insurance and any Share Incentive Plan matching share awards.
Long-term Incentive Plan	Awards under the Long-term Incentive Plan in FY2026 will remain unchanged and be made as follows: • Chief Executive: 400% of salary • Group Finance Director: 250% of salary • Chief Operating Officer: 225% of salary Performance will be measured over a three-year period and will be determined by the Remuneration Committee. Performance measures remain unchanged from the previous year and will be as follows: 50% of the award is based on absolute TSR measured over the performance period, and vests: • 0% vesting below 10% pa TSR; • 20% vesting at 10% pa TSR; • straight-line vesting between 10% and 18% pa TSR; and • 100% vesting at 18% pa TSR. 50% of the award is based on relative TSR measured against the FTSE 350 Index over the performance period, and vests: • 0% for below median performance against the index; • 25% for median performance against the index; • 100% for upper quartile performance against the index; and • straight-line vesting between median and upper quartile performance. Total shareholder returns are calculated based on the average closing share price over the first three months of the calendar year. Awards are subject to the Company's malus and clawback policy. To the extent that shares vest, awards are subject to a holding period whereby they are released on or around (but not earlier than) fifth anniversary of grant. The Chief Executive, Group Finance Director and Chief Operating Officer do not participate in carried interest plans or similar arrangements.

Policy element	Implementation of policy during FY2026
Shareholding requirements	Shareholding requirements will be as follows: • Chief Executive: 300% of salary • Group Finance Director: 200% of salary • Chief Operating Officer: 200% of salary • Non-executive Directors (including the Company Chair): 100% of base fee (cash and shares) • Executive Directors will be expected to maintain a shareholding in the Company for two years post-employment, at the lower of their shareholding at the time they leave employment and of the levels set out above. Deferred bonus awards and shares to be released under the Long-term Incentive Plan may be reduced or withheld if the post-employment shareholding targets for the Executive Directors are not met.
Non-executive Director fees	The base fees for the non-executive Directors have increased by the same percentage (4%) as salaries for employees. The Chair, Senior Independent Director, Committee Chair and Committee membership fees have been benchmarked against other FTSE100 organisations and have been increased accordingly. The increase for the Chair reflects the responsibilities and time commitments of the role. The fee remains below the lower quartile against the FTSE 50. Overall, fees remain moderately positioned relative to similar FTSE100 companies. Fees for FY2026 will be: **Chair fee:** £320,000 plus £90,000 in 3i shares **Non-executive Directors:** Board membership base fee: £58,750 plus £17,650 in 3i shares Senior Independent Director fee: £20,000 Committee Chair: £25,000 Committee member: £10,000 Committee fees are payable in respect of the Audit and Compliance Committee, Remuneration Committee and Valuations Committee.
Malus and clawback policy	Long-term incentive awards and deferred bonus share awards made during the year to Executive Directors may be forfeited or reduced in exceptional circumstances, on such basis as the Committee considers to be fair, reasonable and proportionate, taking into account an individual's role and responsibilities. Such exceptional circumstances include: (1) a material misstatement in the financial statements of the Company or Group or any Member of the Group; or (2) where an individual has caused, wholly or in part, a material loss for the Group as a result of: (i) reckless, negligent or wilful actions or omissions; or (ii) inappropriate values or behaviour; (3) an error in assessing any applicable Performance Conditions or the number of shares; (4) the assessment of any applicable Performance Conditions and/or the number of shares to be released being based on inaccurate or misleading information; (5) misconduct on the part of the individual concerned; (6) a Member of the Group is censured by a regulatory body or suffers a significant detrimental impact on its reputation, provided that the Committee determines that the individual was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; or (7) the Company (or entities representing a material proportion of the Group) becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the individual is responsible (in whole or in part) for that insolvency or failure. In exceptional circumstances (and on such basis as the Committee considers fair, reasonable and proportionate taking into account an individual's role and responsibilities), the Group may recover amounts that have been paid or released from awards (including cash bonus awards), as long as a written request for the recovery of such sums is made in the two-year period from the date of payment or release and in circumstances where either (a) there has been a material misstatement of Group financial statements or (b) the Group suffers a material loss. In arriving at its decision, the Committee will take into consideration such evidence as it may reasonably consider relevant including as to the impact of the affected individual's conduct, values or behaviours on the material misstatement or material loss, as the case may be.

Remuneration Committee advisers

The Committee appointed Deloitte LLP as advisers in 2013 and during the year they provided the Committee with external, independent advice.

Deloitte LLP are members of the Remuneration Consultants Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. During the year, Deloitte LLP also provided 3i with certain tax advisory services. The Committee has reviewed the advice provided during the year and is satisfied that it has been objective and independent. The total fees for advice during the year were £84,000 (excluding VAT) (2024 £50,250 (excluding VAT)).

Result of voting at the 2024 AGM

At the 2024 AGM, shareholders approved the Remuneration report that was published in the 2024 Annual report and accounts. At the 2023 AGM, shareholders approved the Directors' remuneration policy. The results for both of these votes are shown below:

Resolution	Votes for	Votes against	Total votes cast	Votes withheld
Approval of the Directors' remuneration report at the 2024 AGM	754,025,105	28,637,438	782,662,543	153,692
	96.34%	3.66%		
Approval of the Directors' remuneration policy at the 2023 AGM	717,765,664	37,374,379	755,140,043	7,253,538
	95.05%	4.95%		

Audit

The tables in this report (including the Notes thereto) on pages 135 to 147 marked as "audited" have been audited by KPMG.

By order of the Board

Coline McConville
Chair, Remuneration Committee

14 May 2025

Additional statutory and corporate governance information

This section of the Directors' report contains the corporate governance statement required by FCA Disclosure Guidance and Transparency Rule 7.2.

Corporate governance

The Corporate Governance Code to which the Company is subject in relation to FY2025 is the UK Corporate Governance Code 2018 (the "Code"), which was published by the FRC in July 2018 and is available on the FRC website. (The revised UK Corporate Governance Code 2024 which was published in January 2024 will apply to the Company in relation to FY2026).

Details on the Company's compliance with the Code and an explanation as to why the Company has not complied throughout the year with provision 19 of the Code in respect of Chair tenure are set out in the Corporate Governance statement on pages 99 and 100 and in the report on the Nominations Committee's review of Chair tenure on page 117.

The Group's internal control and risk management systems, including those in relation to the financial reporting process, are described in the Risk management section on pages 80 to 93.

Directors: independence and time commitments

Directors' biographical details are set out on pages 102 and 103. The Board currently comprises the Chair, six non-executive Directors and three Executive Directors. Mr D A M Hutchison (Chair), Mr S A Borrows, Mr J G Hatchley, Ms J H Halai, Mr S W Daintith, Ms L M S Knox, Mr P A McKellar, Ms C L McConville and Ms A Schaapveld all served as Directors throughout the year under review. Mr H K Patel served as a Director from 3 February 2025.

The Board regularly considers the independence of non-executive Directors. The Board considers all of the Company's non-executive Directors to be independent for the purposes of the Code. The Chair was independent on appointment as Chair. Consideration was also given to time commitments when Directors seek to take on any additional external appointments and on any Director's appointment.

Investment policy

The UK Listing Authority's Listing Rules require 3i, as a closed-ended investment fund, to publish an investment policy. Shareholder approval is required for material changes to this policy. Non-material changes can be made by the Board. The current policy is set out below. No changes have been made to the policy since it was published in the Company's 2018 Report and Accounts.

- 3i is an investment company which aims to provide its shareholders with quoted access to private equity and infrastructure returns. Currently, its main focus is on making quoted and unquoted equity and/or debt investments in businesses and funds in Europe, Asia and the Americas. The geographies, economic sectors, funds and asset classes in which 3i invests continue to evolve as opportunities are identified. Proposed investments are assessed individually and all significant investments require approval from the Group's Investment Committee. Overall investment targets are subject to periodic reviews and the investment portfolio is also reviewed to monitor exposure to specific geographies, economic sectors and asset classes.
- 3i seeks to diversify risk through significant dispersion of investments by geography, economic sector, asset class and size as well as through the maturity profile of its investment portfolio.
- Although 3i does not set maximum exposure limits for asset allocations, it does have a maximum exposure limit that, save as mentioned below, no investment will be made unless its cost[1] does not exceed 15% of the investment portfolio value as shown in the last published valuation. A further investment may be made in an existing portfolio business provided the aggregate cost of that investment and of all other unrealised investments in that portfolio business does not exceed 15% of the investment portfolio value as shown in the last published valuation. A higher limit of 30% will apply to the Company's investment in 3i Infrastructure plc. For the avoidance of doubt, 3i may retain an investment, even if its carrying value is greater than 15% or 30% (as the case may be) of the portfolio value at the time of an updated valuation.
- Investments are generally funded with a mixture of debt and shareholders' funds with a view to maximising returns to shareholders, whilst maintaining a strong capital base. 3i's gearing depends not only on its level of debt, but also on the impact of market movements and other factors on the value of its investments. The Board takes this into account when, as required, it sets a precise maximum level of gearing. The Board has therefore set the maximum level of gearing at 150% and has set no minimum level of gearing. If the gearing ratio should exceed the 150% maximum limit, the Board will take steps to reduce the gearing ratio to below that limit as soon as practicable thereafter. 3i is committed to achieving balance sheet efficiency.

1 Where 3i makes an investment in an existing portfolio business as part of a restructuring or reorganisation of its investment in that existing portfolio business (which restructuring or reorganisation may involve, without limitation, 3i disposing of all or part of its existing investment in the relevant portfolio business and reinvesting all or part of the proceeds into a different entity which acquires or holds the relevant portfolio business or a substantial part thereof), the cost of that investment, for the purposes of determining the maximum exposure limit under this policy, shall, to the extent that the investment does not increase 3i's exposure to the relevant portfolio business, be deemed to be the cost of 3i's existing investment in the relevant portfolio business (or, in the case of a partial reinvestment, the pro-rated cost of 3i's existing investment in the relevant portfolio business) immediately prior to the restructuring or reorganisation. If 3i's investment includes a further investment, such that 3i increases its overall exposure to the relevant portfolio business as part of the restructuring or reorganisation, the cost of any such further investment at the date of such investment shall be added to the cost of the investment in the existing portfolio business as determined pursuant to the previous sentence.

Appointment and re-election of Directors

Subject to the Company's Articles of Association, the Companies Act and satisfactory performance evaluation, non-executive Directors are appointed for an initial three-year term. Before the third and sixth anniversaries of first appointment, the Director discusses with the Board whether it is appropriate for a further three-year term to be served.

Under the Company's Articles of Association, the minimum number of Directors is two and the maximum is 20, unless otherwise determined by the Company by ordinary resolution. Directors are appointed by ordinary resolution of shareholders or by the Board. The Company's Articles of Association provide for all Directors to retire from office at every Annual General Meeting of the Company although they may offer themselves for re-appointment by the shareholders.

Shareholders can remove any Director by special resolution and appoint another person to be a Director in their place by ordinary resolution. Shareholders can also remove any Director by ordinary resolution of which special notice has been given.

Subject to the Company's Articles of Association, retiring Directors are eligible for re-appointment. The office of Director is vacated if the Director resigns, becomes bankrupt or is prohibited by law from being a Director or where the Board so resolves following the Director suffering from ill health or being absent from Board meetings for 12 months without the Board's permission.

The Board's responsibilities and processes

The composition of the Board and its Committees, as well as the Board's key responsibilities and the way in which it and its Committees work, are described on pages 97 to 147. The Board is responsible to shareholders for the overall management of the Group and may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Articles of Association and any directions given by special resolution of the shareholders. The Articles of Association empower the Board to offer, allot, grant options over or otherwise deal with or dispose of the Company's shares as the Board may decide.

The Companies Act 2006 authorises the Company to make market purchases of its own shares if the purchase has first been authorised by a resolution of the Company.

At the AGM in June 2024, shareholders renewed the Board's authority to allot ordinary shares and to repurchase ordinary shares on behalf of the Company subject to certain limits. Details of the authorities which the Board will be seeking at the 2025 AGM are set out in the 2025 Notice of AGM.

The Board's diversity policies in relation to Directors are described in the Nominations Committee report on page 118 and such policies in relation to employees are described on pages 151 and 152.

Matters reserved for the Board

The Board has approved a formal schedule of matters reserved to it and its duly authorised Committees for decision. These include matters such as the Group's overall strategy, strategic plan and annual operating budget; approval of the Company's financial statements and changes to accounting policies or practices; changes to the capital structure or regulated status of the Company; major capital projects or changes to business operations; investments and divestments above certain limits; policy on borrowing, gearing, hedging and treasury matters; and adequacy of internal control systems.

Rights and restrictions attaching to shares

A summary of the rights and restrictions attaching to shares as at 31 March 2025 is set out below.

The Company's Articles of Association may be amended by special resolution of the shareholders in a general meeting. Holders of ordinary shares enjoy the rights set out in the Articles of Association of the Company and under the laws of England and Wales. Any share may be issued with or have attached to it such rights and restrictions as the Company by ordinary resolution or, failing such resolution, the Board may decide.

Holders of ordinary shares are entitled to attend, speak and vote at general meetings and to appoint proxies and, in the case of corporations, corporate representatives to attend, speak and vote at such meetings on their behalf. To attend and vote at a general meeting a shareholder must be entered on the register of members at such time (not being earlier than 48 hours before the meeting) as stated in the Notice of general meeting. On a poll, holders of ordinary shares are entitled to one vote for each share held.

Holders of ordinary shares are entitled to receive the Company's Annual report and accounts, to receive such dividends and other distributions as may lawfully be paid or declared on such shares and, on any liquidation of the Company, to share in the surplus assets of the Company after satisfaction of the entitlements of the holders of any shares with preferred rights as may then be in issue.

There are no restrictions on the transfer of fully paid shares in the Company, save that the Board may decline to register: a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations 2001; a transfer to more than four joint holders; a transfer of certificated shares which is not in respect of only one class of share; a transfer which is not accompanied by the certificate for the shares to which it relates; a transfer which is not duly stamped in circumstances where a duly stamped instrument is required; or a transfer where in accordance with section 794 of the Companies Act 2006 a notice (under section 793 of that Act) has been served by the Company on a shareholder who has then failed to give the information required within the specified time.

In the latter circumstances, the Company may make the relevant shares subject to certain restrictions (including in respect of the ability to exercise voting rights, to transfer the shares validly and, except in the case of a liquidation, to receive the payment of sums due from the Company).

There are no shares carrying special rights with regard to control of the Company. There are no restrictions placed on voting rights of fully paid shares, save where in accordance with Article 12 of the Company's Articles of Association a restriction notice has been served by the Company in respect of shares for failure to comply with statutory notices or where a transfer notice (as described below) has been served in respect of shares and has not yet been complied with. Where shares are held on behalf of former or current employees under employee share schemes, those participants can give instructions to the holder of such shares as to how votes attached to such shares should be exercised.

In the circumstances specified in Article 38 of the Company's Articles of Association, the Company may serve a transfer notice on holders of shares. The relevant circumstances relate to: (a) potential tax disadvantage to the Company, (b) the number of "United States Residents" who own or hold shares being 75 or more, or (c) the Company being required to be registered as an investment company under relevant US legislation. The notice would require the transfer of relevant shares and, pending such transfer, the rights and privileges attaching to those shares would be suspended.

The Company is not aware of any agreements between holders of its securities that may restrict the transfer of shares or exercise of voting rights.

Share capital and debentures

The issued ordinary share capital of the Company as at 1 April 2024 was 973,366 ,445 ordinary shares and at 31 March 2025 was 973,398,978 ordinary shares of 73 19⁄22 pence each. It increased over the year by 32,533 ordinary shares on the issue of shares to the Trustee of the 3i Group Share Incentive Plan.

At the AGM on 27 June 2024 the Directors were authorised to repurchase up to 97,000,000 ordinary shares in the Company (representing approximately 10% of the Company's issued ordinary share capital as at 6 May 2024) until the Company's AGM in 2025 or 26 September 2025, if earlier. This authority was not exercised in the year. Details of the authorities which the Board will be seeking at the 2025 AGM are set out in the 2025 Notice of AGM.

As at 31 March 2025, the Company had sterling and euro fixed rate notes in issue as detailed in Note 16 to the accounts.

The Articles of Association also specifically empower the Board to exercise the Company's powers to borrow money and to mortgage or charge the Company's assets and any uncalled capital and to issue debentures and other securities.

Portfolio management and voting policy

In relation to unquoted investments, the Group's approach is to seek to add value to the businesses in which the Group invests through the Group's extensive experience, resources and contacts and through active engagement with the Boards of those companies. In relation to quoted investments, the Group's policy is to exercise voting rights on all matters affecting its interests.

Tax and investment company status

The Company is an investment company under section 833 of the Companies Act 2006. HM Revenue & Customs has approved the Company as an Investment Trust under section 1158 of the Corporation Tax Act 2010 and the Company directs its affairs to enable it to continue to remain so approved.

Where appropriate, the Company looks to the provisions included within the Association of Investment Companies SORP.

Major interests in ordinary shares

The table below shows notifications of major voting interests in the Company's ordinary share capital (notifiable in accordance with Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules or section 793 Companies Act 2006) that had been received by the Company as at 31 March 2025 and 15 April 2025.

	As at 31 March 2025	% of issued share capital	As at 15 April 2025	% of issued share capital
BlackRock, Inc	103,161,680	10.60	104,039,896	10.69
The Capital Group Companies, Inc	61,665,728	6.34	67,683,107	6.95
Fidelity Management & Research Company	58,282,778	5.99	58,728,243	6.03
WCM Investment Management, LLC	47,295,459	4.86	47,350,398	4.86
Vanguard Group, Inc	45,922,480	4.72	45,922,480	4.72

3i Investments plc

3i Investments plc is authorised by the FCA to, among other things, manage Alternative Investment Funds ("AIFs"). It is currently the Alternative Investment Fund Manager ("AIFM") of seven AIFs, including the Company and 3i Infrastructure plc. In compliance with regulatory requirements, 3i Investments plc has ensured that a depository has been appointed for each AIF. This is Citibank UK Limited.

The Annual report and accounts meet certain investor disclosure requirements as set out in FUND 3.2.2R, 3.2.3R, 3.2.5R and 3.2.6R of the FCA's Investment Funds sourcebook ("FUND Disclosures") for the Company as a standalone entity. The Company's profit for the year is stated in its Company statement of changes in equity on page 157 and its financial position is shown on page 156. The Company performs substantially all of its investment-related activities through its subsidiaries and therefore the Group's Consolidated statement of comprehensive income is considered to be more useful to investors than a Company statement.

Furthermore, in some instances the relevant FUND Disclosures have been made in relation to the Group on a consolidated basis rather than in respect of the Company on a solo basis. This is because the Company operates through its Group subsidiaries and therefore reporting on the Group's activities provides more relevant information on the Company and its position. There have been no material changes to the disclosures required to be made under FUND 3.2.2R in the past year.

Although certain FUND Disclosures are made in this Annual report, full disclosures are summarised on the 3i website at **www.3i.com**. This will be updated as required and changes noted in future Annual reports.

For the purposes of the FUND Disclosures set out in FUND 3.3.5(R)(5) and (6), the total amount of remuneration paid by the AIFM to its staff for the year to 31 March 2025 was £241 million, of which £48 million was fixed remuneration and £193 million was variable remuneration. The total number of beneficiaries is 216.

The aggregate total remuneration paid to AIFM Remuneration Code Staff for the year to 31 March 2025 was £81 million, of which £47 million was paid to senior management and £34 million was paid to other AIFM Remuneration Code Staff. A summary of the remuneration policy of 3i can be found on the Company's website.

Dividends

A first FY2025 dividend of 30.5 pence per ordinary share in respect of the year to 31 March 2025 was paid on 10 January 2025. The Directors recommend a second FY2025 dividend of 42.5 pence per ordinary share be paid in respect of the year to 31 March 2025 to shareholders on the Register at the close of business on 20 June 2025.

The trustee of The 3i Group Employee Trust and the trustee of the 2010 Carry Trust have each waived (subject to certain minor exceptions) dividends declared on shares in the Company held by those trusts and the trustee of The 3i Group Share Incentive Plan has waived dividends on unallocated shares in the Company held by it.

Directors' conflicts of interests, external appointments and indemnities

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's Articles of Association enable Directors to approve conflicts of interest and include other conflict of interest provisions. The Company has implemented processes to identify potential and actual conflicts of interest. Such conflicts are then considered for approval by the Board, subject, if necessary, to appropriate conditions.

The Board has adopted a policy on Directors' other appointments under which additional external appointments should not be undertaken without prior approval of the Board. Executive Directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.

As permitted by the Company's Articles of Association during the year and as at the date of this Directors' report, there were in place Qualifying Third-Party Indemnity Provisions (as defined under relevant legislation) for the benefit of the Company's Directors and Qualifying Pension Scheme Indemnity Provisions for the benefit of the directors of one associated company, Gardens Pension Trustees Limited.

Directors' employment contracts

Mr S A Borrows, Ms J H Halai and Mr J G Hatchley each have employment contracts with the Group with notice periods of 12 months where notice is given by the Group and six months where notice is given by the Director. Save for these notice periods their employment contracts have no unexpired terms. None of the other Directors has a service contract with the Company.

Employment

The employment policy of the Group is one of equal opportunity in the selection, training, career development and promotion of employees, regardless of age, gender, sexual orientation, ethnic origin, religion and whether disabled or otherwise. Further details on equal opportunities and diversity are included in the Sustainability report on pages 52 to 55 and in the Nominations Committee report on page 118.

3i treats applicants and employees with disabilities fairly and provides facilities, equipment and training to assist disabled employees to do their jobs. Arrangements are made as necessary to ensure support to job applicants who happen to be disabled and who respond to requests to inform the Company of any requirements. Should an employee become disabled during their employment, efforts would be made to retain them in their current employment or to explore the opportunities for their retraining or redeployment within 3i. Financial support is also provided by 3i to support disabled employees who are unable to work, as appropriate to local market conditions.

3i's principal means of keeping in touch with the views of its employees is through employee appraisals, informal consultations, team briefings and employee conferences. Managers throughout 3i have a continuing responsibility to keep their staff informed of developments and to communicate financial results and other matters of interest. This is achieved by structured communication including regular meetings of employees. Members of the Board have regular formal and informal interaction with a significant number of 3i employees, including through office visits and one-to-one meetings.

3i is an equal opportunities employer and has clear grievance and disciplinary procedures in place. 3i also has an employee assistance programme which provides a confidential, free and independent counselling service and is available to all UK employees and their families in the UK.

3i's employment policies are designed to provide a competitive reward package which will attract and retain high-quality staff, whilst ensuring that the relevant costs remain at an appropriate level.

3i's remuneration policy is influenced by 3i's financial and other performance conditions and market practices in the countries in which it operates. All employees receive a base salary and are also eligible to be considered for a performance-related annual variable incentive award. For those members of staff receiving higher levels of annual variable incentive awards, a proportion of such awards is delivered in 3i shares, vesting over a number of years. Remuneration policy is reviewed by the 3i Group plc Remuneration Committee, comprising 3i Group plc non-executive Directors.

Where appropriate, employees are eligible to participate in 3i share schemes to encourage employees' involvement in 3i's performance. Investment executives in the Private Equity business line may also participate in carried interest schemes, which allow executives to share directly in future profits on investments. Similarly, investment executives in the Infrastructure business line may participate in asset-linked and/or fee-linked incentive arrangements. Employees participate in local state or company pension schemes as appropriate to local market conditions.

Employees are able to raise in confidence with the Company any matters of concern. Issues can be raised with line management, the Internal Audit team and the Human Resources team as appropriate. Employees can also raise matters with an externally run confidential telephone reporting line and can do so anonymously if they wish. Matters raised are investigated and followed up as appropriate. The Board monitors any matters reported to the externally run telephone reporting line, through an annual report to Audit and Compliance Committee from Internal Audit.

Workforce engagement

The Company has a Staff Engagement strategy which has been adopted by the Board as the most appropriate way for the Company to comply with the relevant requirements of the Code. This is in preference to adopting one of the three workforce engagement examples specifically mentioned in the UK Corporate Governance Code. The Board believes this strategy is appropriate and proportionate in the context of an office-based workforce, with in the region of 250 employees worldwide, all of whom engage regularly with members of senior management. Senior management and members of the Board meet formally and informally with staff in a variety of contexts, including office visits, investment reviews, Board and Committee presentations and Board dinners with investment teams. A general open door policy (whether physically or virtually) adopted by senior management encourages interaction with staff. The Human Resources team are a point of contact for all members of staff and they, as well as line managers, report issues requiring management attention to senior management as they occur. The Internal Audit and Group Compliance teams consider employee matters including culture, compliance with the Company's values and staff turnover in their reports to senior management. The formal annual appraisal process provides a further opportunity for engagement.

During the year, the Board visited 3i's Amsterdam and Frankfurt offices and met formally and informally with the teams based there. Directors receive updates on employee matters in presentations from the business line heads, as well as from the Chief Human Resources Officer, in the annual Board consideration of the Group Succession Planning and Strategic Capability Review. Committee Chairs held a number of private and other meetings with function heads during the year. Non-executive Directors also meet with a wide range of members of the investment teams at the twice-yearly PCR meetings.

Diversity and inclusion policy

Details of the Company's approach to diversity and inclusion are set out under the heading Employment on page 151, in the Sustainability section on pages 52 to 55 and in the Nominations Committee report on page 118.

Political donations

In line with Group policy, during the year to 31 March 2025, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred, (31 March 2024: none).

Share reunification programme

The Board approved a programme to reunify shareholders with their dormant shareholdings. A tracing programme was conducted by the Registrar during 2023 and 2024 to attempt to contact dormant shareholders. Where this was not possible and in accordance with the Company's Articles of Association, the relevant shares were sold and the proceeds returned to 3i. The shareholder or their personal representatives have six years from the date of sale in which to claim the proceeds of sale. Unclaimed dividends associated with the shares sold were also returned to 3i and shareholders or their personal representatives have 12 years from when the dividend was declared or became due in which to make a claim. Dividends which have been unclaimed for 12 years are forfeited, unless the Board decides otherwise. The Board agreed that a sum equal to the majority of the funds returned to 3i in this programme would be used for charitable purposes, with the balance kept to meet claims.

Significant agreements

As at 31 March 2025, the Company was party to one agreement subject to a renegotiation period on a change of control of the Company following a takeover bid. This agreement is a £900 million multi-currency Revolving Credit Facility Agreement dated 13 March 2020 and as amended from time to time between the Company, Barclays Bank PLC and a number of other banks. The Company is required to promptly notify Barclays Bank PLC, as agent bank, of a change of control. This opens a 20-day negotiation period to determine if each lender is willing to continue participating in the facility. For any lender with whom no agreement is reached, amounts outstanding to that lender would be repayable and their commitment cancelled, with no less than 10 business days' notice after the end of the negotiation period.

Internal control and risk management systems

A description of the Group's internal control and risk management systems in relation to the financial reporting process is set out in the Risk management section on pages 80 to 93.

Going concern

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2025.

After making enquiries, the Directors considered it appropriate to prepare the financial statements of the Company, and the Group, on a going concern basis. The Viability statement is included on pages 128 and 129.

Audit information

Pursuant to section 418(2) of the Companies Act 2006, each of the Directors confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of such information.

Appointment of Auditor

In accordance with section 489 of the Companies Act 2006, a resolution proposing the reappointment of KPMG LLP as the Company's Auditor will be put to members at the forthcoming AGM.

Information required by Listing Rule 6.6.4

Information required by Listing Rule 6.6.4 not included in this section of the Directors' report may be found as set out below:

Topic	Location
Capitalised interest	Portfolio income on page 71
Share allotments	Note 19 on page 183

Website

3i's website provides a brief description of 3i's history, current operations, strategy and portfolio, as well as articles, interviews and videos to showcase specific themes and investments. It also includes an archive of over 10 years of news and historical financial information on the Group and details of forthcoming events for shareholders and analysts.

Information included in the Strategic report

In accordance with section 414 C (11) of the Companies Act 2006, the following information otherwise required to be set out in the Directors' report has been included in the Strategic report: risk management objectives and policies; post-balance sheet events; likely future developments in the business; engagement with suppliers, customers and others; employee involvement; and greenhouse gas emissions. The Directors' Viability statement is also shown in the Resilience statement on pages 127 to 129.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and the Group and parent Company financial statements for each financial year in accordance with applicable United Kingdom law and regulations. They are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards and applicable law;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group, or the parent Company, or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual financial report

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider this Annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors of the Company and their functions are listed on pages 102 and 103.

3i Group plc is registered in England with company number 1142830.

Directors' report

For the purposes of the UK Companies Act 2006, the Directors' report of 3i Group plc comprises the Governance section on pages 96 to 153 other than the Directors' remuneration report on pages 135 to 147.

The Strategic report, Directors' report and Directors' remuneration report have been drawn up and presented in accordance with and in reliance upon English company law and the liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by that law.

By order of the Board

K J Dunn
Company Secretary

14 May 2025

Registered office:
1 Knightsbridge
London SW1X 7LX

Audited financial statements

What's in this section

Consolidated statement of comprehensive income

for the year to 31 March

	Notes	2025 £m	2024 £m
Realised profits over value on the disposal of investments	2	**5**	1
Unrealised profits on the revaluation of investments	3	**3,812**	2,742
Fair value movements on investment entity subsidiaries	12	**953**	861
Portfolio income			
Dividends		**413**	363
Interest income from investment portfolio		**29**	29
Fees receivable	4	**13**	3
Foreign exchange on investments		**(245)**	(238)
Movement in the fair value of derivatives	17	**82**	116
Gross investment return		**5,062**	3,877
Fees receivable from external funds	4	**64**	72
Operating expenses	5	**(149)**	(146)
Interest receivable		**15**	9
Interest payable		**(65)**	(61)
Exchange movements		**77**	52
Income from investment entity subsidiaries		**21**	21
Other (expense)/income		**(1)**	3
Operating profit before carried interest		**5,024**	3,827
Carried interest			
Carried interest and performance fees receivable		**29**	62
Carried interest and performance fees payable	14	**(14)**	(51)
Operating profit before tax		**5,039**	3,838
Tax charge	8	**(1)**	(2)
Profit for the year		**5,038**	3,836
Other comprehensive income that may be reclassified to the income statement			
Exchange differences on translation of foreign operations		**7**	(4)
Other comprehensive income that will not be reclassified to the income statement			
Re-measurements of defined benefit plans	25	**4**	7
Other comprehensive income for the year		**11**	3
Total comprehensive income for the year		**5,049**	3,839

Earnings per share			
Basic (pence)	9	**522.0**	397.9
Diluted (pence)	9	**520.6**	396.7

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated statement of financial position

as at 31 March

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Investments			
Quoted investments	11,13	**856**	879
Unquoted investments	11,13	**17,500**	14,193
Investments in investment entity subsidiaries	12,13	**6,916**	5,804
Investment portfolio		**25,272**	20,876
Carried interest and performance fees receivable		**–**	3
Other non-current assets	15	**27**	28
Intangible assets		**2**	4
Retirement benefit surplus	25	**63**	61
Property, plant and equipment		**18**	4
Right of use asset		**41**	49
Derivative financial instruments	17	**46**	83
Total non-current assets		**25,469**	21,108
Current assets			
Carried interest and performance fees receivable		**33**	45
Other current assets	15	**49**	47
Current income taxes		**2**	1
Derivative financial instruments	17	**91**	82
Cash and cash equivalents		**412**	358
Total current assets		**587**	533
Total assets		**26,056**	21,641
Liabilities			
Non-current liabilities			
Trade and other payables	18	**(6)**	(5)
Carried interest and performance fees payable	14	**(29)**	(30)
Loans and borrowings	16	**(1,194)**	(1,202)
Derivative financial instruments	17	**(4)**	–
Retirement benefit deficit	25	**(17)**	(21)
Lease liability		**(42)**	(45)
Deferred income taxes	8	**(1)**	(1)
Provisions		**(2)**	(2)
Total non-current liabilities		**(1,295)**	(1,306)
Current liabilities			
Trade and other payables	18	**(133)**	(134)
Carried interest and performance fees payable	14	**(12)**	(24)
Lease liability		**(3)**	(4)
Current income taxes		**(1)**	(3)
Provisions		**(1)**	–
Total current liabilities		**(150)**	(165)
Total liabilities		**(1,445)**	(1,471)
Net assets		**24,611**	20,170
Equity			
Issued capital	19	**719**	719
Share premium		**792**	791
Capital redemption reserve		**43**	43
Share-based payment reserve	26	**35**	42
Translation reserve		**1**	(6)
Capital reserve		**21,257**	17,154
Revenue reserve		**1,845**	1,519
Own shares	20	**(81)**	(92)
Total equity		**24,611**	20,170

The Notes to the accounts section forms an integral part of these financial statements.

David Hutchison
Chair

14 May 2025

Consolidated statement of changes in equity

for the year to 31 March

2025	**Share capital £m**	**Share premium £m**	**Capital redemption reserve £m**	**Share-based payment reserve £m**	**Translation reserve £m**	**Capital reserve[1] £m**	**Revenue reserve[1] £m**	**Own shares £m**	**Total equity £m**
Total equity at the start of the year	**719**	**791**	**43**	**42**	**(6)**	**17,154**	**1,519**	**(92)**	**20,170**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**4,535**	**503**	**–**	**5,038**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**7**	**–**	**–**	**–**	**7**
Re-measurements of defined benefit plans	**–**	**–**	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**7**	**4,539**	**503**	**–**	**5,049**
Share-based payments	**–**	**–**	**–**	**16**	**–**	**–**	**–**	**–**	**16**
Release on exercise/forfeiture of share awards	**–**	**–**	**–**	**(23)**	**–**	**–**	**23**	**–**	**–**
Exercise of share awards	**–**	**–**	**–**	**–**	**–**	**(11)**	**–**	**11**	**–**
Ordinary dividends	**–**	**–**	**–**	**–**	**–**	**(425)**	**(200)**	**–**	**(625)**
Issue of ordinary shares	**–**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Total equity at the end of the year	**719**	**792**	**43**	**35**	**1**	**21,257**	**1,845**	**(81)**	**24,611**

1 Refer to Note 19 for the nature of the capital and revenue reserves.

2024	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	790	43	31	(2)	14,044	1,327	(108)	16,844
Profit for the year	–	–	–	–	–	3,309	527	–	3,836
Exchange differences on translation of foreign operations	–	–	–	–	(4)	–	–	–	(4)
Re-measurements of defined benefit plans	–	–	–	–	–	7	–	–	7
Total comprehensive income for the year	–	–	–	–	(4)	3,316	527	–	3,839
Share-based payments	–	–	–	27	–	–	–	–	27
Release on exercise/forfeiture of share awards	–	–	–	(16)	–	–	16	–	–
Exercise of share awards	–	–	–	–	–	(16)	–	16	–
Ordinary dividends	–	–	–	–	–	(190)	(351)	–	(541)
Issue of ordinary shares	–	1	–	–	–	–	–	–	1
Total equity at the end of the year	719	791	43	42	(6)	17,154	1,519	(92)	20,170

1 Refer to Note 19 for the nature of the capital and revenue reserves.

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated cash flow statement

for the year to 31 March

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Purchase of investments		**(150)**	(506)
Proceeds from investments		**1,107**	543
Amounts paid to investment entity subsidiaries	12	**(1,537)**	(674)
Amounts received from investment entity subsidiaries	12	**865**	580
Net cash flow from derivatives		**113**	69
Portfolio interest received		**6**	5
Portfolio dividends received		**420**	366
Portfolio fees received		**7**	12
Fees received from external funds		**65**	74
Carried interest and performance fees received		**44**	58
Carried interest and performance fees paid	14	**(23)**	(53)
Operating expenses paid		**(122)**	(121)
Co-investment loans (paid)/received		**(35)**	5
Tax paid		**(3)**	(3)
Other cash income		**1**	2
Other cash expenses		**(10)**	–
Interest received		**15**	9
Net cash flow from operating activities		**763**	366
Cash flow from financing activities			
Issue of shares		**1**	1
Dividends paid	10	**(625)**	(541)
Proceeds from long-term borrowing	16	**–**	422
Lease payments	16	**(6)**	(6)
Interest paid		**(60)**	(40)
Net cash flow from financing activities		**(690)**	(164)
Cash flow from investing activities			
Purchases of property, plant and equipment		**(16)**	(3)
Net cash flow from investing activities		**(16)**	(3)
Change in cash and cash equivalents		**57**	199
Cash and cash equivalents at the start of the year		**358**	162
Effect of exchange rate fluctuations		**(3)**	(3)
Cash and cash equivalents at the end of the year		**412**	358

The Notes to the accounts section forms an integral part of these financial statements.

Company statement of financial position

as at 31 March

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Investments			
Quoted investments	11,13	**856**	879
Unquoted investments	11,13	**17,500**	14,193
Investment portfolio		**18,356**	15,072
Carried interest and performance fees receivable		**–**	5
Interests in Group entities	22	**6,642**	5,877
Other non-current assets	15	**15**	16
Derivative financial instruments	17	**46**	83
Total non-current assets		**25,059**	21,053
Current assets			
Carried interest and performance fees receivable		**6**	71
Other current assets	15	**3**	9
Derivative financial instruments	17	**91**	82
Cash and cash equivalents		**381**	328
Total current assets		**481**	490
Total assets		**25,540**	21,543
Liabilities			
Non-current liabilities			
Loans and borrowings	16	**(1,194)**	(1,202)
Derivative financial instruments	17	**(4)**	–
Total non-current liabilities		**(1,198)**	(1,202)
Current liabilities			
Trade and other payables	18	**(75)**	(760)
Total current liabilities		**(75)**	(760)
Total liabilities		**(1,273)**	(1,962)
Net assets		**24,267**	19,581
Equity			
Issued capital	19	**719**	719
Share premium		**792**	791
Capital redemption reserve		**43**	43
Share-based payment reserve	26	**35**	42
Capital reserve		**21,947**	17,685
Revenue reserve		**812**	393
Own shares	20	**(81)**	(92)
Total equity		**24,267**	19,581

The Company profit for the year to 31 March 2025 is £5,294 million (2024: £3,844 million).

The Notes to the accounts section forms an integral part of these financial statements.

David Hutchison
Chair
14 May 2025

Company statement of changes in equity

for the year to 31 March

2025	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	791	43	42	17,685	393	(92)	19,581
Profit for the year	–	–	–	–	4,698	596	–	5,294
Total comprehensive income for the year	–	–	–	–	4,698	596	–	5,294
Share-based payments	–	–	–	16	–	–	–	16
Release on exercise/forfeiture of share awards	–	–	–	(23)	–	23	–	–
Exercise of share awards	–	–	–	–	(11)	–	11	–
Ordinary dividends	–	–	–	–	(425)	(200)	–	(625)
Issue of ordinary shares	–	1	–	–	–	–	–	1
Total equity at the end of the year	719	792	43	35	21,947	812	(81)	24,267

1 Refer to Note 19 for the nature of the capital and revenue reserves.

2024	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	790	43	31	14,563	212	(108)	16,250
Profit for the year	–	–	–	–	3,328	516	–	3,844
Total comprehensive income for the year	–	–	–	–	3,328	516	–	3,844
Share-based payments	–	–	–	27	–	–	–	27
Release on exercise/forfeiture of share awards	–	–	–	(16)	–	16	–	–
Exercise of share awards	–	–	–	–	(16)	–	16	–
Ordinary dividends	–	–	–	–	(190)	(351)	–	(541)
Issue of ordinary shares	–	1	–	–	–	–	–	1
Total equity at the end of the year	719	791	43	42	17,685	393	(92)	19,581

1 Refer to Note 19 for the nature of the capital and revenue reserves.

The Notes to the accounts section forms an integral part of these financial statements.

Company cash flow statement

for the year to 31 March

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Purchase of investments		**(150)**	(506)
Proceeds from investments		**1,107**	543
Amounts paid to subsidiaries		**(1,941)**	(1,013)
Amounts received from subsidiaries		**1,039**	788
Dividends from subsidiaries		**142**	50
Net cash flow from derivatives		**113**	69
Portfolio interest received		**6**	5
Portfolio dividends received		**420**	366
Portfolio fees paid		**(1)**	(2)
Carried interest and performance fees received		**25**	46
Co-investment loans (paid)/received		**(34)**	5
Interest received		**14**	8
Other cash income		**–**	2
Net cash flow from operating activities		**740**	361
Cash flow from financing activities			
Issue of shares		**1**	1
Dividends paid	10	**(625)**	(541)
Proceeds from long-term borrowing	16	**–**	422
Interest paid		**(60)**	(40)
Net cash flow from financing activities		**(684)**	(158)
Change in cash and cash equivalents		**56**	203
Cash and cash equivalents at the start of the year		**328**	128
Effect of exchange rate fluctuations		**(3)**	(3)
Cash and cash equivalents at the end of the year		**381**	328

The Notes to the accounts section forms an integral part of these financial statements.

Material accounting policies

Reporting entity

3i Group plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The consolidated financial statements ("the Group accounts") for the year to 31 March 2025 comprise the financial statements of the Company and its consolidated subsidiaries (collectively, "the Group").

The Group accounts have been prepared and approved by the Directors in accordance with section 395 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its Company statement of comprehensive income and related Notes.

A Basis of preparation

The Group and Company accounts have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards. The financial statements are presented to the nearest million sterling (£m), the functional currency of the Company.

The Group and Company did not implement the requirements of any new standards in issue for the year ended 31 March 2025.

The IASB introduced a new IFRS Accounting Standard, IFRS 18 to replace IAS 1 Presentation of Financial Statements. This new standard establishes detailed requirements for classifying and aggregating income and expenses in the income statement, as well as disclosure obligations for management defined performance measures. The standard applies for annual reporting periods beginning on or after 1 January 2027; however, it has not yet been endorsed for use in the UK.

Going concern

These financial statements have been prepared on a going concern basis as disclosed in the Directors' report. The Directors have made an assessment of going concern for a period of at least 12 months from the date of approval of the accounts, taking into account the Group's current performance, financial position and the principal and emerging risks facing the business.

The Directors' assessment of going concern, which takes into account the business model on pages 14 and 15 and the Group's liquidity of £1,323 million, indicates that the Group and parent company will have sufficient funds to continue as a going concern, for at least the next 12 months from the date of approval of the accounts. As detailed within the Financial review on pages 70 to 74 on the Investment basis the Group covers its cash operating expenses of £129 million at 31 March 2025, with cash income generated by our Private Equity and Infrastructure businesses and Scandlines of £598 million at 31 March 2025. The Group's liquidity comprises cash and deposits of £423 million (31 March 2024: £396 million) and an undrawn multi-currency facility of £900 million (31 March 2024: £900 million), which has no financial covenants.

As a proprietary investor, the Group has a long-term, responsible investment approach, and is not subject to external pressure to realise investments before optimum value can be achieved. The Board has the ability to take certain actions to help support the Group in adverse circumstances. Mitigating actions within management control during extended periods of low liquidity include, for example, drawing on the existing RCF or temporarily reducing new investment levels. The Group manages liquidity with the aim of ensuring it is adequate and sufficient, by regular monitoring of investments, realisations, operating expenses and portfolio cash income and there have been no post balance sheet changes that would be materially detrimental to liquidity. The Directors are of the opinion that the Group's cash flow forecast is sufficient to support the Group given the current market, economic conditions and outlook.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company and Group on a going concern basis, and have concluded that the Group has sufficient financial resources, 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 issue of these financial statements.

B Basis of consolidation

In accordance with IFRS 10, the Company meets the criteria as an investment entity and therefore is required to recognise subsidiaries that also qualify as investment entities at fair value through profit or loss. It does not consolidate the investment entities it controls. Subsidiaries that provide investment-related services, such as advisory, management or employment services, are not accounted for at fair value through profit and loss and continue to be consolidated unless those subsidiaries qualify as investment entities, in which case they are recognised at fair value. Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group has all of the following:

- power over the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to affect those returns through its power over the investee.

The Group is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment is accurate.

Subsidiaries are fully consolidated from the date on which the Group effectively obtains control. All intragroup balances and transactions with subsidiaries are eliminated upon consolidation. Subsidiaries are de-consolidated from the date that control ceases.

The Group comprises several different types of subsidiaries. For a new subsidiary, the Group assesses whether it qualifies as an investment entity under IFRS 10, based on the function the entity performs within the Group. For existing subsidiaries, the Group annually reassesses the function performed by each type of subsidiary to determine if the treatment under IFRS 10 exception from consolidation is still appropriate. The types of subsidiaries and their treatment under IFRS 10 are as follows:

General Partners ("GPs") – Consolidated

General Partners provide investment management services and do not hold any direct investments in portfolio assets. These entities are not investment entities.

Investment managers/advisers – Consolidated

These entities provide investment-related services through the provision of investment management or advice. They do not hold any direct investments in portfolio assets. These entities are not investment entities.

Holding companies of investment managers/advisers – Consolidated

These entities provide investment-related services through their subsidiaries. Typically they do not hold any direct investment in portfolio assets and these entities are not investment entities.

Limited partnerships and other intermediate investment holding structures – Fair valued

The Group makes investments in portfolio assets through its ultimate parent company, as well as through other limited partnerships and corporate subsidiaries, which the Group has created to align the interests of the investment teams with the performance of the assets, through the use of various carried interest schemes. The purpose of these limited partnerships and corporate holding vehicles, many of which also provide investment-related services, is to invest for investment income and capital appreciation. These partnerships and corporate subsidiaries meet the definition of an investment entity and are accounted for at fair value through profit and loss.

Portfolio investments – Fair valued

Under IFRS 10, the test for accounting subsidiaries takes wider factors of control as well as actual equity ownership into account. In accordance with the investment entity exception, these entities have been held at fair value with movements in fair value being recognised in profit or loss.

Associates – Fair valued

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the Consolidated statement of financial position at fair value even though the Group may have significant influence over those companies.

Further detail on our application of IFRS 10 can be found in the Reconciliation of Investment basis to IFRS section.

C Critical accounting judgements and estimates

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underpin the preparation of its financial statements. UK company law and IFRS require the Directors, in preparing the Group's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated.

(a) Critical judgements

In the course of preparing the financial statements, one judgement has been made in the process of applying the Group's accounting policies, other than those involving estimations, that has had a significant effect on the amounts recognised in the financial statements as follows:

I. Assessment as an investment entity

The Board has concluded that the Company continues to meet the definition of an investment entity, as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

(b) Critical estimates

In addition to these significant judgements, the Directors have made one estimate, which they deem to have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements within the next financial year. The detail of this estimate is as follows:

I. Fair valuation of the investment portfolio

The investment portfolio, a material group of assets of the Group, is held at fair value. Details of valuation methodologies used and the associated sensitivities are disclosed in Note 13 Fair values of assets and liabilities in this document. Given the importance of this area, the Board has a separate Valuations Committee to review the valuations policies, process and application to individual investments. A report on the activities of the Valuations Committee (including a review of the assumptions made) is included in the Valuations Committee report on pages 130 to 134.

In the comparative year carried interest payable was a critical estimate. Following the payment of £521 million of carried interest this year and the sensitivity being immaterial, carried interest payable is no longer considered a critical estimate for the year to 31 March 2025.

D Other accounting policies

(a) Gross investment return

Gross investment return is equivalent to "revenue" for the purposes of IAS 1. It represents the overall increase in net assets from the investment portfolio net of deal-related costs and includes foreign exchange movements in respect of the investment portfolio. The substantial majority is investment income and outside the scope of IFRS 15. It is analysed into the following components with the relevant standard shown where appropriate:

i. Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received in accordance with IFRS 13 less any directly attributable costs, on the sale of equity and the repayment of interest income from the investment portfolio, and its carrying value at the start of the accounting period, converted into sterling using the exchange rates in force at the date of disposal. See Note 2 for more details.

ii. Unrealised profits or losses on the revaluation of investments are the movement in the fair value of investments in accordance with IFRS 13 between the start and end of the accounting period converted into sterling using the exchange rates in force at the date of fair value assessment. See Note 3 for more details.

iii. Fair value movements on investment entity subsidiaries are the movements in the fair value of Group subsidiaries which are classified as investment entities under IFRS 10. The Group makes investments in portfolio assets through these entities which are usually limited partnerships or corporate subsidiaries. See Note 12 for more details.

iv. Portfolio 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 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 profit or loss when the shareholders' rights to receive payment is established;
- Interest income from the investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value; and
- The accounting policy for fee income is included in Note 4.

v. Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company, being sterling. Investments are translated at the exchange rate ruling at the date of the transaction in accordance with IAS 21. At each subsequent reporting date, investments are translated to sterling at the exchange rate ruling at that date.

vi. Movement in the fair value of derivatives relates to the change in fair value of forward foreign exchange contracts which have been used to minimise foreign currency risk in the investment portfolio. See Note 17 for more details.

(b) Foreign currency translation

For the Company and those subsidiaries and associates whose balance sheets are denominated in sterling, which is the Company's functional and presentational currency, monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into sterling at the average rates of exchange over the year and exchange differences arising are taken to profit or loss.

The statements of financial position of subsidiaries, which are not held at fair value, denominated in foreign currencies are translated into sterling at the closing rates. The statements of comprehensive income for these subsidiaries and associates are translated at the average rates and exchange differences arising are taken to other comprehensive income. Such exchange differences are reclassified to profit or loss in the period in which the subsidiary or associate is disposed of.

(c) Treasury assets and liabilities

Short-term treasury assets, and short and long-term treasury liabilities are used in order to manage cash flows.

Cash and cash equivalents comprise cash at bank and amounts held in money market funds which are readily convertible into cash and there is an insignificant risk of changes in value. Financial assets and liabilities are recognised in the balance sheet when the relevant Group entity becomes a party to the contractual provisions of the instrument. Derecognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Notes to the accounts

1 Segmental analysis

Operating segments are the components of the Group whose results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Chief Executive, who is considered to be the chief operating decision maker, managed the Group on the basis of business divisions determined with reference to market focus, geographic focus, investment funding model and the Group's management hierarchy. A description of the activities, including returns generated by these divisions and the allocation of resources, is given in the Strategic report. For the geographical segmental split, revenue information is based on the locations of the assets held. To aid the readers' understanding we have split out Action, Private Equity's largest asset, into a separate column. Action is not regarded as a reported segment as the chief operating decision maker reviews performance, makes decisions and allocates resources to the Private Equity segment, which includes Action.

The segmental information that follows is presented on the basis used by the Chief Executive to monitor the performance of the Group. The reported segments are Private Equity, Infrastructure and Scandlines.

The segmental analysis is prepared on the Investment basis. The Investment basis is an APM and we believe it provides a more understandable view of performance. For more information on the Investment basis and a reconciliation between the Investment basis and IFRS, see pages 75 to 78.

Investment basis **Year to 31 March 2025**	**Private Equity £m**	*Of which Action £m*	**Infrastructure £m**	**Scandlines £m**	**Total[3] £m**
Realised profits over value on the disposal of investments	**50**	*–*	**1**	**–**	**51**
Unrealised profits on the revaluation of investments	**4,803**	*4,324*	**17**	**19**	**4,839**
Portfolio income					
Dividends	**450**	*433*	**37**	**22**	**509**
Interest income from investment portfolio	**69**	*–*	**12**	**–**	**81**
Fees receivable	**14**	*5*	**(4)**	**–**	**10**
Foreign exchange on investments	**(340)**	*(255)*	**(11)**	**(10)**	**(361)**
Movement in the fair value of derivatives	**67**	*44*	**–**	**15**	**82**
Gross investment return	**5,113**	*4,551*	**52**	**46**	**5,211**
Fees receivable from external funds	**3**		**61**	**–**	**64**
Operating expenses	**(98)**		**(49)**	**(3)**	**(150)**
Interest receivable					**18**
Interest payable					**(65)**
Exchange movements					**20**
Operating profit before carried interest					**5,098**
Carried interest					
Carried interest and performance fees receivable	**–**		**29**	**–**	**29**
Carried interest and performance fees payable	**(70)**		**(11)**	**–**	**(81)**
Operating profit before tax					**5,046**
Tax charge					**(1)**
Profit for the year					**5,045**
Other comprehensive income					
Re-measurements of defined benefit plans					**4**
Total return					**5,049**
Realisations[1]	**1,827**	*1,164*	**10**	**–**	**1,837**
Cash investment	**(1,177)**	*(768)*	**(4)**	**(1)**	**(1,182)**
Net divestment/(investment)	**650**	*396*	**6**	**(1)**	**655**
Balance sheet					
Opening portfolio value at 1 April 2024	**19,629**	*14,158*	**1,488**	**519**	**21,636**
Investment[2]	**1,318**	*768*	**4**	**1**	**1,323**
Value disposed	**(1,777)**	*(1,164)*	**(9)**	**–**	**(1,786)**
Unrealised value movement	**4,803**	*4,324*	**17**	**19**	**4,839**
Foreign exchange and other movements	**(415)**	*(255)*	**(8)**	**(10)**	**(433)**
Closing portfolio value at 31 March 2025	**23,558**	*17,831*	**1,492**	**529**	**25,579**

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £1,827 million of realised proceeds, of which £1 million related to withholding tax. In addition, £5 million of cash proceeds were received, which had been recognised as realised proceeds in FY2024.
2 Includes capitalised interest.
3 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest receivable, interest payable, exchange movements, the tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

Notes to the accounts continued

1 Segmental analysis continued

Investment basis Year to 31 March 2024	Private Equity £m	*Of which Action £m*	Infrastructure £m	Scandlines £m	Total[4] £m
Realised losses over value on the disposal of investments	–	*–*	(4)	–	(4)
Unrealised profits/(losses) on the revaluation of investments	3,874	*3,609*	72	(20)	3,926
Portfolio income					
Dividends	439	*377*	35	25	499
Interest income from investment portfolio	80	*–*	11	–	91
Fees receivable	7	*6*	(6)	–	1
Foreign exchange on investments	(437)	*(332)*	(9)	(15)	(461)
Movement in the fair value of derivatives	96	*58*	–	20	116
Gross investment return	4,059	*3,718*	99	10	4,168
Fees receivable from external funds	4		68	–	72
Operating expenses	(92)		(52)	(3)	(147)
Interest receivable					13
Interest payable					(61)
Exchange movements					29
Other income					3
Operating profit before carried interest					4,077
Carried interest					
Carried interest and performance fees receivable	–		62	–	62
Carried interest and performance fees payable	(262)		(43)	–	(305)
Operating profit before tax					3,834
Tax charge					(2)
Profit for the year					3,832
Other comprehensive income					
Re-measurements of defined benefit plans					7
Total return					3,839
Realisations[1]	866	*762*	22	–	888
Cash investment[2]	(556)	*(455)*	(36)	(1)	(593)
Net divestment/(investment)	310	*307*	(14)	(1)	295
Balance sheet					
Opening portfolio value at 1 April 2023	16,425	*11,188*	1,409	554	18,388
Investment[3]	683	*455*	36	1	720
Value disposed	(866)	*(762)*	(26)	–	(892)
Unrealised value movement	3,874	*3,609*	72	(20)	3,926
Foreign exchange and other movements	(487)	*(332)*	(3)	(16)	(506)
Closing portfolio value at 31 March 2024	19,629	*14,158*	1,488	519	21,636

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £866 million of realised proceeds, of which £5 million relates to withholding tax.
2 Cash investment per the segmental analysis is different to cash investment per the cash flow due to a £10 million investment in Private Equity which was recognised in FY2023 and paid in FY2024.
3 Includes capitalised interest.
4 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest receivable, interest payable, exchange movements, other income, the tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

Notes to the accounts continued

1 Segmental analysis continued

Investment basis Year to 31 March 2025	Europe £m	North America £m	Other £m	Total £m
Realised profits over value on the disposal of investments	50	1	–	51
Unrealised profits/(losses) on the revaluation of investments	4,853	(11)	(3)	4,839
Portfolio income	588	13	(1)	600
Foreign exchange on investments	(316)	(44)	(1)	(361)
Movement in fair value of derivatives	65	17	–	82
Gross investment return	5,240	(24)	(5)	5,211
Realisations	1,826	11	–	1,837
Cash investment	(1,118)	(64)	–	(1,182)
Net divestment/(investment)	708	(53)	–	655
Balance sheet				
Closing portfolio value at 31 March 2025	23,431	2,126	22	25,579

Investment basis Year to 31 March 2024	Europe £m	North America £m	Other £m	Total £m
Realised losses over value on the disposal of investments	(1)	(3)	–	(4)
Unrealised profits on the revaluation of investments	3,919	7	–	3,926
Portfolio income	579	12	–	591
Foreign exchange on investments	(416)	(44)	(1)	(461)
Movement in fair value of derivatives	88	28	–	116
Gross investment return	4,169	–	(1)	4,168
Realisations	865	22	1	888
Cash investment	(532)	(61)	–	(593)
Net divestment/(investment)	333	(39)	1	295
Balance sheet				
Closing portfolio value at 31 March 2024	19,485	2,124	27	21,636

2 Realised profits over value on the disposal of investments

	2025 Unquoted investments	Total £m
Realisations	1,107	1,107
Valuation of disposed investments	(1,102)	(1,102)
	5	5
Of which:		
– profits recognised on realisations	6	6
– losses recognised on realisations	(1)	(1)
	5	5

	2024 Unquoted investments	Total £m
Realisations	543	543
Valuation of disposed investments	(542)	(542)
	1	1
Of which:		
– profits recognised on realisations	1	1
	1	1

3 Unrealised profits on the revaluation of investments

	2025 Unquoted investments £m	2025 Quoted investments £m	Total £m
Movement in the fair value of investments	**3,835**	**(23)**	**3,812**
Of which:			
– unrealised profits	**3,881**	**–**	**3,881**
– unrealised losses	**(46)**	**(23)**	**(69)**
	3,835	**(23)**	**3,812**

	2024 Unquoted investments £m	2024 Quoted investments £m	Total £m
Movement in the fair value of investments	2,704	38	2,742
Of which:			
– unrealised profits	2,896	38	2,934
– unrealised losses	(192)	–	(192)
	2,704	38	2,742

4 Revenue

Accounting policy:

The following items from the Consolidated statement of comprehensive income fall within the scope of IFRS 15:

Fees receivable are earned for providing services to 3i's portfolio companies, which predominantly fall into one of two categories:

1 Negotiation and other transaction fees are earned for providing services relating to a specific transaction, such as when a portfolio company is bought, sold or refinanced. These fees are generally of a fixed nature and the revenue is recognised in full at the point of transaction completion.

2 Monitoring and other ongoing service fees are earned for providing a range of services to a portfolio company over a period of time. These fees are generally of a fixed nature and the revenue is recognised evenly over the period, in line with the services provided.

Fees receivable from external funds are earned for providing management and advisory services to a variety of fund partnerships and other entities. Fees are typically calculated as a percentage of the cost or value of the assets managed during the year and are paid quarterly, based on the assets under management at that date. The revenue is recognised evenly over the period, in line with the services provided.

Carried interest and performance fees receivable are earned from funds which the Group manages on behalf of third parties. These profits are earned when the funds meet certain performance conditions and are paid by the fund when these conditions have been met on a cash basis.

Items from the Consolidated statement of comprehensive income which fall within the scope of IFRS 15 are included in the table below:

Year to 31 March 2025	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
Europe	**17**	**85**	**102**
North America	**2**	**2**	**4**
Total	**19**	**87**	**106**
Revenue by type			
Fees receivable[2]	**16**	**(3)**	**13**
Fees receivable from external funds	**3**	**61**	**64**
Carried interest and performance fees receivable[3]	**–**	**29**	**29**
Total	**19**	**87**	**106**

1 For fees receivable from external funds and carried interest and performance fees receivable the geography is based on the domicile of the fund.
2 Fees receivable and carried interest receivable above are different to the Investment basis figures included in Note 1. This is due to the fact that Note 1 is disclosed on the Investment basis and the table above is shown on the IFRS basis. For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

4 Revenue continued

Year to 31 March 2024	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
Europe	11	120	131
North America	2	4	6
Total	13	124	137
Revenue by type			
Fees receivable[2]	9	(6)	3
Fees receivable from external funds	4	68	72
Carried interest and performance fees receivable[3]	–	62	62
Total	13	124	137

1 For fees receivable from external funds and carried interest and performance fees receivable the geography is based on the domicile of the fund.
2 Fees receivable and carried interest receivable above are different to the Investment basis figures included in Note 1. This is due to the fact that Note 1 is disclosed on the Investment basis and the table above is shown on the IFRS basis. For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

Consolidated statement of financial position

As at 31 March 2025, other current assets in the Consolidated statement of financial position include balances relating to fees receivable from portfolio and fees receivable from external funds of £8 million and nil respectively (31 March 2024: £5 million and £1 million respectively). These are different to the balances included in the Investment basis Consolidated statement of financial position.
For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

5 Operating expenses

Operating expenses of £149 million (2024: £146 million) recognised in the IFRS Consolidated statement of comprehensive income, include the following amounts:

	2025 £m	2024 £m
Depreciation of property, plant and equipment	**2**	2
Depreciation of right of use assets	**9**	5
Amortisation of intangible assets	**1**	1
Audit fees (Note 7)	**3**	3
Staff costs (Note 6)	**104**	102
Redundancy costs	**2**	2

Including expenses incurred in the entities accounted for as investment entity subsidiaries of £1 million (2024: £1 million), the Group's total operating expenses on the Investment basis for the year were £150 million (2024: £147 million).

6 Staff costs

The table below is prepared in accordance with Companies Act requirements, which is consistent with both the IFRS and the Investment basis.

	2025 £m	2024 £m
Wages and salaries	**71**	74
Social security costs	**17**	15
Share-based payment costs (Note 26)	**12**	9
Pension costs	**4**	4
Total staff costs	**104**	102

The average number of employees during the year was 226 (2024: 246), of which 146 (2024: 158) were employed in the UK.

6 Staff costs continued

Wages and salaries shown above include salaries paid in the year, as well as bonuses and portfolio incentive schemes relating to the year ended 31 March 2025. These costs are included in operating expenses. The table below analyses these costs between fixed and variable elements.

	2025 £m	2024 £m
Fixed staff costs	**48**	48
Variable staff costs[1]	**56**	54
Total staff costs	**104**	102

1 Includes cash bonuses and equity and cash-settled share awards.

For more detail on staff costs for Directors refer to the disclosures labelled as audited included in the Directors' remuneration report on pages 135 to 147.

7 Information regarding the Group's Auditor

During the year, the Group received the following services from its External auditor, KPMG LLP. The table below is prepared in accordance with Companies Act requirements, which is consistent with both the IFRS and the Investment basis.

		2025 £m	2024 £m
Audit services			
Statutory audit	– Company	**1.8**	1.8
	– UK subsidiaries	**0.7**	0.8
	– Overseas subsidiaries	**0.4**	0.5
Total audit services		**2.9**	3.1
Non-audit services			
Other assurance services		**0.4**	0.4
Total audit and non-audit services		**3.3**	3.5

8 Tax

Accounting policy:

Tax represents the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the Consolidated 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 Consolidated 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.

The affairs of the Group's parent company 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. An approved investment trust company is a UK investment company which is required to meet certain conditions set out in the UK tax rules to obtain and maintain its tax status. This approval allows certain investment profits of the Company, broadly its capital profits, to be exempt from tax, including Pillar 2 top-up tax, in the UK.

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. The deferred tax assets and liabilities have been calculated using the corporation tax rate in the UK of 25% (2024: 25%).

IFRIC 23 has been applied to the recognition and measurement of uncertain tax provisions held at the year end. There were no material uncertain tax positions arising during the year or at the year end.

The Group is within the scope of the OECD Pillar 2 model rules. The United Kingdom, the jurisdiction in which the ultimate parent company of the Group is tax resident, has enacted the Pillar 2 legislation. Under the Pillar 2 legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group's key business operations are not based in low tax jurisdictions and the application of the Pillar 2 rules is not anticipated to have a material impact on the Group.

8 Tax continued

	2025 £m	2024 £m
Current taxes		
Current year:		
UK	**1**	3
Overseas	**1**	1
Prior year:		
UK	**(1)**	(1)
Overseas	**–**	(1)
Deferred taxes		
Current year	**–**	–
Total tax charge in the Consolidated statement of comprehensive income	**1**	2

Reconciliation of tax in the Consolidated statement of comprehensive income

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

	2025 £m	2024 £m
Profit before tax	**5,039**	3,838
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	**1,260**	960
Effects of:		
Non-taxable capital profits due to UK-approved investment trust company status	**(1,139)**	(838)
Non-taxable dividend income	**(122)**	(120)
	(1)	2
Other differences between accounting and tax profits:		
Permanent differences – non-deductible items	**2**	2
Temporary differences on which deferred tax is not recognised	**(6)**	2
Overseas countries' taxes	**1**	1
Tax losses carried forward/(utilised) on which deferred tax not recognised	**6**	(3)
Prior year tax credits	**(1)**	(2)
Total income tax charge in the Consolidated statement of comprehensive income	**1**	2

Including a net tax charge of nil (2024: nil) in investment entity subsidiaries, the Group recognised a total tax charge of £1 million (2024: £2 million) under the Investment basis.

Deferred income taxes

	2025 £m	2024 £m
Opening deferred income tax asset/(liability)		
Tax losses	**1**	1
Income in accounts taxable in the future	**(2)**	(2)
	(1)	(1)
Recognised through Consolidated statement of comprehensive income		
Tax losses recognised	**–**	–
Income in accounts taxable in the future	**–**	–
	–	–
Closing deferred income tax asset/(liability)		
Tax losses	**1**	1
Income in accounts taxable in the future	**(2)**	(2)
	(1)	(1)

8 Tax continued

At 31 March 2025, the Group had carried forward tax losses of £1,382 million (31 March 2024: £1,371 million), capital losses of £77 million (31 March 2024: £87 million) and other deductible temporary differences of £82 million (31 March 2024: £86 million). With the additional restrictions on utilising brought forward losses introduced from 1 April 2017, and the uncertainty that the Group will generate sufficient or relevant taxable profits not covered by the Investment Trust exemption in the foreseeable future to utilise these amounts, no deferred tax asset has been recognised in respect of these losses. Deferred tax assets and liabilities have been calculated using the corporation tax rate in the UK of 25% (2024: 25%).

In addition, the Group has long-standing carried forward tax losses of £181 million (31 March 2024: £186 million) and other deductible temporary differences of £2 million (31 March 2024: £3 million) in overseas territories, being Germany, US, France and Luxembourg, disclosed and agreed with local tax authorities, for which no deferred asset has been recognised.

9 Per share information

The calculation of basic net assets per share is based on the net assets and the number of shares in issue at the year end. When calculating the diluted net assets per share, the number of shares in issue is adjusted for the effect of all dilutive share awards. Dilutive share awards are equity awards with performance conditions attached, see Note 26 Share-based payments for further details.

	2025	2024
Net assets per share (£)		
Basic	**25.49**	20.92
Diluted	**25.42**	20.85
Net assets (£m)		
Net assets attributable to equity holders of the Company	**24,611**	20,170

	2025	2024
Number of shares in issue		
Ordinary shares	**973,398,978**	973,366,445
Own shares	**(7,979,305)**	(8,997,664)
	965,419,673	964,368,781
Effect of dilutive potential ordinary shares		
Share awards	**2,665,677**	3,104,739
Diluted shares	**968,085,350**	967,473,520

The calculation of basic earnings per share is based on the profit attributable to shareholders and the weighted average number of shares in issue. The weighted average shares in issue for the year to 31 March 2025 are 965,214,237 (2024: 964,007,876). When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share awards. The diluted weighted average shares in issue for the year to 31 March 2025 are 967,799,507 (2024: 966,901,059).

	2025	2024
Earnings per share (pence)		
Basic	**522.0**	397.9
Diluted	**520.6**	396.7
Earnings (£m)		
Profit for the year attributable to equity holders of the Company	**5,038**	3,836

10 Dividends

	2025 pence per share	**2025 £m**	2024 pence per share	2024 £m
Declared and paid during the year				
Ordinary shares				
Second dividend	**34.50**	**332**	29.75	286
First dividend	**30.50**	**293**	26.50	255
	65.00	**625**	56.25	541
Proposed dividend	**42.50**	**408**	34.50	332

The Group introduced a simplified dividend policy in May 2018. In accordance with this policy, subject to maintaining a conservative balance sheet approach, the Group aims to maintain or grow the dividend each year. The first dividend has been set at 50% of the prior year's total dividend.

10 Dividends continued

The dividend can be paid out of either the capital reserve or the revenue reserve subject to the investment trust rules, see Note 19 and the statement of changes in equity for details of reserves.

The distributable reserves of the Company are £10,488 million (31 March 2024: £8,282 million) and the Board reviews the distributable reserves bi-annually, including consideration of any material changes since the most recent audited accounts, ahead of proposing any dividend. The Board also reviews the proposed dividends in the context of the requirements of being an approved investment trust. Shareholders are given the opportunity to approve the total dividend for the year at the Company's Annual General Meeting. Details of the Group's continuing viability and going concern can be found in the Risk management section.

11 Investment portfolio

Accounting policy:

Investments are recognised and derecognised on the date when their purchase or sale is subject to a relevant contract and the associated risks and rewards have been transferred. The Group manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of investments.

All investments are initially recognised at the fair value of the consideration given and are subsequently measured at fair value, in accordance with the Group's valuation policies.

Quoted investments are accounted for at fair value through profit and loss. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equity and loans, are accounted for at fair value through profit and loss. Fair value is determined in line with 3i's valuation policy, which is compliant with the fair value guidelines under IFRS and the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, details of which are available in "Valuations Committee report" on pages 130 to 134.

Interest bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan the Group recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction made where loan notes have nil value.

In accordance with IFRS 10, the proportion of the investment portfolio held by the Group's unconsolidated subsidiaries is presented as part of the fair value of investment entity subsidiaries, along with the fair value of their other assets and liabilities.

A reconciliation of the fair value of Investments in investment entities is included in Note 12.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Opening fair value	**15,072**	9,518	**15,072**	9,518
Additions	**819**	3,596	**819**	3,596
– of which loan notes with nil value	**(9)**	(6)	**(9)**	(6)
Disposals, repayments and write-offs	**(1,102)**	(542)	**(1,102)**	(542)
Fair value movement[1]	**3,812**	2,742	**3,812**	2,742
Other movements[2]	**(236)**	(236)	**(236)**	(236)
Closing fair value	**18,356**	15,072	**18,356**	15,072
Quoted investments	**856**	879	**856**	879
Unquoted investments	**17,500**	14,193	**17,500**	14,193
Closing fair value	**18,356**	15,072	**18,356**	15,072

1 All fair value movements relate to assets held at the end of the year and are recognised in unrealised profits on the revaluation of investments.
2 Other movements include the impact of foreign exchange and accrued interest.

3i's investment portfolio is made up of longer-term investments, with average holding periods greater than one year, and thus is classified as non-current.

The table on the next page reconciles between purchase of investments in the cash flow statement and additions as disclosed in the table above.

11 Investment portfolio continued

	2025 £m	2024 £m
Purchase of investments	**150**	506
Transfer of portfolio investments from investment entity subsidiaries[1]	**1,371**	3,068
Transfer of portfolio investments to investment entity subsidiaries[2]	**(730)**	–
Investment paid	**–**	(2)
Investment	**791**	3,572
Capitalised interest received by way of loan notes	**28**	24
Additions	**819**	3,596

1 Includes £1,371 million (31 March 2024: £2,770 million) related to Action. See Note 12 for further details.
2 Includes £593 million (31 March 2024: nil) related to Action. See Note 12 for further details.

Included within profit or loss is £29 million (2024: £29 million) of interest income. Interest income included £18 million (2024: £18 million) of accrued income capitalised during the year, £6 million (2024: £5 million) of cash income and £5 million (2024: £6 million) of accrued income remaining uncapitalised at the year end.

Quoted investments are classified as Level 1 and unquoted investments are classified as Level 3 in the fair value hierarchy. See Note 13 for details.

12 Investments in investment entity subsidiaries

Accounting policy:

Investments in investment entity subsidiaries are accounted for as financial instruments at fair value through profit and loss in accordance with IFRS 9.

These entities are typically limited partnerships and other intermediate investment holding structures which hold the Group's interests in investments in portfolio companies. The fair value can increase or decrease from either amounts paid to or received from the investment entity subsidiaries or valuation movements in line with the Group's valuation policy.

Substantially all of these entities meet the definition of a Fund under the IPEV guidelines and the fair value of these entities is their net asset value.

We consider the net asset value of investment entity subsidiaries to be the most appropriate to determine fair value. At each reporting period, we consider whether any additional fair value adjustments need to be made to the net asset value of the investment entity subsidiaries. These adjustments may be required to reflect market participants' considerations about fair value that may include, but are not limited to, liquidity and the portfolio effect of holding multiple investments within the investment entity subsidiary. There was no particular circumstance to indicate that a fair value adjustment was required (31 March 2024: no adjustment required) and, after due consideration, we concluded that the net asset values were the most appropriate reflection of fair value at 31 March 2025.

Level 3 fair value reconciliation – investments in investment entity subsidiaries

Non-current	Group 2025 £m	Group 2024 £m
Opening fair value	**5,804**	7,844
Amounts paid to investment entity subsidiaries	**1,537**	674
Amounts received from investment entity subsidiaries	**(865)**	(580)
Fair value movements on investment entity subsidiaries	**953**	861
Transfer of portfolio investments from investment entity subsidiaries	**(1,371)**	(3,068)
Transfer of portfolio investments to investment entity subsidiaries	**730**	–
Transfer of assets to investment entity subsidiaries	**128**	73
Closing fair value	**6,916**	5,804

Transfer of portfolio investments from investment entity subsidiaries includes the transfer of investment portfolio between investment entity subsidiaries and the Company at fair value. The consideration for these transfers can either be cash or intra-group receivables. During the year, the Company received a transfer of assets of £1,371 million (31 March 2024: £3,068 million) from partnerships which are classified as investment entity subsidiaries, of which £1,371 million (31 March 2024: £2,770 million) related to Action. During the year, the Company transferred assets of £730 million (31 March 2024: nil) to partnerships which are classified as investment entity subsidiaries of which £593 million (31 March 2024: nil) related to Action.

12 Investments in investment entity subsidiaries continued

Restrictions

3i Group plc, the ultimate parent company, receives dividend income from its subsidiaries. There is no restrictive cash (31 March 2024: £21 million) held in investment entity subsidiaries relating to carried interest and performance fees payable.

Support

3i Group plc continues to provide, where necessary, ongoing support to its investment entity subsidiaries for the purchase of portfolio investments. The Group's current commitments are disclosed in Note 23.

13 Fair values of assets and liabilities

Accounting policy:

Financial instruments are initially classified at either amortised cost or fair value through profit or loss. Financial instruments classified at fair value through profit or loss are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in profit or loss in the Statement of comprehensive income. Financial instruments classified at amortised cost are subsequently measured at amortised cost using the effective interest method with interest income or expense and foreign exchange gains and losses recognised in profit or loss in the Statement of comprehensive income.

(A) Classification

The following tables analyse the Group's assets and liabilities in accordance with the categories of financial instruments in IFRS 9:

	Group 2025 Classified at fair value through profit and loss £m	**Group 2025 Other financial instruments at amortised cost £m**	**Group 2025 Total £m**	Group 2024 Classified at fair value through profit and loss £m	Group 2024 Other financial instruments at amortised cost £m	Group 2024 Total £m
Assets						
Quoted investments	**856**	**–**	**856**	879	–	879
Unquoted investments	**17,500**	**–**	**17,500**	14,193	–	14,193
Investments in investment entities	**6,916**	**–**	**6,916**	5,804	–	5,804
Other financial assets	**155**	**91**	**246**	182	106	288
Total	**25,427**	**91**	**25,518**	21,058	106	21,164
Liabilities						
Loans and borrowings	**–**	**1,194**	**1,194**	–	1,202	1,202
Other financial liabilities	**4**	**225**	**229**	–	242	242
Total	**4**	**1,419**	**1,423**	–	1,444	1,444

	Company 2025 Classified at fair value through profit and loss £m	**Company 2025 Other financial instruments at amortised cost £m**	**Company 2025 Total £m**	Company 2024 Classified at fair value through profit and loss £m	Company 2024 Other financial instruments at amortised cost £m	Company 2024 Total £m
Assets						
Quoted investments	**856**	**–**	**856**	879	–	879
Unquoted investments	**17,500**	**–**	**17,500**	14,193	–	14,193
Other financial assets	**143**	**18**	**161**	170	96	266
Total	**18,499**	**18**	**18,517**	15,242	96	15,338
Liabilities						
Loans and borrowings	**–**	**1,194**	**1,194**	–	1,202	1,202
Other financial liabilities	**4**	**75**	**79**	–	760	760
Total	**4**	**1,269**	**1,273**	–	1,962	1,962

Within the Company, Interests in Group entities of £6,642 million (31 March 2024: £5,877 million) includes £6,385 million (31 March 2024: £5,862 million) held at fair value and £257 million (31 March 2024: £15 million) held at cost less impairment.

13 Fair values of assets and liabilities continued

(B) Valuation

The fair values of the Group's financial assets and liabilities not held at fair value, are not materially different from their carrying values, with the exception of loans and borrowings. The fair value of the loans and borrowings is £1,115 million (31 March 2024: £1,166 million), determined with reference to their published market prices. The carrying value of the loans and borrowings is £1,194 million (31 March 2024: £1,202 million) and accrued interest payable (included within trade and other payables) is £29 million (31 March 2024: £29 million).

Valuation hierarchy

The Group classifies financial instruments measured at fair value according to the following hierarchy:

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

Unquoted equity instruments and debt instruments 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 equity instruments can be found on page 179.

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy at 31 March 2025:

	Group 2025 Level 1 £m	**Group 2025 Level 2 £m**	**Group 2025 Level 3 £m**	**Group 2025 Total £m**	Group 2024 Level 1 £m	Group 2024 Level 2 £m	Group 2024 Level 3 £m	Group 2024 Total £m
Assets								
Quoted investments	**856**	**–**	**–**	**856**	879	–	–	879
Unquoted investments	**–**	**–**	**17,500**	**17,500**	–	–	14,193	14,193
Investments in investment entity subsidiaries	**–**	**–**	**6,916**	**6,916**	–	–	5,804	5,804
Other financial assets	**–**	**137**	**18**	**155**	–	165	17	182
Liabilities								
Other financial liabilities	**–**	**(4)**	**–**	**(4)**	–	–	–	–
Total	**856**	**133**	**24,434**	**25,423**	879	165	20,014	21,058

13 Fair values of assets and liabilities continued

We determine that, in the ordinary course of business, the net asset value of an investment entity subsidiary is considered to be the most appropriate to determine fair value. The underlying portfolio is valued under the same methodology as directly held investments, with any other assets or liabilities within investment entity subsidiaries fair valued in accordance with the Group's accounting policies. Note 12 details the Directors' considerations about the fair value of the underlying investment entity subsidiaries.

Movements in the directly held investment portfolio categorised as Level 3 during the year are set out in the table below:

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Opening fair value	**14,193**	8,677	**14,193**	8,677
Additions[1]	**819**	3,596	**819**	3,596
– of which loan notes with nil value	**(9)**	(6)	**(9)**	(6)
Disposals, repayments and write-offs	**(1,102)**	(542)	**(1,102)**	(542)
Fair value movement[2]	**3,835**	2,704	**3,835**	2,704
Other movements[3]	**(236)**	(236)	**(236)**	(236)
Closing fair value	**17,500**	14,193	**17,500**	14,193

1 The table in Note 11 reconciles additions.
2 All fair value movements relate to assets held at the end of the year and are recognised in unrealised profits on the revaluation of investments.
3 Other movements include the impact of foreign exchange and accrued interest.

Unquoted investments valued using Level 3 inputs also had the following impact on profit and loss: realised profits over value on disposal of investments of £5 million (2024: £1 million), dividend income of £380 million (2024: £332 million) and foreign exchange losses of £245 million (2024: £238 million).

Assets move between Level 1 and Level 3 when an unquoted equity investment lists on a quoted market exchange. There were no transfers in or out of Level 3 during the year. In the 12 months to 31 March 2025, one asset changed valuation basis within Level 3, moving from a DCF based valuation to an other basis. Action remains unchanged on an earnings-based valuation. The changes in valuation methodology in the period reflect our view of the most appropriate method to determine the fair value of these assets at 31 March 2025. Further information can be found in the Private Equity and Infrastructure sections of the Business and Financial reviews starting on page 19.

The following table summarises the various valuation methodologies used by the Group to fair value Level 3 instruments, the inputs and the sensitivities applied and the impact of those sensitivities to the unobservable inputs. Overall, our portfolio companies have delivered a strong performance, against a backdrop of a challenging macro-economic and geopolitical conditions, including the recent tariff announcements. These factors have been important considerations in our portfolio valuations at 31 March 2025. As part of our case-by-case review of our portfolio companies the risks and opportunities from climate change are an important consideration in the overall discussion on fair value and where relevant and possible, we embed certain climate-related considerations in the valuations. These risks are adequately captured in the multiple sensitivity. All numbers in the table below are on an Investment basis.

13 Fair values of assets and liabilities continued

Level 3 unquoted investments

Methodology	Description	Inputs	Fair value at 31 March 2025 (£m)	Sensitivity on key unobservable input	Fair value impact of sensitivities (£m)
Earnings (Private Equity)	Most commonly used Private Equity valuation methodology Used for investments which are typically profitable and for which we can determine a set of listed companies and precedent transactions, where relevant, with similar characteristics	Earnings multiples are applied to the earnings of the Company to determine the enterprise value **Earnings multiples** When selecting earnings multiples, we consider: (1) Comparable listed companies current performance and through-the-cycle averages (2) Relevant market transaction multiples (3) Company performance, organic growth and value-accretive add-ons, if any (4) Exit expectations and other company-specific factors For point 1 and 2 of the above we select companies in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus The pre-discount multiple ranges from 7.5x to 20.0x (2024: 7.5x to 20.0x) Other inputs: **Earnings** Reported earnings are adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, adjustments to arrive at maintainable earnings The most common measure is earnings before interest, tax, depreciation and amortisation ("EBITDA") Earnings are usually obtained from portfolio company management accounts to the preceding quarter end, with reference also to forecast earnings and the maintainable view of earnings Action, our largest asset, is valued using run-rate earnings	**22,978** (2024: 18,916)	For the assets valued on an earnings basis, we have applied a 5% sensitivity to the earnings multiple Action is our largest asset, and we have applied a 1.0x sensitivity to its net valuation multiple of 18.5x	**1,361** (2024: 1,103) **(1,361)** (2024: (1,104)) **1,129** (2024: 866) **(1,129)** (2024: (866))
Discounted cash flow (Private Equity/ Infrastructure/ Scandlines)	Appropriate for businesses with long-term stable cash flows, typically in Infrastructure or, alternatively, businesses where DCF is more appropriate in the short term	Long-term cash flows are discounted at a rate which is benchmarked against market data, where possible, or adjusted from the rate at the initial investment based on changes in the risk profile of the investment The range of discount rates used in our DCF valuations is 10.5% to 16.0% (2024: 10.5% to 16.9%)	**1,044** (2024: 1,047)	For the assets valued on a DCF basis, we have applied a 5% sensitivity to the discount rate	**(44)** (2024: (34)) **47** (2024: 36)
NAV (Infrastructure)	Used for investments in unlisted funds	Net asset value reported by the fund manager. The valuation of the underlying portfolio is consistent with IFRS	**121** (2024: 104)	A 5% increase on closing NAV	**6** (2024: 5)
Price of recent investment (Private Equity)	Used for recent investments in unlisted companies	Valued net of negotiation fees	**216** (2024: –)	n/a	n/a
Imminent sale (Private Equity)	Used for assets where a sale has been agreed	A 2.5% discount is applied to expected proceeds	**–** (2024: 377)	n/a	n/a
Other (Private Equity/ Infrastructure)	Used where elements of a business are valued on different bases	Values of separate elements prepared on or triangulated against one of the methodologies listed above	**304** (2024: 246)	A 5% increase in the closing value	**15** (2024: 12)

14 Carried interest and performance fees payable

Accounting policy:

The Group offers investment executives the opportunity to participate in the returns from investments subject to certain performance conditions. "Carried interest and performance fees payable" is the term used for amounts payable to executives on these investment-related transactions.

A variety of asset pooling arrangements are in place so that participants may have an interest in one or more carried interest plans and participants include current and former investment participants. Carried interest payable is accrued if its performance conditions, measured at the balance sheet date, would be achieved if the remaining assets in that plan were realised at fair value. An accrual is made equal to the participants' share of profits in excess of the performance conditions in place in the carried interest plan, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

The Infrastructure performance fee payable is accrued based on the expected award. A significant proportion of the amount awarded is deferred over time and may be granted in 3i Group plc shares. This is recognised over the vesting period in line with the requirements of IFRS 2 or IAS 19, depending on the type of award.

Under IFRS 10, where carried interest payable reduces the fair value of an investment entity subsidiary, that movement is recorded through "Fair value movements on investment entity subsidiaries". At 31 March 2025, £319 million of carried interest payable was recognised in the Consolidated statement of financial position of these investment entity subsidiaries (31 March 2024: £764 million).

	Group 2025 £m	Group 2024 £m
Opening carried interest and performance fees payable	**54**	77
Carried interest and performance fees payable recognised in profit and loss during the year	**14**	51
Cash paid in the year	**(23)**	(53)
Other movements[1]	**(4)**	(21)
Closing carried interest and performance fees payable	**41**	54
Of which: payable in greater than one year	**29**	30

1 Other movements include the impact of foreign exchange and a transfer from trade and other payables.

The carry payable expense in the table above includes a £9 million (2024: £23 million) charge arising from Infrastructure share-based payment carry related schemes. The charge includes £4 million (2024: £16 million) of equity awards and £1 million (2024: £1 million) of cash-settled awards, see Note 26 Share-based payments for further details and £4 million (2024: £6 million) of social security cost.

A 5% increase in the valuation of all individual assets in the underlying investment portfolio held by investment entity subsidiaries would result in a £20 million increase in carried interest and performance fees payable (31 March 2024: £41 million).

A 5% decrease in the valuation of all individual assets in the underlying investment portfolio held by investment entity subsidiaries would result in a £20 million decrease in carried interest and performance fees payable (31 March 2024: £41 million).

15 Other assets

Accounting policy:

Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. Financial assets are recognised at amortised cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses ("ECLs") on initial recognition. Any ECLs are recognised directly in profit and loss, with any subsequent reversals recognised in the same location.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Prepayments	**3**	4	**–**	–
Other debtors	**73**	71	**18**	25
Total other assets	**76**	75	**18**	25
Of which: receivable in greater than one year	**27**	28	**15**	16

At 31 March 2025, no ECLs have been recognised against other assets as they are negligible (31 March 2024: nil).

16 Loans and borrowings

Accounting policy:

All loans and borrowings are initially recognised at the fair value of the consideration received. After initial recognition, these 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. Financial liabilities are derecognised when they are extinguished.

	Group 2025 £m	Group 2024 £m
Loans and borrowings are repayable as follows:		
Within one year	**–**	–
Between the second and fifth year	**419**	–
After five years	**775**	1,202
	1,194	1,202

Principal borrowings include:

	Rate	Maturity	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Fixed rate						
€500 million notes (public issue)	4.875%	2029	**419**	427	**419**	427
£375 million notes (public issue)	5.750%	2032	**375**	375	**375**	375
£400 million notes (public issue)	3.750%	2040	**400**	400	**400**	400
			1,194	1,202	**1,194**	1,202
Committed multi-currency facilities: Revolving Credit Facility (RCF)						
£400 million tranche	SONIA+0.75%	2026	**–**	–	**–**	–
£500 million tranche	SONIA+0.50%	2027	**–**	–	**–**	–
Total loans and borrowings			**1,194**	1,202	**1,194**	1,202

All of the Group's borrowings are repayable in one instalment on the respective maturity dates. None of the Group's interest-bearing loans and borrowings are secured on the assets of the Group. The fair value of the loans and borrowings is £1,115 million (31 March 2024: £1,166 million), determined with reference to their published market prices. The interest payable for loans and borrowings recognised within profit and loss is £63 million (2024: £60 million) and the interest paid for loans and borrowings recognised within the Consolidated cash flow statement is £60 million (2024: £40 million).

In accordance with the FCA's Investment Funds sourcebook (FUNDS 3.2.2R and Fund 3.2.6R), 3i Investments plc, as AIFM of the Company, is required to calculate leverage and disclose this to investors. The leverage is calculated using the gross method and commitment method. Gross method calculates the overall exposure over the net asset value whereas the commitment method calculates the net exposure over the net asset value. Leverage at 31 March 2025 for the Group is 110% (31 March 2024: 118%) and the Company is 107% (31 March 2024: 116%) under both the gross method and the commitment method. The leverage for 3i Investments plc at 31 March 2025 is 100% (31 March 2024: 100%) under both the gross method and the commitment method.

Under the Securities Financing Transactions Regulation and the FCA's Investment Funds sourcebook (FUNDS 3.2.4A), 3i is required to disclose certain information relating to the use of securities financing transactions ("SFTs") and total return swaps. At 31 March 2025, 3i was not party to any transactions involving SFTs or total return swaps.

16 Loans and borrowings continued

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities are classified as follows:

	Loans and borrowings 2025 £m	Lease liability 2025 £m	Loans and borrowings 2024 £m	Lease liability 2024 £m
Opening liability	**1,202**	**49**	775	10
Additions	**–**	**–**	422	44
Interest	**–**	**2**	–	1
Repayments	**–**	**(6)**	–	(6)
Exchange movements	**(8)**	**–**	5	–
Closing liability	**1,194**	**45**	1,202	49

17 Derivatives

Accounting policy:

Derivative financial instruments are accounted for at fair value through profit and loss in accordance with IFRS 9. They are revalued at the balance sheet date based on market prices, with any change in fair value being recorded in profit and loss. Derivatives are recognised in the Consolidated statement of financial position as a financial asset when their fair value is positive and as a financial liability when their fair value is negative. Derivative contracts are disclosed in the Consolidated statement of financial position as either current or non-current according to their maturity profile. The Group's derivative financial instruments are not designated as hedging instruments.

Statement of comprehensive income	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Movement in the fair value of derivatives	**82**	116	**82**	116

Statement of financial position	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Non-current assets				
Forward foreign exchange contracts	**46**	83	**46**	83
Current assets				
Forward foreign exchange contracts	**91**	82	**91**	82
Non-current liabilities				
Forward foreign exchange contracts	**(4)**	–	**(4)**	–
Current liabilities				
Forward foreign exchange contracts	**–**	–	**–**	–

The Group uses forward foreign exchange contracts to mitigate the effect of fluctuations arising from movements in exchange rates in the value of the Group's investments in euro and US dollar. As at 31 March 2025, the notional amount of these forward foreign exchange contracts held by the Company was €2.6 billion (31 March 2024: €2.6 billion) and $1.2 billion (31 March 2024: $1.2 billion). In April 2025, we completed a further €400 million of forward foreign exchange contracts to increase the notional value of the Group's euro foreign exchange hedging programme to €3.0 billion, reflecting increases in euro cash flows and capitalising on attractive hedge rates.

18 Trade and other payables

Accounting policy:

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 balance sheet date. Financial liabilities are recognised at amortised cost in accordance with IFRS 9.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Trade and other payables	**139**	139	**29**	29
Amounts due to subsidiaries	**–**	–	**46**	731
Total trade and other payables	**139**	139	**75**	760
Of which: payable in greater than one year	**6**	5	**–**	–

Refer to Note 28 for further details on the movement of Amounts due to subsidiaries.

19 Issued capital and reserves

Accounting policy:

Ordinary shares issued by the Group are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs net of tax are deducted from equity.

Capital reserve recognises all profits and losses that are capital in nature or have been allocated to capital, which include the accumulation of investment gains and losses as well as changes to the value of financial instruments measured at fair value through profit and loss.

Revenue reserve recognises all profits and losses that are revenue in nature or have been allocated to revenue and is the accumulation of revenue profits and losses.

Issued and fully paid	**2025 Number**	**2025 £m**	2024 Number	2024 £m
Ordinary shares of $73\frac{19}{22}$p				
Opening balance	**973,366,445**	**719**	973,312,950	719
Issued under employee share plans	**32,533**	**–**	53,495	–
Closing balance	**973,398,978**	**719**	973,366,445	719

The Company issued 32,533 ordinary shares to the Trustee of the 3i Group Share Incentive Plan for a total cash consideration of £1,073,413 at various prices from 2,866 pence to 4,054 pence per share (being the market prices on the issue dates which were the last trading day of each month in the year, with the exception of December 2024, when the issue date was 3 January 2025). These shares were ordinary shares with no additional rights attached to them and had a total nominal value of £24,030.

20 Own shares

Accounting policy:

Own shares are recorded by the Group when ordinary shares are acquired by the Company or by The 3i Group Employee Benefit Trust. Own shares are deducted from shareholders' equity. A transfer is made to retained earnings at their weighted average cost in line with the vesting of own shares held for the purposes of share-based payments. The number of own shares held by the Trust and the schemes are described in Note 26.

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Opening cost	**92**	108	**92**	108
Awards granted	**(11)**	(16)	**(11)**	(16)
Closing cost	**81**	92	**81**	92

21 Capital structure

The capital structure of the Group consists of shareholders' equity and net debt or cash. The type and maturity of the Group's borrowings are analysed further in Note 16. Capital is managed with the objective of maximising long-term return to shareholders, whilst maintaining a capital base to allow the Group to operate effectively in the market and sustain the future development of the business.

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Cash and deposits	**412**	358	**381**	328
Borrowings and derivative financial liabilities	**(1,198)**	(1,202)	**(1,198)**	(1,202)
Net debt[1]	**(786)**	(844)	**(817)**	(874)
Total equity	**24,611**	20,170	**24,267**	19,581
Gearing (net debt/total equity)	**3%**	4%	**3%**	4%

1 The above numbers have been prepared under IFRS and differ from the Investment basis as detailed in the Strategic report.

Capital constraints

The Group is generally free to transfer capital from subsidiary undertakings to the parent company, subject to maintaining each subsidiary with sufficient reserves to meet local statutory/regulatory obligations. No significant constraints (other than those disclosed in Note 12) have been identified and the Group has been able to distribute profits as appropriate.

The Group has been subject to the FCA's MIFIDPRU sourcebook ("MIFIDPRU") since 1 January 2022. The regulatory capital requirements for the Group and 3i Investments plc, an investment firm regulated by the FCA, are calculated in accordance with MIFIDPRU 2.5, 4.3, 4.5 and 4.6. These capital requirements are reviewed regularly by the Group's Audit and Compliance Committee, and the Board of 3i Investments plc, respectively. In addition, 3i Investments plc prepares an Internal Capital and Risk Assessment ("ICARA"), which is approved by the Board of 3i Investments plc on an annual basis.

22 Interests in Group entities

Accounting policy:

The Company has controlling equity interests in, and makes loans to, both consolidated and fair valued Group entities. Equity investments in, and loans to, investment entities are held at fair value in the Company's accounts, as this reflects the Group's business model to hold assets to seek returns on capital and not contractual cash flow. The net assets of these entities represent fair value. Equity investments in other subsidiaries are held at cost less impairment and any loans to these subsidiaries are held at amortised cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses on initial recognition.

	Company 2025 Equity investments £m	**Company 2025 Loans £m**	**Company 2025 Total £m**
Opening book value	**3,139**	**2,738**	**5,877**
Additions	**73**	**1,899**	**1,972**
Share of profits from partnership entities	**–**	**956**	**956**
Disposals and repayments	**(536)**	**(1,882)**	**(2,418)**
Fair value movements	**318**	**(122)**	**196**
Exchange movements	**–**	**59**	**59**
Closing book value	**2,994**	**3,648**	**6,642**

	Company 2024 Equity investments £m	Company 2024 Loans £m	Company 2024 Total £m
Opening book value	5,061	2,806	7,867
Additions	29	173	202
Share of profits from partnership entities	–	2,548	2,548
Disposals and repayments	–	(2,752)	(2,752)
Fair value movements	(1,951)	(72)	(2,023)
Exchange movements	–	35	35
Closing book value	3,139	2,738	5,877

Equity investments in, and loans to investment entities, are held at fair value and equity investments in other subsidiaries are held at cost less impairment. The measurements at fair value and cost less impairment are assessed against the Company's equity and loan instruments into these subsidiaries, which are eliminated on consolidation for the Group. For this reason equity investments and loans into investments entities do not form part of the investment portfolio for the Company and instead are included within Interests in Group entities. Amounts for equity investments in, and loans to, investment entities held at fair value and other subsidiaries at amortised cost are detailed in Note 13.

Details of significant Group entities are given in Note 29. No expected credit losses have been recognised on those equity investments and loans held at amortised cost as they are not material.

23 Commitments

Accounting policy:

Commitments represent amounts the Group has contractually committed to pay third parties but do not yet represent a charge or asset. This gives an indication of committed future cash flows. Commitments are recognised in the balance sheet at the point of settlement subject to associated risks and rewards being transferred. Commitments at the year-end do not impact the Group's financial results for the year.

	Group 2025 due within 1 year £m	**Group 2025 due between 2 and 5 years £m**	**Group 2025 due over 5 years £m**	**Group 2025 Total £m**	Group 2024 due within 1 year £m	Group 2024 due between 2 and 5 years £m	Group 2024 due over 5 years £m	Group 2024 Total £m
Unquoted investments	**7**	**–**	**–**	**7**	8	–	–	8

	Company 2025 due within 1 year £m	**Company 2025 due between 2 and 5 years £m**	**Company 2025 due over 5 years £m**	**Company 2025 Total £m**	Company 2024 due within 1 year £m	Company 2024 due between 2 and 5 years £m	Company 2024 due over 5 years £m	Company 2024 Total £m
Unquoted investments	**7**	**–**	**–**	**7**	8	–	–	8

The amounts shown above include £7 million of commitments made by the Group and Company, to invest into funds (31 March 2024: £8 million). The Group and Company were contractually committed to these investments as at 31 March 2025.

24 Contingent liabilities

Accounting policy:

Contingent liabilities are potential liabilities where there is even greater uncertainty, which could include a dependency on events not within the Group's control, but where there is a possible obligation. Contingent liabilities are only disclosed and not included within the Consolidated statement of financial position.

At 31 March 2025, there was no (31 March 2024: no) material litigation outstanding, nor any other matter, against the Company or any of its subsidiary undertakings, which may indicate the existence of a contingent liability.

25 Retirement benefits

Accounting policy:

Payments to defined contribution retirement benefit plans are charged to profit and loss as they fall due.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit method with actuarial valuations being carried out at each balance sheet date. Interest on the net defined benefit asset/liability, calculated using the discount rate used to measure the defined benefit obligation, is recognised in profit and loss. Re-measurement gains or losses are recognised in full as they arise in other comprehensive income.

A retirement benefit deficit is recognised in the Consolidated statement of financial position to the extent that the present value of the defined benefit obligations exceeds the fair value of plan assets.

A retirement benefit surplus is recognised in the Consolidated statement of financial position where the fair value of plan assets exceeds the present value of the defined benefit obligations limited to the extent that the Group can benefit from that surplus. Where the retirement benefit scheme is in surplus, this is recognised net, being the lower of any surplus in the fund and the asset ceiling.

(i) Defined contribution plans

The Group operates a number of defined contribution retirement benefit plans for qualifying employees throughout the Group. The assets of these plans are held separately from those of the Group. The total expense recognised, in operating expenses, in profit and loss is £3 million (2024: £3 million), which represents the contributions paid to these defined contribution plans. There were no outstanding payments due to these plans at the balance sheet date.

(ii) Defined benefit plans

The Group operates a final salary defined benefit plan for qualifying employees of its subsidiaries in the UK ("the Plan"). The Plan is approved by HMRC for tax purposes, is operated separately from the Group and governed by an independent set of Trustees, whose appointment and powers are determined by the Plan's documentation.

The defined benefit plan is a funded scheme, the assets of which are independent of the Company's finances and administered by the Trustees. The Trustees are responsible for managing and investing the Plan's assets and for monitoring the Plan's funding position.

The Plan had previously entered into bulk annuity or "buy-in" policies which meant that the Plan benefits of all members were insured and 3i, as sponsor, is no longer exposed to longevity, interest or inflation risk. On an IAS 19 basis, the fair value of three buy-in policies matched the present value of the liabilities insured. During the year, the Plan completed a buy-out meaning that the buy-in policies were converted into individual annuity policies held in each Plan member's name, thereby fully removing the defined benefit obligation. This led to the full settlement of the pension obligation. We have therefore allowed for settlement accounting, with the value of the settlement derived as the value of the liability and corresponding insured asset as at the settlement date taken.

The Trustees formally commenced the wind-up of the Plan in April 2023 and have been working with 3i since then to resolve all outstanding matters to enable the Trustees to pay the surplus less Plan expenses and tax to 3i. The Plan's only remaining assets are those surplus assets that were not needed to complete the buy-out less expected wind-up costs.

The valuation of the Plan was updated on an IAS 19 basis by an independent qualified actuary as at 31 March 2025. The Plan's assets do not include any of the Group's own equity instruments nor any property in use by the Group.

Qualifying employees in Germany are entitled to a pension based on their length of service. The future liability calculated by German actuaries is £17 million (31 March 2024: £21 million). There is a £1 million expense (2024: £1 million) recognised in operating expenses, in profit and loss for the year and £2 million gain (2024: nil) in other comprehensive income for this scheme. Changes in the present value of the obligation, assumptions and sensitivities of this scheme have not been disclosed as they are not material.

The amount recognised in the Consolidated statement of financial position in respect of the Group's defined benefit plans is as follows:

	2025 £m	2024 £m
Present value of funded obligations	**–**	(446)
Fair value of the Plan assets	**85**	530
Asset restriction	**(22)**	(23)
Retirement benefit surplus in respect of the Plan	**63**	61
Retirement benefit deficit in respect of other defined benefit schemes	**(17)**	(21)

The total re-measurement gain recognised in other comprehensive income in respect of the Group's defined benefit plans was £4 million (2024: £7 million).

25 Retirement benefits continued

A retirement benefit surplus under IAS 19 is recognised in respect of the Plan on the basis that the Group is entitled to a refund of any remaining surplus once all benefits and expenses have been settled in the expected course. The asset restriction relates to tax that would be deducted at source in respect of a refund of the Plan surplus.

The amounts recognised in the Consolidated statement of comprehensive income in respect of the Plan are as follows:

	2025 £m	2024 £m
Included in interest payable		
Interest income on net defined benefit asset	**3**	3
Included in other comprehensive income		
Asset restriction	**2**	7
Total	**5**	10

Changes in the present value of the defined benefit obligation were as follows:

	2025 £m	2024 £m
Opening defined benefit obligation	**446**	450
Interest on Plan liabilities	**3**	21
Re-measurement gain/loss:		
– gain from change in financial assumptions	**(16)**	(16)
– experience loss	**1**	12
Benefits paid	**(4)**	(21)
Settlement	**(430)**	–
Closing defined benefit obligation	**–**	446

Changes in the fair value of the Plan assets were as follows:

	2025 £m	2024 £m
Opening fair value of the Plan assets	**530**	532
Interest on Plan assets	**7**	25
Actual return on Plan assets less interest on Plan assets	**(15)**	(4)
Expenses	**(3)**	(2)
Benefits paid	**(4)**	(21)
Settlement	**(430)**	–
Closing fair value of the Plan assets	**85**	530

The fair value of the Plan's assets at the balance sheet date is as follows:

	2025 £m	2024 £m
Annuity contracts	**–**	446
Cash and cash equivalents	**85**	84
	85	530

25 Retirement benefits continued

Changes in the asset restriction were as follows:

	2025 £m	2024 £m
Opening asset restriction	**23**	29
Interest on asset restriction	**1**	1
Re-measurements	**(2)**	(7)
Closing asset restriction	**22**	23

The principal assumptions made by the actuaries and used for the purpose of the year-end valuation of the Plan were as follows:

	2025	2024
Discount rate	**n/a**	4.8%
Expected rate of pension increases	**n/a**	0% to 3.5%
Retail Price Index ("RPI") inflation	**n/a**	3.4%
Consumer Price Index ("CPI") inflation	**n/a**	2.8%

The defined benefit surplus as at 31 March 2025, is not impacted by changes in principle assumptions and mortality assumptions, this is because the Plan has completed buy-out. The post-retirement mortality assumption used to value the benefit obligation at 31 March 2024 is 90% of the S3NA very light mortality tables, allowing for improvements in line with the CMI 2022 projections model with a long-term annual rate of improvement of 1.75%. A smoothing parameter of 7.5, initial addition parameter of 0.5% and default weight parameters have also been adopted.

26 Share-based payments

Accounting policy:

The Group has equity-settled and cash-settled share-based payment transactions with certain employees. Equity-settled schemes are measured at fair value at the date of grant, which is then recognised in profit or loss over the period that employees provide services, generally the period between the start of the performance period and the vesting date of the shares. The number of share awards expected to vest takes into account the likelihood that performance and service conditions included in the terms of the award will be met.

Fair value is measured by use of an appropriate model which takes into account the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the award and any other relevant factors. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of 3i Group plc. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the year. The movement in cumulative charges since the previous balance sheet is recognised in profit and loss, with a corresponding entry in equity.

Liabilities arising from cash-settled share-based payment transactions are recognised in profit or loss over the vesting period. They are fair valued at each reporting date. The cost of cash-settled share-based payment transactions is adjusted for the forfeitures of the participants' rights that no longer meet the plan requirements as well as for early vesting.

The cost of the share-based payments is allocated either to operating expenses or carried interest depending on the original driver of the award. Executive Director Long-term Incentive Plans are allocated to operating expenses.

To ensure that employees' interests are aligned with shareholders, a significant amount of variable compensation paid to eligible employees is deferred into shares that vest over a number of years. For legal, regulatory or practical reasons certain participants may be granted cash-settled awards under these schemes, which are intended to replicate the financial effects of a share award without entitling the participant to acquire shares. The weighted average fair value grant price for cash-settled awards granted during the year was 2,926p (31 March 2024: 1,956p) and the reporting price for these awards at 31 March 2025 was 3,616 pence (31 March 2024: 2,809 pence). The carrying amount of liabilities arising from cash-settled awards at 31 March 2025 is £24 million (31 March 2024: £24 million). The total equity-settled share-based payment reserve at 31 March 2025 is £35 million (31 March 2024: £42 million).

The cost of the share-based payments is allocated either to operating expenses or carried interest depending on the original driver of the award. Executive Director Performance Share Awards are allocated to operating expenses.

26 Share-based payments continued

The total cost recognised in the Consolidated statement of comprehensive income is shown below:

	2025 £m	2024 £m
Share awards included as operating expenses[1,2]	**12**	11
Share awards included as carried interest[1]	**4**	16
Cash-settled share awards[3]	**12**	14
	28	41

1 Credited to equity.
2 For the year ended 31 March 2024, £9 million shown in Note 6 is net of a £2 million release from the bonus accrual.
3 For the year ended 31 March 2025, £11 million (2024: £13 million) is recognised in operating expenses and £1 million (2024: £1 million) is recognised in carried interest.

Movements in share awards

The number of equity and cash-settled share-based awards outstanding as at 31 March is as follows:

	2025 Number	2024 Number
Outstanding at the start of the year	**6,210,978**	6,277,107
Granted	**791,022**	2,336,288
Exercised	**(2,308,170)**	(2,387,539)
Forfeited	**(59,344)**	(14,878)
Lapsed	**–**	–
Outstanding at the end of year	**4,634,486**	6,210,978
Weighted average remaining contractual life of awards outstanding in years	**1.4**	1.7
Weighted average fair value of awards granted (pence)	**2,272**	1,708
Weighted average market price at date of exercise (pence)	**2,924**	1,953

Details of the different types of awards are as follows:

Performance Share Awards

Performance Share Awards are granted to employees and Executive Directors under the 3i Group Discretionary Share Plan 2020 (and predecessor rules).

Employees

Performance Share Awards granted to employees (other than Executive Directors) after the financial year-end are subject to performance conditions based on absolute and relative Total Shareholder Return over three financial years. Awards performance vest, to the extent they satisfy the performance conditions, following the three-year performance period and are then released in the third year from the date of grant together with a payment equal to the dividends which would have been paid on the released shares during the period from grant to release. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Monte Carlo model. The model simulates the total shareholder return which has been incorporated into the fair value at grant date by applying a discount to the valuation obtained.

Executive Directors

Performance Share Awards granted to Executive Directors after the financial year-end are subject to performance conditions based on absolute and relative total shareholder return over three financial years. Awards performance vest, to the extent they satisfy the performance conditions, following the three-year performance period. Outstanding Executive Director awards granted up to and including 2019 are released, to the extent they have performance vested, together with a payment equal to the value of the dividends which would have been paid on the released shares during the period from grant to release as to 50% in year three and 25% in each of years four and five. Executive Director Performance Share Awards granted from 2020 onwards are released, to the extent they have performance vested, in the fifth year from the date of grant together with a payment equal to the value of the dividends that would have been paid on the released shares during the period from grant to release. The method of settlement is equity. These awards are measured using the Monte Carlo model. The model simulates the total shareholder return which has been incorporated into the fair value at the grant date by applying a discount to the valuation obtained. The features of the Group's share schemes for Executive Directors are described in the Directors' remuneration report on pages 135 to 147.

26 Share-based payments continued

Restricted Share Awards

Restricted Share Awards are granted under the 3i Group Deferred Bonus Plan 2020 (and predecessor rules) and are granted to employees and Executive Directors after the financial year-end and are subject to continued service conditions. The shares subject to the awards are transferred to the participants on grant subject to forfeiture if the service condition is not fulfilled and cease to be subject to forfeiture in equal proportions generally over the three years following grant or over four years in the case of certain such awards granted to members of the Executive Committee. Cash dividends are received by participants on the shares during the period in which they remain subject to forfeiture. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Black Scholes model.

Infrastructure Performance Fee Share Awards

Infrastructure Performance Fee Share Awards are granted to employees in the Infrastructure team under the 3i Special Share Award Plan. Awards are granted to employees after the financial year-end and are subject to performance conditions based on receipt by 3i plc of certain instalments of performance fees payable by 3i Infrastructure plc under the terms of its Investment Management Agreement with 3i. The shares vest and are released, subject to satisfying the performance conditions, in equal instalments in the first and second years after grant together with payments equal to the value of the dividends which would have been paid on the released shares during the period from grant to release. If the performance condition is not met in year one, the award does not lapse but is retested in year two when some or all of the shares may vest. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Black Scholes model.

Measurement of fair values

The fair values of the plans have been measured using either the Monte Carlo model or Black Scholes model for equity share awards. The inputs used in the measurement of the grants are based on the following assumptions:

	Monte Carlo model		Black Scholes	
	2025	2024	**2025**	2024
Share price at grant date (pence)[1]	**2,996**	1,943	**2,926**	1,956
Fair value at grant date (pence)[1]	**1,753**	1,290	**2,749**	1,803
Exercise price (pence)	**–**	–	**–**	–
Expected volatility (weighted average)	**27.1%**	28.2%	**27.7%**	30.8%
Expected life (weighted average)	**4 years**	4 years	**3 years**	3 years
Dividend yield	**–**	–	**2.1%**	2.7%
Risk free interest rate	**4.25%**	4.70%	**4.08%**	4.36%

1 Where share awards are granted on multiple dates the average price is disclosed.

Expected volatility was determined by reviewing share price volatility for the expected life of each award up to the date of grant.

Holdings of 3i Group plc shares

The Group has established an employee benefit trust and the total number of 3i Group plc shares held in this trust at 31 March 2025 was 8 million (31 March 2024: 9 million). Dividend rights have been waived on these shares. The total market value of the shares held in trust based on the year-end share price of 3,616 pence (31 March 2024: 2,809 pence) was £289 million (31 March 2024: £253 million).

27 Financial risk management

Introduction

A review of the Group's objectives, policies and processes for managing and monitoring risk is set out in the Risk management section on pages 80 to 93. This Note provides further detail on financial risk management, cross-referring to the Risk management section where applicable, and includes quantitative data on specific financial risks.

The Group is a highly selective investor and each investment is subject to an individual risk assessment through an investment approval process. The Group's Investment Committee is part of the overall risk management framework set out in the Risk section. The risk management processes of the Company are aligned with those of the Group and both the Group and the Company share the same financial risks.

Financial risks

Concentration risk

3i's investment process seeks to diversify risk through significant dispersion of investments by geography, economic sector, asset class and size as well as through the maturity profile of its investment portfolio. Although 3i does not set maximum limits for asset allocation, it does have a maximum exposure limit for the cost of new investments. This is detailed in the Investment policy on page 148 in the Governance section. Quantitative data regarding the concentration risk of the portfolio across geographies can be found in the Segmental analysis in Note 1 and in the 20 large investments table on pages 209 and 210.

Action is the largest asset in the Group's investment portfolio. We first invested in Action in 2011 and throughout our investment have acquired further stakes in the business seeing strong organic growth over our hold period. A 5% increase or decrease in value would result in a £892 million (31 March 2024: £708 million) or £(892) million (31 March 2024: £(708) million) impact on the overall value. For further details on Action refer to the Action case study on pages 20 to 23.

Credit risk

The Group is subject to credit risk on its unquoted investments, derivatives, cash and deposits. The maximum exposure is the balance sheet amount. The Group's cash is held with a variety of counterparties with a minimum rating above A- with 91% of the Group's unrestricted surplus cash held on demand in AAA rated money market funds (31 March 2024: 75%). The counterparties selected for the derivative financial instruments were all banks with a minimum of a A- 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. Further detail can be found in the Price risk – market fluctuations disclosure in this Note and the sensitivity disclosure to changes in the valuation assumptions is provided in the valuation section of Note 13.

Liquidity risk

The liquidity outlook is monitored at least monthly by management and regularly by the Board in the context of periodic strategic reviews of the balance sheet. The new investment pipeline and forecast realisations are closely monitored and assessed against our vintage control policy, as described on page 80 of the Risk management section. The table below analyses the maturity of the Group's gross contractual liabilities.

Financial liabilities

As at 31 March 2025	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Due more than 5 years £m	£m Total £m
Gross commitments:					
Fixed loan notes	56	56	591	998	1,701
Committed multi-currency facility	2	2	–	–	4
Carried interest and performance fees payable within one year	12	–	–	–	12
Trade and other payables	133	–	–	6	139
Lease liabilities	3	5	16	21	45
Derivative financial instruments	–	–	4	–	4
Total	**206**	**63**	**611**	**1,025**	**1,905**

Gross commitments include principal amounts and interest and fees where relevant. Carried interest and performance fees payable within non-current liabilities of £29 million (31 March 2024: £30 million) has no stated maturity as it results from investment-related transactions and it is not possible to identify with certainty the timing of when the investments will be sold.

27 Financial risk management continued

As at 31 March 2024	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Due more than 5 years £m	£m Total £m
Gross commitments:					
Fixed loan notes	56	56	172	1,482	1,766
Committed multi-currency facility	2	2	2	–	6
Carried interest and performance fees payable within one year	24	–	–	–	24
Trade and other payables	134	–	–	5	139
Lease liabilities	4	3	15	27	49
Derivative financial instruments	–	–	–	–	–
Total	220	61	189	1,514	1,984

The Company disclosures are the same as those for the Group, with the following exceptions: carried interest and performance fees payable due within one year is nil (31 March 2024: nil), trade and other payables due within one year is £75 million (31 March 2024: £760 million), trade and other payables due more than five years nil (31 March 2024: nil) and lease liabilities due within one year nil (31 March 2024: nil), lease liabilities due between one and two years nil (31 March 2024: nil), lease liabilities due between two and five years nil (31 March 2024: nil) and lease liabilities due more than five years nil (31 March 2024: nil).

Market risk

The valuation of the Group's investment portfolio is largely dependent on the underlying trading performance of the companies within the portfolio, but the valuation and other items in the financial statements can also be affected by interest rate, currency and quoted market fluctuations. The Group's sensitivity to these items is set out below.

(i) Interest rate risk

On the liability side, the direct impact of a movement in interest rates is limited to any drawings under the committed multi-currency facility as the Group's outstanding debt is fixed rate. The sensitivities below arise principally from changes in interest receivable on cash and deposits.

An increase of 100 basis points, based on the closing balance sheet position over a 12-month period, would lead to an approximate increase in total comprehensive income of £4 million (2024: £4 million) for the Group and £4 million (2024: £3 million) for the Company. In addition, the Group and Company have indirect exposure to interest rates through changes to the financial performance and the valuation of portfolio companies caused by interest rate fluctuations.

(ii) Currency risk

The Group's net assets in sterling, euro, US dollar, Danish krone and all other currencies combined are shown in the table below. This sensitivity analysis is performed based on the sensitivity of the Group's net assets to movements in foreign currency exchange rates assuming a 10% movement in exchange rates against sterling. The sensitivity of the Company to foreign exchange risk is not materially different from the Group.

The Group considers currency risk on specific investment and realisation transactions. Further information on how currency risk is managed is provided on page 89.

As at 31 March 2025	**Sterling £m**	**Euro £m**	**US dollar £m**	**Danish krone £m**	**Other £m**	**Total £m**
Net assets[1]	**4,942**	**18,257**	**1,211**	**177**	**24**	**24,611**
Sensitivity analysis						
Assuming a 10% movement in exchange rates against sterling:						
Impact on net assets	**n/a**	**1,825**	**120**	**18**	**2**	**1,965**

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.

As at 31 March 2024	Sterling £m	Euro £m	US dollar £m	Danish krone £m	Other £m	Total £m
Net assets[1]	4,817	13,947	1,180	200	26	20,170
Sensitivity analysis						
Assuming a 10% movement in exchange rates against sterling:						
Impact on net assets	n/a	1,399	117	20	3	1,539

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.

27 Financial risk management continued

(iii) Price risk – market fluctuations

The Group's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful consideration of the investment, asset management and divestment decisions at the Investment Committee. The Investment Committee's role in risk management is detailed on page 82 in the Risk management section. A 5% change in the fair value of those investments would have the following direct impact in profit or loss:

Group	Quoted investment £m	Unquoted investment £m	Investment in Investment entity subsidiaries £m	Total £m
At 31 March 2025	**43**	**875**	**346**	**1,264**
At 31 March 2024	44	710	290	1,044

Company	Quoted investment £m	Unquoted investment £m	Total £m
At 31 March 2025	**43**	**875**	**918**
At 31 March 2024	44	710	754

28 Related parties and interests in other entities

The Group has various related parties stemming from relationships with limited partnerships managed by the Group, its investment portfolio (including unconsolidated subsidiaries), its advisory arrangements and its key management personnel. In addition, the Company has related parties in respect of its subsidiaries. Some of these subsidiaries are held at fair value (unconsolidated subsidiaries) due to the treatment prescribed in IFRS 10.

Related parties

Advisory and management arrangements

The Group acted as Investment Manager to 3iN, which is listed on the London Stock Exchange, for the year to 31 March 2025. The following amounts have been recognised in respect of the management relationship:

Statement of comprehensive income	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Unrealised loss/profits on the revaluation of investments	**(23)**	38	**(23)**	38
Fees receivable from external funds	**51**	50	**–**	–
Performance fees receivable	**29**	41	**–**	–
Dividends	**33**	31	**33**	31

Controlled investments

The Group makes investments in the equity of both unquoted and quoted investments which it controls. Control is obtained when the Group is exposed to, or has rights to variable returns and has the ability to use its power to affect these returns. When this occurs, the Group deems these investments to be an accounting subsidiaries under IFRS 10 and recognises them at fair value through profit or loss. Material transactions during the year with controlled investments include £1,164 million (2024: £762 million) of proceeds received from Action's pro-rata capital share redemption and £433 million (2024: £377 million) dividends received from Action.

Associates

The Group makes investments in the equity of both unquoted and quoted investments where it does not have control, but may be able to participate in the financial and operating policies of that company. IFRS presumes that it is possible to exert significant influence when the equity holding is greater than 20%. The Group has taken the investment entity exception, as permitted by IFRS 10, and has not equity accounted for these investments, in accordance with IAS 28, but they are related parties. There are no material transactions with associates in the year (2024: none).

Limited partnerships

The Group manages a number of external funds which invest through limited partnerships. Group companies act as the general partners of these limited partnerships and exert significant influence over them. There were no material transactions in respect of these limited partnerships in the year (2024: none).

28 Related parties and interests in other entities continued

Subsidiaries

The Group consists of the parent Company 3i Group plc and its subsidiaries listed in Note 29. All transactions between the Company and its fully consolidated subsidiaries, which are related parties of the Company, are eliminated on consolidation. Material related party transactions between the Company and its subsidiaries include drawdowns and distributions, subsidiary transfers and dividends.

During the year, the Company received £1,039 million from fellow subsidiaries (2024: £788 million) and paid £1,941 million to fellow subsidiaries (2024: £1,013 million).

During the year, the Company disposed of its equity investment in 3i Abaco ApS a fellow subsidiary for £516 million. A fellow subsidiary of the Group acquired the shares of 3i Abaco ApS in settlement of amounts due to subsidiaries, refer to Note 18 for further details.

The Company received dividends of £142 million (2024: £49 million) from fellow subsidiaries.

Key management personnel

The Group's key management personnel comprise the members of the Executive Committee and the Board's non-executive Directors. The following amounts have been included in respect of these individuals:

Statement of comprehensive income	**Group 2025 £m**	Group 2024 £m
Salaries, fees, supplements and benefits in kind	**6**	6
Cash bonuses	**3**	2
Carried interest and performance fees payable	**4**	31
Share-based payments	**9**	11
Termination payments	**–**	–

Statement of financial position	**Group 2025 £m**	Group 2024 £m
Bonuses and share-based payments	**22**	18
Carried interest and performance fees payable within one year	**5**	38
Carried interest and performance fees payable after one year	**13**	30

No carried interest and performance fees payable is paid or accrued for the Executive or non-executive Directors, as they do not participate in these schemes. Carried interest and performance fees paid in the year to other key management personnel was £20 million (2024: £58 million). Simon Borrows and Jasi Halai are members of key management personnel for both 3i Group plc and Peer Holding I B.V., the Dutch holding company for the Group's investment in Action. In accordance with IAS 24, they are considered related parties. Neither of them received any remuneration from Action during the year (2024: none).

Unconsolidated structured entities

The application of IFRS 12 requires additional disclosure on the Group's exposure to unconsolidated structured entities. The Group has exposure to a number of unconsolidated structured entities, as a result of its investment activities across its Private Equity and Infrastructure business lines.

The Group manages a number of closed-end limited partnerships, which are either Private Equity or Infrastructure focused. The purpose of these partnerships is to invest in Private Equity or Infrastructure investments for capital appreciation. Limited Partners, which in some cases may include the Group, finance these entities by committing capital to them and cash is drawn down or distributed for financing investment activity. The Group's attributable stakes in these entities are held at fair value, fees receivable are recognised on an accruals basis and carried interest is accrued when relevant performance hurdles are met. The carrying amount and maximum loss exposure for these entities is not material (2024: not material).

29 Subsidiaries and related undertakings

IFRS 10 deems control, as opposed to equity ownership, as the key factor when determining what meets the definition of a subsidiary. If a group is exposed to, or has rights to, variable returns from its involvement with the investee, then under IFRS 10 it has control. This is inconsistent with the UK's Companies Act 2006, where voting rights being greater than 50% is the key factor when identifying subsidiaries.

Under IFRS 10, 35 of the Group's portfolio company investments are considered to be accounting subsidiaries. As the Group applies the investment entity exception available under IFRS 10, these investee companies are classified as investment entity subsidiaries.

The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings. Related undertakings are subsidiaries, joint ventures, associates and other significant holdings. In this context, significant means either a shareholding greater than or equal to 20% of the nominal value of any class of shares or a book value greater than 20% of the Group's assets.

The Company's related undertakings at 31 March 2025 are listed below:

Description	Holding/share class	Footnote
Subsidiaries		
3i Holdings plc	100% ordinary shares	1
3i Investments plc	100% ordinary shares	1
3i plc	100% ordinary shares	1
3i International Holdings	100% ordinary shares	1
Investors in Industry plc	100% ordinary shares/ cumulative preference shares	1
3i Corporation	100% ordinary shares	2
3i Deutschland Gesellschaft für Industriebeteiligungen mbH	100% ordinary shares	4
Gardens Nominees Limited	100% ordinary shares	1
Gardens Pension Trustees Limited	100% ordinary shares	1
3i Europe plc	100% ordinary shares	1
3i Nominees Limited	100% ordinary shares	1
3i Osprey GP Limited	100% ordinary shares	1
3i Nordic plc	100% ordinary shares	1
3i GP 2004 Limited	100% ordinary shares	3
3i Ademas LP	100% partnership interest	3
The 3i Group Employee Trust	n/a	6
3i International Services plc	100% ordinary shares	1
3i EFV Nominees A Limited	100% ordinary shares	1
3i EFV Nominees B Limited	100% ordinary shares	1
3i India Private Limited	100% ordinary shares	7
3i Sports Media (Mauritius) Limited	100% ordinary shares	8
3i EFV GP Limited	100% ordinary shares	1
IIF SLP GP Limited	100% ordinary shares	3
3i Buyouts 2010 A LP	85% partnership interest	1
3i Buyouts 2010 B LP	79% partnership interest	1
3i Buyouts 2010 C LP	60% partnership interest	1
GP CCC 2010 Limited	100% ordinary shares	3
3i GC GP Limited	100% ordinary shares	1
3i GP 2010 Limited	100% ordinary shares	1
3i Growth Capital A LP	100% partnership interest	1
3i Growth Capital G LP	100% partnership interest	1
3i Growth 2010 LP	85% partnership interest	1
Strategic Investments FM (Mauritius) Alpha Limited	70% ordinary shares	8
3i GC Nominees A Limited	100% ordinary shares	1

Description	Holding/share class	Footnote
3i GC Nominees B Limited	100% ordinary shares	1
3i India Infrastructure Fund B LP	99% partnership interest	1
3i 2004 GmbH & Co. KG	100% partnership interest	4
3i General Partner 2004 GmbH	100% ordinary shares	4
3i PE 2013-16 A LP	100% partnership interest	1
3i PE 2013-16 C LP	100% partnership interest	1
3i GP 2013 Ltd	100% ordinary shares	1
GP 2013 Ltd	100% ordinary shares	3
BAM General Partner Limited	100% ordinary shares	1
3i PE 2016-19 A LP	100% partnership interest	1
3i Managed Infrastructure Acquisitions GP (2017) LLP	100% partnership interest	1
3i Managed Infrastructure Acquisitions GP Limited	100% ordinary shares	1
3i 2016 GmbH & Co. KG	100% partnership interest	4
GP 2016 Limited	100% ordinary shares	3
3i GP 2016 Limited	100% ordinary shares	1
3i SCI Holdings Limited	100% ordinary shares	1
3i North American Infrastructure Partners, LLC	100% equity units	26
3i Abaco ApS	100% ordinary shares	23
3i Investments (Luxembourg) S.A.	100% ordinary shares	10
3i 2019-22 DLP SCSp	100% partnership interest	10
3i PE 2019-22 A LP	100% partnership interest	1
3i PE 2019-22 B LP	100% partnership interest	1
3i PE 2019-22 Warehouse LP	100% partnership interest	3
3i 2020 Co-investment LP	100% partnership interest	3
3i GP 2019 Limited	100% ordinary shares	1
3i GP 2020 Limited	100% ordinary shares	3
3i GP 2019 s.a.r.l	100% ordinary shares	10
3i GP 2019 (Scots) Limited	100% ordinary shares	3
3i 2020 Co-investment GP s.a.r.l	100% ordinary shares	10
3i France SAS	100% ordinary shares	16
3i IP Acquisitions Limited	100% ordinary shares	1
3i IP Acquisitions GP LLP	100% partnership interest	1
3i IIF GP 2020 Limited	100% ordinary shares	1
3i IIF GP LLP	100% partnership interest	1

29 Subsidiaries and related undertakings continued

Description	Holding/share class	Footnote
3i Benelux B.V.	100% ordinary shares	12
3i Mountain LP	99% partnership interest	3
3i NAI Holdings GP Limited	100% ordinary shares	3
3i PE 2022-25 A LP	100% partnership interest	1
3i PE 2022-25 B LP	100% partnership interest	1
3i GP 2022 Limited	100% ordinary shares	1
3i GP 2022 (Scots) Limited	100% ordinary shares	3
3i PE 2022-25 A (Lux) SCSp	99% partnership interest	10
3i PE 2022-25 B (Lux) SCSp	99% partnership interest	10
3i GP 2022 s.a.r.l	100% ordinary shares	10
3i North American Infrastructure Fund A LP	100% partnership interest	26
3i NAI Holdings LP	100% partnership interest	3
3i North American Infrastructure GP, LLC	100% equity units	26
3i ECW Coinvest GP, LLC	100% equity units	26
3i European Mid-Market Infrastructure GP (2024) Limited	100% ordinary shares	1
3i RR Coinvest GP, LLC	100% equity units	26
3i Aura GP (2022) Limited	100% ordinary shares	1
3i Zephyr GP (2022) Limited	100% ordinary shares	1
3i Infra GP 2022 (Scots) Limited	100% ordinary shares	3
3i Infra 2022 Warehouse LP	100% partnership interest	3
3i 2023 Co-investment LP	100% partnership interest	1
3i MME Coinvest GP, LLC	100% equity units	26
3i NAI Warehouse LP	100% partnership interest	26
3i NAI Warehouse GP LLC	100% equity units	26
3i 2024 Sapphire LP	100% partnership interest	1
3i PE 2025-28 A LP	100% partnership interest	1
3i PE 2025-28 B LP	100% partnership interest	1
3i PE 2025-28 C LP	100% partnership interest	1
3i PE 2025-28 A (Lux) SCSp	100% partnership interest	10
3i PE 2025-28 B (Lux) SCSp	100% partnership interest	10
Associates		
3i Growth Carry A LP	25% partnership interest	3
3i Growth Carry B LP	25% partnership interest	3
Strategic Investments FM (Mauritius) B Limited	36% ordinary shares	8
3i Growth Capital B LP	36% partnership interest	1
3i 2020 Co-investment 1 SCSp	31% partnership interest	10
3i 2020 Co-Investment 2 SCSp	27% partnership interest	10
3i 2020 Co-Investment 4 SCSp	43% partnership interest	10
Moon Topco GmbH	49% ordinary shares	13

Description	Holding/share class	Footnote
Layout Holdco A/S	49% ordinary shares	14
Boketto Holdco Limited	47% ordinary shares	15
Klara HoldCo S.A.	43% ordinary shares	10
Shield Holdco LLC	49% equity units	2
Q Holdco Limited	42% ordinary shares	18
3i Infrastructure plc	29% ordinary shares	17
Peer Holding I B.V.	49% ordinary shares	19
AES Engineering Limited	43% ordinary shares	20
Carter Thermal Industries Limited	32% ordinary shares	21
Harper Topco Limited	42% ordinary shares	22
Orange County Fundo de Investmento EM Participacoes	40% equity units	25
Tato Holdings Limited	27% ordinary shares	27
Nimbus Communications Ltd	30% ordinary shares	28
Aurela TopCo GmbH	49% ordinary shares	5
C Medical Holdco, LLC	49% equity units	2
Crown Holdco B.V.	49% ordinary shares	40
3i India Infrastructure Holdings Ltd	21% ordinary shares	8
Racing Topco GmbH	49% ordinary shares	24
Panda Holdco LLC	49% equity units	44
Scandlines Infrastructure ApS	35% ordinary shares	29
Alinghi 1 S.A.S	49% ordinary shares	11
SaniSure Holdings GP LLC	49% equity units	2
New Amsterdam Software GP LLC	49% equity units	30
Garden & House International GmbH	36% ordinary shares	31
T&J Holdco Limited	49% ordinary shares	9
WHCG GP LLC	49% equity units	30
Hydra Holdco B.V.	49% ordinary shares	38
European Bakery Group B.V.	49% ordinary shares	39
Himalaya Topco B.V.	46% ordinary shares	37
MAIT Group GmbH	49% ordinary shares	32
Ten23 Health GP LLC	49% equity units	30
George Topco Limited	49% ordinary shares	33
xSuite Top Holding GmbH	49% ordinary shares	34
Balearia Topco B.V.	49% ordinary shares	35
Kite Topco ApS	49% ordinary shares	36
Pegase 1 SAS	49% ordinary shares	41
Aqua Topco Limited	49% ordinary shares	42
Marathon TopCo GmbH	49% ordinary shares	43

29 Subsidiaries and related undertakings continued

There are no joint ventures or other significant holdings. The 20 large portfolio companies by fair value are detailed on pages 209 and 210. The combination of the table above and that on pages 209 and 210 is deemed by the Directors to fulfil the requirements under IFRS 12 on the disclosure of material subsidiaries.

Footnote	Address
1	1 Knightsbridge, London, SW1X 7LX, UK
2	300 Park Avenue, 23rd Fl, New York, NY 10022, USA
3	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
4	OpernTurm, Bockenheimer Landstresse 2-4, 60306 Frankfurt am Main, Germany
5	Seelbüde 13, 36110 Schlitz, Germany
6	13 Castle Street, St Helier, JE1 1ES, Jersey
7	Level 7, The Capital B-Wing, Bandra Kurla Complex, Bandra East, Mumbai, 400051, India
8	5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius
9	Floor 2, Trident 3, Trident Business Park, Styal Road, Manchester, M22 5XB, UK
10	5 place de la gare, L-1616, Luxembourg
11	16 place de l'Iris, 92 400 Courbevoie, France
12	Cornelis Schuytstraat 74, 1071JL Amsterdam, Netherlands
13	Einsteinring 10, 85609 Aschheim, Germany
14	Mørupvej 16 Mørup, 7400 Herning, Denmark
15	New Mill, New Mill Lane, Witney, Oxfordshire, OX29 9SX, UK
16	29-31, rue de Berri, 75008 Paris, France
17	Aztec Group House, IFC 6, The Esplanade, St. Helier, JE2 3BZ, Jersey
18	1 Bartholomew Lane, London, EC2N 2AX, UK
19	Perenmarkt 15, Zwaagdijk East, 1681PG, Netherlands
20	Bradmarsh Business Park, Mill Close, Rotherham, South Yorkshire, S60 1BZ, UK
21	90 Lea Ford Road, Birmingham, B33 9TX, UK
22	25 Eccleston Place, London, SW1W 9NF, UK
23	Nybrogade 12, 1203 Copenhagen, Denmark
24	Schanzenstr. 6-20, Gebäude 2.08, 51063 Cologne, Germany
25	Avenida Brigadeiro Faria Lima, 2055, 19 andar, 01452-001 – Sao Paulo, SP, Brazil
26	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, DE 19801, USA
27	Thor Specialities (UK) Limited, Wincham Avenue, Wincham, Northwich, CW9 6GB, UK
28	44 Oberoi Complex, Andheri (West), Mumbai, India
29	Havneholmen 25, 8.,1561 Copenhagen, Denmark
30	251 Little Falls Drive, Wilmington, New Castle, Delaware, DE 19808, USA
31	Bahrenfelder Chaussee 49, 22761, Hamburg, Germany
32	Berner Feld 10, 78628 Rottweil, Germany
33	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK
34	Hamburger Str. 12, 22926 Ahrensburg, Germany
35	Herengracht 262, 1016 BV Amsterdam, Netherlands
36	Kuglegårdsvej 13-17, Building 13 | 1434 Copenhagen, Denmark
37	Aalsvoort 101, 7241 MB Lochem, Netherlands
38	Weidehek 46, 4824 AS Breda, Netherlands
39	Kronosstraat 2, 5048 CE Tilburg, Netherlands
40	Industriepark Vliedberg 12, 5251 RG Vlijmen, Netherlands
41	199 Bureaux de la Colline, Saint Cloud 92210 France
42	c/o Streets, Suite 43 Michael Way, Raunds, Wellingborough, NN9 6GR, UK
43	c/o Meissner Schäfer Thomas Steuerberater Partnerschaftsgesellschaft, Stephanstraße, Frankfurt am Main 60313, Germany
44	18801 North Thompson Peak Parkway Suite D-320, Scottsdale, AZ 85255, USA

KPMG LLP's independent auditor's report

to the members of 3i Group plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of 3i Group plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of 3i Group plc ("the Company") for the year ended 31 March 2025 (FY2025) included in the Annual Report and Accounts, which comprise:

Group (3i Group plc and its subsidiaries)	Parent Company (3i Group plc)
Consolidated statement of comprehensive income	Company statement of financial position
Consolidated statement of financial position	Company statement of changes in equity
Consolidated statement of changes in equity	Company cash flow statement
Consolidated cash flow statement	Notes to the accounts, including the summary of material accounting policies
Notes to the accounts, including the summary of material accounting policies	

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit and Compliance Committee ("ACC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Following our FY2024 audit, we have updated our risk assessment based on changes in the Group and the macroeconomic environment.

The global macro-economic and geopolitical environment continues to drive our risk assessment as it has the potential to impact both the performance of the portfolio companies, and the equity markets.

The macro-economic environment stabilised in 2024, with interest rates across most major economies having seen small reductions and inflation slowly trending towards central bank target levels. Since early 2025, there has been downward pressure and volatility in the global equity markets, primarily driven by the US political environment.

In addition, since March 2025, the US government announced a series of new tariffs against all major economies globally. Although some of the tariff arrangements are currently on hold, the tariffs have a multifaceted impact on businesses globally and resulted in significant volatility in the equity markets in early April 2025.

The Group's largest investment, Action, has continued its strong performance, driven by new store openings, growth in like-for-like sales, and a focus on margin management. The rest of the portfolio companies delivered differing levels of performance, with some requiring additional support from 3i.

The volatility in the equity markets also impacted the valuations of both listed and unlisted equity. The direct impact for 3i includes the volatility in the multiples and discount rates used to value portfolio companies.

Last year we identified the risk associated with the valuation of unquoted investments to be heightened, due to the challenging macro-economic environment. Whilst we noted improvements in 2024, the market volatility and US tariff situation in early 2025 has resulted in judgement required from the Group in their selection of appropriate valuation inputs, particularly the key assumptions used. These key assumptions continue to be the focus of our audit and are outlined in greater detail in section 4.

In the prior period, we identified the carried interest payable included in investment entity subsidiaries as an area where the risk of material misstatement was heightened. Following the reduction in the size of the balance, primarily driven by crystallisations in carried interest schemes relating to Action, we have not assessed this as an area with heightened audit risks this year.

Key Audit Matters (Group and Parent Company)	Vs FY2024	Items
Valuation of Unquoted Investments (Group and Parent Company)	↔	4.1

⊕ Newly identified risk | ↑ Increase in risk since FY2024
↔ Similar risk to FY2024 | ↓ Decrease in risk since FY2024

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Audit and compliance committee interaction

During the year, the ACC met 6 times. KPMG are invited to attend all ACC meetings and are provided with an opportunity to meet with the ACC in private sessions without the Executive Directors being present. For the Key Audit Matter, we have set out communications with the ACC in section 4, including matters that required particular judgement.

The matters included in the Audit and Compliance Committee Chair's report on page 121 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities and remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during the year ended 31 March 2025 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 March 2021. The period of total uninterrupted engagement is for the five financial years ended 31 March 2025.

The Group engagement partner is required to rotate every 5 years. As these are the fifth set of the Group's financial statements signed by Jonathan Mills, he will be required to rotate off after this year's audit.

Total audit fee	£2.4m (FY2024: £2.4m)
Audit related fees (including interim review)	£0.4m (FY2024: £0.4m)
Non-audit fee as a % of total audit and audit related fee %	14% (FY2024: 14%)
Date first appointed	25 June 2020
Uninterrupted audit tenure	5 years
Next financial period which requires a tender	31 March 2031
Tenure of Group engagement partner	5 years

Materiality (item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

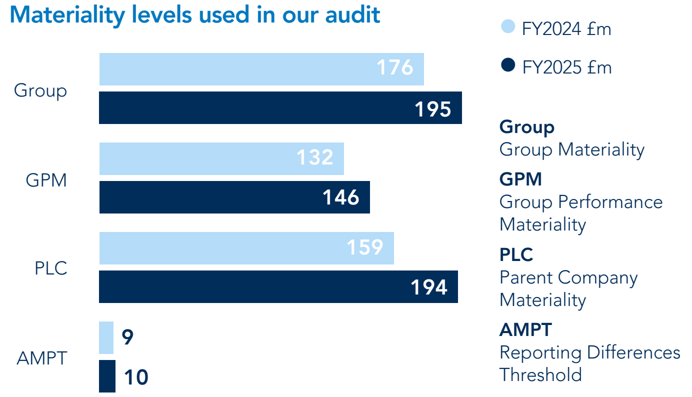
We have determined overall materiality for the Group financial statements as a whole at £195m (FY2024: £176m) and for the Parent Company financial statements as a whole at £194m (FY2024: £159m).

A key judgement in determining materiality was the most relevant metric to select as the benchmark, by considering which metrics have the greatest bearing on shareholder decisions.

Consistent with FY2024, we determined that Total Assets remains the benchmark for the Group as the valuation of the investment portfolio remains the key financial measure. As such, we based our Group materiality on Total Assets, of which it represents 0.75% (FY2024: 0.8%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company Total Assets of which it represents 0.76% (FY2024: 0.75%).

Materiality levels used in our audit



Group scope (item 7 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements.

We identified the group as a whole to be a single component, having considered our evaluation of the Group's operational structure, the Group's legal structure, the existence of common information systems, and our ability to perform audit procedures centrally.

Accordingly, we performed audit procedures on the single component. All procedures were performed by the Group team.

We consider the scope of our audit, as communicated to the Audit and Compliance Committee, to be an appropriate basis for our audit opinion.

The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Group's business and its financial statements.

Climate change impacts the Group in a variety of ways including the impact of climate risk on investment valuations, potential reputational risk associated with the Group's delivery of its climate related initiatives, and greater emphasis on climate related narrative and disclosure in the annual report.

The Group's exposure to climate change is primarily through the portfolio companies, as the key valuation assumptions and estimates may be impacted by climate change risks.

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of portfolio companies. Our assessment of the impact of climate change was limited to the valuation of unquoted investments.

For the biggest asset in the portfolio, Action, we read the company's sustainability report to understand the climate change risks and considered the impact on its valuation. On the basis of the risk assessment procedures performed above, we concluded that, while climate change posed a risk to the determination of the valuation of portfolio companies due to the potential impact on the maintainability of valuation earnings or free cash flow forecasts, the risk was not significant when we considered the portfolio of investments. As a result, there was no material impact from this on our key audit matter.

We have also read the disclosure of climate related information in the front half of the annual report as set out on pages 58 to 68 and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going concern

We used our knowledge of the Group and Parent Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period were:

- Continued geopolitical tension and/or macro-economic downturn impacting the performance of portfolio companies, which may require the Group to provide further liquidity support, reduce dividend income and result in delays to the realisation of the Group's investments;
- A material downturn in performance of the Group's largest portfolio company, Action, resulting in a reduction in dividends or even requiring liquidity support; and
- A combination of the two scenarios.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts. Our procedures also included an assessment of whether the going concern disclosure in Accounting Policy A to the financial statements gives a complete and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in Accounting Policy A to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in Accounting Policy A to be acceptable; and
- The related statement under the Listing Rules set out on page 148 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Principal risks and mitigations statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal risks and mitigations disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability statement set out on pages 128 and 129 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matter together with our key audit procedures to address that matter and our results from those procedures.

This matter was addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on this matter.

4.1 Valuation of unquoted investments (Group and Parent Company)

Financial Statement Elements	FY2025	FY2024
Unquoted investments – Group and parent	**£17,500m**	£14,193m
Investments in investment entity subsidiaries	**£6,916m**	£5,804m
Interests in group entities – Parent Company,	**£6,385m**	£5,804m

Our assessment of risk vs FY2024

Our assessment of the risk is similar to FY2024.

Our results

FY2025: Acceptable

FY2024: Acceptable

Description of the Key Audit Matter

Subjective valuation

The investment portfolio comprises a number of unquoted investments. As these investments are unquoted and illiquid, the fair value is determined through the application of valuation techniques, which requires the exercise of significant judgement by the Group and Parent Company in relation to the assumptions and inputs into the respective models.

The valuations of unquoted financial instruments are considered to have a significant risk due to fraud or error as they are driven by significant unobservable inputs, which present an opportunity for misstatement of financial statements due to significant judgement and related estimation uncertainty.

The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Group's valuations are maintainable earnings and market multiples under the market approach, as well as the forecasted cash flow, discount rate and terminal value under the income approach.

We have determined that due to the subjective nature of the estimates required in the fair value measurement of unquoted investments and the associated high degree of estimation uncertainty, there is a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The fair value of assets and liabilities section of the financial statements (pages 176 to 179) disclose the sensitivities estimated by the Group.

Our response to the risk

Control design: We assessed the design and implementation of the investment valuation processes and controls, as required by professional standards.

Benchmarking assumptions: We challenged the Group and Parent Company on key judgements affecting portfolio company valuations by comparing assumptions made to external sources such as management information received from portfolio companies. We used our understanding of the portfolio companies to assess the assumptions around maintainability of earnings, and the comparability of companies selected by management to calibrate their valuations multiple or the discount rate.

Our valuation expertise: For a sample of investments, selected based on audit materiality and the risk profile of each investment, we used our own valuations specialists to assist us in assessing the principles and appropriateness of the valuation methodology, critically challenging the key assumptions, and independently providing a reasonable range for earnings multiples and discount rates, where applicable.

Understanding of the business: For the largest asset in the portfolio, Action, we visited its Head Office in the Netherlands, and held discussions with Action's management and external audit team to understand the business strategy, key processes and controls, how accounting estimates are made, and any key audit findings.

Historical comparisons: We compared the actual performance or cash flows achieved by portfolio companies to the inputs used in the valuation model for the prior year to understand the reasons for any significant variances and determine whether they are indicative of bias and error in the Group's approach to valuations.

Assessing transparency: We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

We performed the testing above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Communications with the 3i Group plc Audit and Compliance Committee and Valuations committee

Our discussions with and reporting to the Audit and Compliance Committee and the Valuations Committee included:

- Our approach to the audit of the fair value of the unquoted investment portfolio including details of our planned substantive procedures and the extent of our controls reliance;
- Our conclusions on the appropriateness of 3i's fair value methodology and policy;
- Our conclusions on the appropriateness of the valuation outcome for individual portfolio companies and, for the sample of investments where we were assisted by our valuation specialists, an indication of where the Group's valuations multiple and discount rate (where applicable) falls within our acceptable range;
- The adequacy of the sensitivity disclosures, particularly as they relate to valuation inputs; and
- Our assessment of whether any misstatement identified through these procedures was material.

Areas of particular auditor judgement

Auditor judgement is required to assess whether the Directors' estimate of the following key assumptions fall within an acceptable range:

- For assets valued using an earnings multiple approach:
  - Determination of valuation multiples; and
  - Determination of maintainable earnings (including any earnings adjustments).
- For assets valued using a discounted cash flow approach:
  - Discount rate
  - Projected cash flows
  - Terminal value exit multiple, and
  - Terminal value earnings

Our results

Based on the risk identified and our procedures performed, we consider the valuation of the unquoted investments to be acceptable (FY2024: acceptable).

Further information in the Annual Report and Accounts: See the Audit and Compliance Committee Report on page 121-126 and the Valuation Committee report on page 130-134 for details on how the committees considered Valuation as an area of significant attention, and page 174 for the accounting policy for unquoted investments.

In the prior period, we identified the carried interest payable included in investment entity subsidiaries as a Key Audit Matter. However, following the reduction in the size of the balance, primarily driven by crystallisations in 3i's carry interest schemes relating to Action, we have not assessed this as one of the most significant risks in our current year audit and, therefore, whilst we continue to perform procedures over the carried interest liability, it is not separately identified in our report this year.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

5. Our ability to detect irregularities, and our response

Fraud – identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included the following:

- Meetings throughout the year with the Group General Counsel, internal audit and Head of Compliance at which we discussed the Group's policies and procedures to prevent and detect fraud. Additionally, we obtained and inspected associated supporting documentation such as:
  - Board and Audit and Compliance Committee minutes;
  - Internal audit reports;
  - Internal risk registers; and
  - Breaches register.
- Enquiries of directors, finance team, the Group General Counsel, the Head of Compliance, internal audit, and the Audit and Compliance Committee as to whether they have knowledge of any actual, suspected, or alleged fraud.
- Consideration of the Group's remuneration policies, key drivers for remuneration and bonus levels; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with companies in the same sector as 3i operates, and this experience was relevant to the discussion about where fraud risks may arise.

Risk communications

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud risks

As required by auditing standards, and taking into account possible pressures to meet performance targets, we performed procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of the unquoted investment portfolio and investment entity subsidiaries.

On this audit we have not identified a significant risk of fraud related to revenue recognition because the Group has a relatively simple revenue model with no material estimation or judgement; the simple nature and low volume of individual revenue transactions means there is a remote risk of material misstatement from fraudulent manipulation, and opportunities for a material misstatement due to fraudulent revenue recognition are limited due to the nature of the portfolio income received.

We identified an additional fraud risk relating to the valuation of unquoted investments held on balance sheet and within investment entity subsidiaries. As these investments are unquoted and illiquid, they are valued using valuation techniques. Such techniques are subjective and involve the exercise of judgement by the Group and Parent Company over areas such as maintainability of earnings used in valuations, the determination of earnings multiples, and projected cash flows, discount factors and terminal values for discounted cash flow valuations. In addition, the valuation of unquoted investments drives the share price of the Group, which in turn drives remuneration of the Executive Directors, and is a key indicator for their performance. Due to the highly judgemental nature of these valuations, the reliance on unobservable inputs, and the linkage to Executive Directors' remuneration, we consider there to be increased risk of fraud in relation to the valuation of unquoted investment portfolio.

Link to KAMs

Further detail in respect to procedures performed over the valuation of unquoted investments is contained within the key audit matter disclosures in section 4.1 of this report.

Procedures to address fraud risks

We performed substantive audit procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included post close journals, those journals containing high risk key words, and unusual pairings; and
- Assessing significant accounting estimates, including valuation of unquoted investments and investment entity subsidiaries, for any indicators of management bias.

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

Identifying and responding to risks of material misstatement related to compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated and operates in a highly regulated environment, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. Our assessment included inspection of key frameworks, policies and standards in place and understanding and evaluating the role of the compliance function in establishing these and monitoring compliance.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Direct laws context and link to audit

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Most significant indirect law/regulation areas

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate in countries where the non-adherence to laws could prevent trading in such countries.

We identified the following areas as those most likely to have such an effect:

- Anti-bribery and corruption;
- Competition legislation;
- Pensions legislation;
- Regulatory capital and liquidity;
- Health and safety legislation;
- Market abuse regulations; and
- Certain aspects of company legislation recognising the financial and regulated nature of two of the Group's subsidiaries and their legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£195m
(FY2024: £176m)
Materiality for the group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £195m (FY2024: £176m). Consistent with FY2024, we determined that Total Assets remains the main benchmark for the Group as the valuation of the investment portfolio remains the key financial measure.

Our Group materiality of £195m was determined by applying a percentage to the Total Assets. When using an asset related measure to determine overall materiality, KPMG's approach for listed public interest entities considers a guideline range 0.5% - 1% of the measure. In setting overall Group materiality, we applied a percentage of 0.75% (FY2024: 0.8%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £194m (FY2024: £159m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.76% (FY2024: 0.75%).

£146m
(FY2024: £132m)
Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY2024: 75%) of materiality for 3i Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £145m (FY2024: £119m), which equates to 75% (FY2024: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

£10m
(FY2024: £9m)
Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing, and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to 3i Group plc's Audit and Compliance Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY2024: 5%) of our materiality for the Group financial statements. We also report to the Audit and Compliance Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £195m (FY2024: £176m) compares as follows to the main financial statement caption amounts:

	Total Gross investment income		Group profit for the year		Total Group Net Assets	
	FY2025	FY2024	**FY2025**	FY2024	**FY2025**	FY2024
Financial statement Caption	**£5,062m**	£3,877m	**£5,038m**	£3,836m	**£24,611m**	£20,170m
Group Materiality as % of caption	**3.9%**	4.5%	**3.9%**	4.6%	**0.8%**	0.9%

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparison to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risk of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

We identified the group as a whole to be a single component, having considered our evaluation of the Group's operational structure, the Group's legal structure, the existence of common information systems, and our ability to perform audit procedures centrally. Accordingly, we performed audit procedures on the single component.

We consider the scope of our audit, as communicated to the Audit and Compliance Committee, to be an appropriate basis for our audit opinion.

Impact of controls on our Group audit

We did not plan to rely on controls in our audit because we believe that either it is more effective to perform a predominantly substantive audit approach or the nature of the financial statement account balance is such that we would expect to obtain audit evidence primarily through substantive procedures. We identified the Group's financial reporting system to be the main IT system relevant to our audit. We involved IT auditors to assist us in obtaining an understanding of the processes and controls within this financial reporting system. The findings identified in this process related to segregation of duties does not affect our planned audit approach.

Group audit team oversight

What we mean

The extent of the Group audit team's involvement in component audits.

As outlined above, we identified the Group as a single component. The Group engagement team performed audit procedures over this component and, as such, no component auditors were involved.

8. Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and Directors' report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit and Compliance Committee, including the significant issues that the Audit and Compliance Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

Our reporting

We have nothing to report in this respect.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Other matters on which we are required to report by exception	
Our responsibility Under the Companies Act 2006, we are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	**Our reporting** We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 153, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL
14 May 2025

Portfolio and other information

What's in this section

20 large investments

The 20 investments listed below account for 95% of the portfolio at 31 March 2025 (31 March 2024: 95%). One portfolio company has been excluded due to commercial sensitivity. All investments have been assessed to establish whether they classify as accounting subsidiaries under IFRS and/or subsidiaries under the UK Companies Act. This assessment forms the basis of our disclosure of accounting subsidiaries in the financial statements.

The UK Companies Act defines a subsidiary based on voting rights, with a greater than 50% majority of voting rights resulting in an entity being classified as a subsidiary. IFRS 10 applies a wider test and, if a Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee then it has control, and hence the investee is deemed an accounting subsidiary. Controlled subsidiaries under IFRS are noted below. None of these investments are UK Companies Act subsidiaries.

In accordance with Part 5 of The Alternative Investment Fund Managers Regulations 2013 ("the Regulations"), 3i Investments plc, as AIFM, requires all controlled portfolio companies to make available to employees an annual report which meets the disclosure requirements of the Regulations. These are available either on the portfolio company's website or through filing with the relevant local authorities.

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] March 2025 £m**	Residual cost[1] March 2024 £m	**Valuation[2] March 2025 £m**	Valuation[2] March 2024 £m	Relevant transactions in the year
Action* General merchandise discount retailer	Private Equity Netherlands 2011 Earnings	**1,877**	1,108	**17,831**	14,158	£1,164 million of capital restructuring proceeds, £433 million cash dividends received and reinvestment of £768 million
Royal Sanders* Private label and contract manufacturing producer of personal care products	Private Equity Netherlands 2018 Earnings	**204**	165	**865**	580	Acquisition of Karium in June 2024 and Treaclemoon in February 2025. £39m further investment
3i Infrastructure plc* Quoted investment company, investing in infrastructure	Infrastructure UK 2007 Quoted	**305**	305	**856**	879	£33 million dividend received
Cirtec Medical* Outsourced medical device manufacturing	Private Equity US 2017 Earnings	**172**	172	**614**	586	
Scandlines Ferry operator between Denmark and Germany	Scandlines Denmark/ Germany 2018 DCF	**531**	530	**529**	519	£22 million dividend received
AES Manufacturer of mechanical seals and provider of reliability services	Private Equity UK 1996 Earnings	**30**	30	**419**	403	£4 million dividend received. Acquired Condition Monitoring Services in August 2024 and PSS Marine Seal in October 2024
Tato Manufacturer and seller of specialty chemicals	Private Equity UK 1989 Earnings	**2**	2	**382**	335	£13 million dividend received
Evernex* Provider of third-party maintenance services for data centre infrastructure	Private Equity France 2019 Earnings	**332**	316	**350**	331	Acquired Ultra Support in November 2024

20 large investments continued

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] March 2025 £m**	Residual cost[1] March 2024 £m	**Valuation[2] March 2025 £m**	Valuation[2] March 2024 £m	Relevant transactions in the year
SaniSure* Manufacturer, distributor and integrator of single-use bioprocessing systems and components	Private Equity US 2019 Earnings	**76**	76	**324**	334	
Smarte Carte* Provider of self-serve vended luggage carts, electronic lockers and concession carts	Infrastructure US 2017 DCF	**196**	194	**308**	306	£6 million interest income received
European Bakery Group* Industrial bakery group specialised in bake-off bread and snack products	Private Equity Netherlands 2021 Earnings	**63**	84	**278**	267	Return of funding of £22 million
Audley Travel* Provider of experiential tailor-made travel	Private Equity UK 2015 Earnings	**338**	303	**276**	192	
ten23 health* Biologics focused CDMO	Private Equity Switzerland 2021 Other	**183**	129	**250**	192	£54 million further investment
Luqom* Online lighting specialist retailer	Private Equity Germany 2017 Earnings	**273**	262	**218**	222	
Q Holding* Manufacturer of catheter products serving the medical device market	Private Equity US 2014 Earnings	**162**	162	**172**	150	
xSuite* Accounts payable process automation specialist focused on the SAP ecosystem	Private Equity Germany 2022 Earnings	**98**	93	**122**	98	£5 million invested to support the acquisition of tangro in June 2024
BoConcept* Urban living designer	Private Equity Denmark 2016 Earnings	**131**	121	**121**	133	
WaterWipes* Global, premium, natural wet wipe brand	Private Equity Ireland 2025 Price of recent investment	**121**	–	**117**	–	Acquired in January 2025
MAIT* IT services provider of PLM & ERP software applications and IT infrastructure solutions for larger SME clients in the DACH region	Private Equity Germany 2021 Earnings	**53**	53	**110**	100	Acquired CAD 'N ORG and ISAP in April 2024, and TFH Technical Services in November 2024
Dynatect* Manufacturer of engineered, mission critical protective equipment	Private Equity US 2014 Earnings	**65**	65	**108**	130	
		5,212	4,170	**24,250**	19,915	

* Controlled in accordance with IFRS.
1 Residual cost includes cash investment and interest, net of cost disposed.
2 Valuation represents our unrealised value at the relevant date and does not include any realised proceeds and dividends received under our ownership.

Portfolio valuation – an explanation

Policy

The valuation policy is the responsibility of the Board, with additional oversight and annual review from the Valuations Committee. The policy is reviewed at least annually, with the last update in January 2025. Our policy is to value 3i's investment portfolio at fair value and we achieve this by valuing investments on an appropriate basis, applying a consistent approach across the portfolio. The policy ensures that the portfolio valuation is compliant with the fair value guidelines under IFRS and, in so doing, is also compliant with the IPEV guidelines. The policy covers the Group's Private Equity, Infrastructure and Scandlines investment valuations. Valuations of the investment portfolio of the Group and its subsidiaries are performed at each quarter end.

Fair value is the underlying principle and is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date" (IPEV guidelines, December 2022). Fair value is an estimate and, as such, determining fair value requires the use of judgement.

The quoted assets in our portfolio are valued at their closing bid price at the balance sheet date. The majority of the portfolio, however, is represented by unquoted investments.

Private Equity unquoted valuation

To arrive at the fair value of the Group's unquoted Private Equity investments, we first estimate the entire value of the company we have invested in – the enterprise value. We then apportion that enterprise value between 3i, other shareholders and lenders.

Determining enterprise value

The enterprise value is determined using one of a selection of methodologies depending on the nature, facts and circumstances of the investment.

Where possible, we use methodologies which draw heavily on observable market prices, whether listed equity markets or reported merger and acquisition transactions, and trading updates from our portfolio.

As unquoted investments are not traded on an active market, the Group adjusts the estimated enterprise value by a liquidity discount. The liquidity discount is applied to the total enterprise value and we apply a higher discount rate for investments where there are material restrictions on our ability to sell at a time of our choosing.

Note 13 Fair values of assets and liabilities outlines in more detail the range of valuation methodologies available to us, as well as the inputs and adjustments necessary for each. The fair value of each investment has been assessed on a case-by-case basis considering historical, current and forward looking data. Where forward-looking data forms the base of a valuation, the accuracy, reliability and maintainability of these forecasts has been considered.

Apportioning the enterprise value between 3i, other shareholders and lenders

Once we have estimated the enterprise value, the following steps are taken:

(1) We subtract the value of any claims, net of free cash balances that are more senior to the most senior of our investments.

(2) The resulting attributable enterprise value is apportioned to the Group's investment, and equal ranking investments by other parties, according to contractual terms and conditions, to arrive at a fair value of the entirety of the investment. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

(3) If the value attributed to a specific shareholder loan investment in a company is less than its carrying value, a shortfall is implied, which is recognised in our valuation. In exceptional cases, we may judge that the shortfall is temporary; to recognise the shortfall in such a scenario would lead to unrepresentative volatility and hence we may choose not to recognise the shortfall.

Other factors

In applying this framework, there are additional considerations that are factored into the valuation of some assets.

Impacts from structuring

Structural rights are instruments convertible into equity or cash at specific points in time or linked to specific events. For example, where a majority shareholder chooses to sell, and we have a minority interest, we may have the right to a minimum return on our investment.

Debt instruments, in particular, may have structural rights. In the valuation, it is assumed third parties, such as lenders or holders of convertible instruments, fully exercise any structural rights they might have if they are "in the money", and that the value to the Group may therefore be reduced by such rights held by third parties. The Group's own structural rights are valued on the basis they are exercisable on the reporting date.

Infrastructure unquoted valuation

The primary valuation methodology used for unquoted Infrastructure investments is the DCF method. Fair value is estimated by deriving the present value of the investment using reasonable assumptions of expected future cash flows and the terminal value and date, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the investment. The discount rate is estimated with reference to the market risk-free rate, a risk-adjusted premium and information specific to the investment or market sector.

Scandlines unquoted valuation

Scandlines is valued on a DCF basis. This is consistent with the Infrastructure methodology.

Information for shareholders

Financial calendar

Ex-dividend date	Thursday 19 June 2025
Record date	Friday 20 June 2025
Annual General Meeting	Thursday 26 June 2025
Second FY2025 dividend to be paid	Friday 25 July 2025
Half-year results (available online only)	November 2025
First FY2026 dividend expected to be paid	January 2026

Information on ordinary shares

Shareholder profile: Location of investors at 31 March 2025

UK	45%
North America	39%
Continental Europe	13%
Other international	3%

Share price

Share price at 31 March 2025	3,616
High during the year 18 February 2025	4,134
Low during the year 9 April 2024	2,777

Dividends paid in the year to 31 March 2025

Second FY2024 dividend, paid 26 July 2024	34.5p
First FY2025 dividend, paid 10 January 2025	30.5p

Balance analysis summary

	Number of holdings			Balance as at 31 March 2025			
Range	Individuals	Corporate bodies	Number of shares	% shares	Total holdings	Individual shares	Corporate shares
1–1,000	8,617	189	3,672,508	0.38	8,806	3,598,823	73,685
1,001–10,000	3,571	457	9,703,307	1.00	4,028	7,723,137	1,980,170
10,001–100,000	84	547	22,881,160	2.35	631	1,924,226	20,956,934
100,001–1,000,000	4	413	146,326,100	15.03	417	536,418	145,789,682
1,000,001–10,000,000	–	119	331,873,671	34.09	119	–	331,873,671
10,000,001–highest	–	14	458,942,232	47.15	14	–	458,942,232
Total	**12,276**	**1,739**	**973,398,978**	**100.00**	**14,015**	**13,782,604**	**959,616,374**

The table above provides details of the number of shareholdings within each of the bands stated in the register of members at 31 March 2025.

It should be noted that because many individuals and institutions hold shares through nominees (such as brokers, investment managers or investment platforms) the actual number of beneficial owners of shares will be greater than the numbers of holdings in the above table.

The Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development ("OECD") Common Reporting Standard for Automatic Exchange of Financial Account Information requires investment trust companies to provide information about certain shareholders in the company to HMRC. As an investment trust company, 3i Group plc is required to provide information annually to HMRC on certain certificated shareholders and corporate entities. This information includes country of tax residency as well as details of shares held and dividends received. HMRC may in turn exchange such information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements with the UK to exchange financial account information. Certain shareholders have been and will in future be sent a self-certification form for the purposes of collecting required information.

Boiler room and other scams

Shareholders should be wary of any unsolicited investment advice, offers to buy shares at a discounted price or offers to buy 3i shareholdings. These fraudsters use persuasive and high-pressure tactics to lure shareholders into scams. We have become aware of what appears to be an increase in calls to current and former 3i shareholders.

The Financial Conduct Authority ("FCA") has found that victims of share fraud are often seasoned investors with victims losing an average of £20,000.

Please keep in mind that firms authorised by the FCA are unlikely to contact you unexpectedly with an offer to buy or sell shares. You should consider getting independent financial or professional advice before you hand over any money or even share any information with them.

If you receive any unsolicited approaches or investment advice, you should proceed with caution. Steps that you might wish to take could include the following:

- always ensure the firm is on the FCA Register and is allowed to give financial advice before handing over your money. You can check at www.fca.org.uk/register;
- double-check the caller is from the firm they say they are – ask for their name and telephone number and say you will call them back. Check their identity by calling the firm using the contact number listed on the FCA Register. This is important as there have been instances where an authorised firm's website has been cloned but with a few subtle changes, such as a different phone number or false email address;
- check the FCA's list of known unauthorised overseas firms. However, these firms change their name regularly, so even if a firm is not listed it does not mean they are legitimate. Always check that they are listed on the FCA Register; and
- if you have any doubts, call the FCA Consumer Helpline on 0800 111 6768. If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Annual reports and Half-yearly reports online

If you would prefer to receive shareholder communications electronically in future, including annual reports and notices of meetings, please visit our Registrars' website at **www.shareview.co.uk/clients/3isignup** and follow the instructions there to register.

The 2025 Half-yearly report will be available online only. Please register to ensure you are notified when it becomes available at **www.3i.com/investor-relations/financial-news**.

More general information on electronic communications is available on our website at **www.3i.com/investor-relations/shareholder-centre/**.

Investor relations enquiries

For all investor relations enquiries about 3i Group plc, including requests for further copies of the Annual report and accounts, please contact:

Investor relations
3i Group plc
1 Knightsbridge
London, SW1X 7LX

Telephone +44 (0)20 7975 3131

email **IRTeam@3i.com**

or visit the Investor relations section of our website at **www.3i.com/investor-relations**, for full up-to-date investor relations information, including the latest share price, results presentations and financial news.

Registrars

For shareholder administration enquiries, including changes of address please contact:

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex, BN99 6DA

Telephone 0371 384 2031

Lines are open from 8.30am to 17.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Glossary

Alternative Investment Funds ("AIFs") At 31 March 2025, 3i Investments plc as AIFM, managed seven AIFs. These were 3i Group plc, 3i Growth Capital B LP, 3i Growth Capital C LP, 3i Europartners Va LP, 3i Europartners Vb LP, 3i Managed Infrastructure Acquisitions LP and 3i Infrastructure plc.

Alternative Investment Fund Manager ("AIFM") is the regulated manager of AIFs. Within 3i, these are 3i Investments plc and 3i Investments (Luxembourg) SA.

Approved Investment Trust Company This is a particular UK tax status maintained by 3i Group plc, the parent company of 3i Group. An approved Investment Trust company is a UK 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.

Assets under management ("AUM") A measure of the total assets that 3i has to invest or manages on behalf of shareholders and third-party investors for which it receives a fee. AUM is measured at fair value. In the absence of a third-party fund in Private Equity, it is not a measure of fee generating capability.

B2B Business-to-business.

Board The Board of Directors of the Company.

CAGR is the compound annual growth rate.

Capital redemption reserve is established in respect of the redemption of the Company's ordinary shares.

Capital reserve recognises all profits and losses that are capital in nature or have been allocated to capital. Following changes to the Companies Act, the Company amended its Articles of Association at the 2012 Annual General Meeting to allow these profits to be distributable by way of a dividend.

Carried interest payable is accrued on the realised and unrealised profits generated taking relevant performance hurdles into consideration, assuming all investments were realised at the prevailing book value. Carried interest is only actually paid when the relevant performance hurdles are met and the accrual is discounted to reflect expected payment periods.

Carried interest receivable The Group earns a share of profits from funds which it manages on behalf of third parties. These profits are earned when the funds meet certain performance conditions and are paid by the fund once these conditions have been met on a cash basis. The carried interest receivable may be subject to clawback provisions if the performance of the fund deteriorates following carried interest being paid.

CDMO stands for a contract development and manufacturing organisation.

Company 3i Group plc.

DACH The region covering Austria, Germany and Switzerland.

DCF Discounted cash flow.

Discounting 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 is defined as earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.

EBITDA multiple Calculated as the enterprise value over EBITDA, it is used to determine the value of a company.

Executive Committee The Executive Committee is responsible for the day-to-day running of the Group (see page 104).

Fair value movements on investment entity subsidiaries The movement in the carrying value of Group subsidiaries, classified as investment entities under IFRS 10, between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.

Glossary continued

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.

Fee income (or Fees receivable) is earned for providing services to 3i's portfolio companies and predominantly falls into one of two categories. Negotiation and other transaction fees are earned for providing transaction related services. Monitoring and other ongoing service fees are earned for providing a range of services over a period of time.

Fees receivable from external funds are earned for providing management and advisory services to a variety of fund partnerships and other entities. Fees are typically calculated as a percentage of the cost or value of the assets managed during the year and are paid quarterly, based on the assets under management to date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to sterling at the exchange rate ruling at that date.

Gross investment return ("GIR") includes profit and loss on realisations, increases and decreases in the value of the investments we hold at the end of a period, any income received from the investments such as interest, dividends and fee income, movements in the fair value of derivatives and foreign exchange movements. GIR is measured as a percentage of the opening portfolio value.

Interest income from investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value.

International Financial Reporting Standards ("IFRS") are accounting standards issued by the International Accounting Standards Board ("IASB"). The Group's consolidated financial statements are prepared in accordance with UK adopted international accounting standards.

Investment basis Accounts prepared assuming that IFRS 10 had not been introduced. Under this basis, we fair value portfolio companies at the level we believe provides useful comprehensive financial information. The commentary in the Strategic report refers to this basis as we believe it provides a more understandable view of our performance.

IRR Internal Rate of Return.

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

Like-for-like compare financial results in one period with those for the previous period.

Liquidity includes cash and cash equivalents (as per the Investment basis Consolidated cash flow statement) and undrawn RCF.

Money multiple is calculated as the cumulative distributions plus any residual value divided by paid-in capital.

Net asset value ("NAV") is a measure of the fair value of our proprietary investments and the net costs of operating the business.

Operating cash profit is the difference between our cash income (consisting of portfolio interest received, portfolio dividends received, portfolio fees received and fees received from external funds as per the Investment basis Consolidated cash flow statement) and our operating expenses and lease payments (as per the Investment basis Consolidated cash flow statement).

Operating profit includes gross investment return, management fee income generated from managing external funds, the costs of running our business, net interest payable, exchange movements, other income, carried interest and tax.

Organic growth is the growth a company achieves by increasing output and enhancing sales internally.

Glossary continued

Performance fee receivable The Group earns a performance fee from the investment management services it provides to 3i Infrastructure plc ("3iN") when 3iN's total return for the year exceeds a specified threshold. This fee is calculated on an annual basis and paid in cash early in the next financial year.

Portfolio effect is the level of risk based on the diversity of the investment portfolio.

Portfolio income is that which is directly related to the return from individual investments. It is comprised of dividend income, income from loans and receivables and fee income.

Proprietary Capital is shareholders' capital which is available to invest to generate profits.

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.

Realised profits or losses over value on the disposal of investments is the difference between the fair value of the consideration received, less any directly attributable costs, on the sale of equity and the repayment of loans and receivables and its carrying value at the start of the accounting period, converted into sterling using the exchange rates at the date of disposal.

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

Revolving Credit Facility ("RCF") The Group has access to a credit line which allows us to access funds when required to improve our liquidity.

Run-rate is a financial performance metric, which captures the future predicted growth of a portfolio company's financial performance.

Segmental reporting Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive who is considered to be the Group's chief operating decision maker. All transactions between business segments are conducted on an arm's length basis, with intrasegment revenue and costs being eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

Share-based payment reserve is a reserve to recognise those amounts in retained earnings in respect of share-based payments.

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

Syndication is the sale of part of our investment in a portfolio company to a third party, usually within 12 months of our initial investment and for the purposes of facilitating investment by a co-investor or portfolio company management in line with our original investment plan. A syndication is treated as a negative investment rather than a realisation.

Total return comprises operating profit less tax charge less movement in actuarial valuation of the historic defined benefit pension scheme.

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.

Translation reserve comprises all exchange differences arising from the translation of the financial statements of international operations.

Unrealised profits or losses on the revaluation of investments is the movement in the carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.

3i Group plc

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3i Group plc

1 Knightsbridge, London, SW1X 7LX, UK
Telephone +44 (0)20 7975 3131

THR27389

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