3i Infrastructure plc

12 November 2024

Results for the six months to 30 September 2024

The portfolio continues to generate attractive value growth, ahead of 3i Infrastructure's target return of 8-10% per annum. We are on track to deliver the FY25 dividend target of 12.65 pence per share, which is 6.3% higher than the previous year and expected to be fully covered by net income.

Performance highlights

£169m Total return for the period (30 September 2023: £191m)	**5.1%** Total return on opening net asset value ('NAV') (30 September 2023: 6.3%)	*Continued growth in NAV ahead of target*
£3,456m NAV (31 March 2024: £3,342m)	**374.7p** NAV per share (31 March 2024: 362.3p)	
£103m Total income and non-income cash (30 September 2023: £104m)	**6.325p** Interim dividend per share (FY24 interim dividend: 5.95p per share)	*On track to deliver the FY25 dividend target, 6.3% higher than FY24*
€309m Valorem expected sale proceeds to be used to reduce drawn balance on revolving credit facility ('RCF')	**+15%** Increase based on expected EUR realisation proceeds versus March 2024 valuation	*+31% expected uplift over September 2023 valuation, before the Valorem sale process was initiated*
+15% Future Biogas partial syndication implied premium to the March 2024 valuation		*Premium to 31 March 2024 valuation implied by recent syndication of Future Biogas*

Richard Laing, Chair of 3i Infrastructure plc ('3i Infrastructure', '3iN' or the 'Company')

"The portfolio continues to perform well, with our largest assets in particular seeing strong earnings momentum. We are pleased with the outcome of the realisation process for Valorem, with expected proceeds achieving a significant uplift in value and a money multiple of 3.5x cost over the life of this investment. We are on track to deliver our FY25 dividend target, which is a 6.3% increase on last year's dividend."

Performance

The Company generated a total return of 5.1% on opening NAV for the first half of the year, ahead of our target return of 8% to 10% per annum. The NAV per share increased to 374.7 pence. The portfolio overall is performing ahead of expectations. The realisation of Valorem at a 31% uplift to our September 2023 valuation and syndication of a stake in Future Biogas at a 15% uplift to our March 2024 valuation demonstrates the resilient demand from private market investors for our high-quality infrastructure investments.

Interim dividend

The Board is announcing an interim dividend of 6.325 pence per share, scheduled to be paid on 13 January 2025 to holders of ordinary shares on the register on 22 November 2024. The ex-dividend date will be 21 November 2024.

As an investment trust, the Company is permitted to designate dividends wholly or partly as interest distributions for UK tax purposes. The Board is designating the full 6.325 pence interim dividend as an interest distribution.

Corporate governance

The Company's Annual General Meeting ('AGM') was held on 4 July 2024. All resolutions were approved by shareholders.

Wendy Dorman and Samantha Hoe-Richardson did not seek re-election as Directors at the AGM and, accordingly, they ceased to be Directors of the Company at the conclusion of the AGM.

Martin Magee, non-executive Director of the Company, succeeded Wendy Dorman as Chair of the Audit and Risk Committee with effect from the conclusion of the AGM. On 15 July 2024, Milton Fernandes was appointed as a non-executive Director of the Company. Milton has over 20 years' experience in infrastructure investment including previous roles as CFO and Managing Director of Infracapital and CFO of Innisfree Limited.

Richard Laing
Chair

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Notes

This report contains Alternative Performance Measures ('APMs'), which are financial measures not defined in International Financial Reporting Standards ('IFRS'). These include Total return on opening NAV, NAV per share, Total income and non-income cash, Investment value including commitments, Total portfolio return percentage and Total liquidity. More information relating to APMs, including why we use them and the relevant definitions, can be found in the Financial review section and the Company's Annual report and accounts 2024. The Total return for the period is the total comprehensive income for the period under IFRS.

For further information regarding the announcement of the results for 3i Infrastructure plc, please visit www.3i-infrastructure.com. The analyst presentation will be made available on this website.

Notes to editors

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

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

This statement has been prepared solely to provide information to shareholders. It should not be relied on by any other party or for any other purpose. It and the Company's Half-yearly report may contain statements about the future, including certain statements about the future outlook for 3i Infrastructure plc. These are not guarantees of future performance and will not be updated. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

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

3i Infrastructure plc Half-yearly report 2024

Review from the Managing Partners

3i Infrastructure’s portfolio continues to demonstrate value growth driven by fundamental earnings growth. Our companies have been carefully selected because they operate in markets displaying long-term growth mega-trends, whilst also typically demonstrating low cyclicality of earnings, positive value correlation to inflation and defensive return characteristics. As a result, 3i Infrastructure's portfolio provides a differentiated proposition to shareholders; diversification from fixed income products alongside well-proven capital growth potential.

We work closely with our portfolio company management teams to maximise value creation throughout our ownership. Our active management is centered around three key pillars; demonstrating high quality of earnings, investing in return-accretive growth capex and defining white space growth potential in preparation for our eventual exit.

The agreement to sell Valorem and partial syndication of Future Biogas that we announced during the period are good illustrations of the success of our model and are discussed in further detail below.

Valorem

On 7 October 2024, we announced that we had received a binding offer for our 33% stake in Valorem from AIP Management P/S and certain other co-investors. Subject to acceptance of the binding offer and the receipt of regulatory clearance, we expect the transaction to complete in Q1 2025. At the point of exit, we expect our investment in Valorem to have generated a 21% gross annual IRR and 3.5x gross multiple of invested capital. The expected net proceeds of €309 million are 15% above our March 2024 carrying value and 31% above our September 2023 carrying value (which was before the sales process began). Once received, the proceeds will be applied to reduce 3i Infrastructure's outstanding RCF balance.

We initially invested in Valorem in 2016. During our ownership period we guided the company's successful transformation from an asset developer in France to a leading renewable power producer in Europe. Initially focused on onshore wind generation, Valorem grew its portfolio to include solar, hydro generation and wind projects across France, Finland, Greece and Poland. During the period of our involvement, Valorem’s assets in operation grew to over 850MW, a more than five-fold increase, and its development pipeline reached 6.6GW. Valorem's EBITDA has also more than quadrupled.

Following the completion of Valorem, 3iN will have delivered a realised track record since inception of 23% IRR, and realised proceeds of £4.1 billion against an investment cost of £1.5 billion.

Valorem is the seventh consecutive core-plus realisation from 3i Infrastructure's portfolio achieved at a premium to last reported NAV, extending our track record of successful value creation on exits, and demonstrating the continued appetite for 3i Infrastructure's investments amongst the private markets infrastructure community. The weighted-average premium to the previously reported valuation achieved from these realisations is 37%.

Future Biogas

During the period, Future Biogas acquired a 51% stake in a portfolio of six gas-to-grid Anaerobic Digestion (‘AD’) plants, that it had developed and was operating under management contract with JLEN Environmental Assets Group Limited ('JLEN'), for £68 million. Of this amount, £30 million was funded by a follow-on investment from 3iN into Future Biogas with the remainder being funded by Future Biogas's committed debt facilities. This acquisition marks an important milestone in building Future Biogas into a scalable platform and establishing it as the leading developer, asset owner and operator of green gas plants in the UK. The company has a promising pipeline of potential sites for the construction of new AD plants and is in ongoing dialogue with a number of high-quality corporate customers to supply biogas.

In September 2024, 3iN completed the syndication of 23% of its stake in Future Biogas to RWE Energy Transition Investments ('RWE') for proceeds of £30 million, at a valuation representing a 15% premium to the 31 March 2024 valuation.

Portfolio review

In addition to the successful transactions at Valorem and Future Biogas, we are generally pleased with performance across the rest of the portfolio. In particular, we note the following:

TCR outperformed expectations during the period. Demand for its rental product remains strong, driven by growth in air traffic and the increasing rate of leasing adoption within TCR's markets. TCR continues to support the decarbonisation of its customers’ operations by investing in new electric Ground Support Equipment ('GSE'), now accounting for 38% of its GSE total motorised fleet. It is also continuing to gain traction on its GSE pooling solution at major airports worldwide.

ESVAGT had a strong first half, driven by increasing vessel day rates and high levels of vessel utilisation. The company currently operates nine Service Operation Vessels ('SOV') supporting the offshore wind sector, with a further four currently under construction, each being built to service long-term charter agreements. The near-term pipeline for new SOVs is strong. During the period, ESVAGT closed a further €200 million committed debt facility at attractive rates, providing additional capital to support its growth plans. ESVAGT's emergency rescue and response vessels segment also continued to perform well.

Infinis's landfill gas generation assets performed ahead of expectations, offsetting lower margins from its power response assets. The company continues to make significant progress in developing a high-quality 1.4GW solar and battery pipeline and has strengthened its development team to accelerate planning and construction processes. The Ford Oaks Solar Park (44 MW), a 45-hectare site close to Exeter Airport, and Oaklands Solar Farm (54 MW) in South Wales both received planning consent during the period.

Tampnet had a good first half, exceeding EBITDA targets in both the North Sea and Gulf of Mexico. During the period, Tampnet secured its first fibre-backed contract in the Mexican deepwater and is exploring several new opportunities outside of the regions it currently serves. The company also continues to experience growing demand for its private network solution business and its developing carbon capture and offshore wind connectivity solutions.

GCX outperformed expectations due to progress converting its sales pipeline into signed contracts. Demand for GCX's bandwidth is driven by the increasing need for capacity on GCX's routes. GCX continues to explore a number of attractive network investment opportunities along the Europe-to-India and India-to-Singapore corridors.

Joulz performed in line with expectations during the period. The sales pipeline is progressing well. In August 2024, Joulz completed a refinancing of its debt on favourable terms providing additional capital to fund future growth projects.

Ionisos performed below expectations for the first half of the year due to unplanned stoppages at its E-Beam plants and weakness in those volumes related to the German construction industry. However, demand for Ionisos's services in its core medical and pharmaceutical markets continues to grow. The construction of a new greenfield X-ray facility in north-east France is progressing as planned.

Oystercatcher's financial performance was ahead of expectations during the period. Its Singapore storage facilities continued to operate at full capacity and achieved favourable contract renewal rates for storage and ancillary activities, despite the continued backwardation market dynamics for petroleum products.

SRL performed behind expectations in the first half of the year due to a challenging market backdrop. Local Authorities in the UK are budget constrained, impacting the volume of contracts in the market during the period. A new CEO joined the company in April 2024. He has identified several new initiatives to drive growth in response to the more challenging market backdrop.

DNS:NET is demonstrating early momentum in rolling out its fibre-to-the-home network in the Berlin vicinity, Brandenburg and Saxony-Anhalt. During the period, the number of activated customers increased in line with our revised business plan. Substantially all of the networks built by authorities in the neighbouring state of Saxony-Anhalt and leased to DNS:NET have now been handed over, generating incremental cash flow. We retain a flat valuation in recognition of the challenges experienced by the company to date, but we are pleased with the progress management is making.

The portfolio is analysed below.

Portfolio - Breakdown by value
at 30 September 2024

TCR	16%
ESVAGT	14%
Infinis	11%
Tampnet	9%
GCX	9%
Joulz	8%
Ionisos	8%
Valorem	6%
Oystercatcher	6%
SRL	6%
DNS:NET	4%
Future Biogas	3%

Sustainability

We continue to actively engage with our portfolio companies on Environmental, Social and Governance matters, with particular focus on climate change and occupational health and safety. Following the approval of 3i's science-based targets by the Science Based Targets initiative ('SBTi'), we are working closely with our portfolio companies to support their efforts in developing emission reduction strategies that are aligned with the ambition of the SBTi. Two of our portfolio companies have now had their targets verified by the SBTi. We are supporting more of our companies to progress towards this goal.

Outlook

The Company is on track to deliver its target return for this financial year.

We are pleased with the progress being made across our portfolio. Our portfolio companies are strategically positioned to benefit from long-term growth drivers, and private market investors continue to recognise their quality, as demonstrated by the transactions at Future Biogas and Valorem during the period; the latest in a long-line of successfully managed sale processes.

Proceeds from the sale of Valorem will be used to reduce the outstanding balance on the RCF. We will continue to support our portfolio companies' growth journeys and are excited about the potential for further value creation across the portfolio. We are confident that our approach will deliver long-term sustainable returns for investors.

Scott Moseley and Bernardo Sottomayor
Managing Partners and Co-Heads of European Infrastructure
3i Investments plc
11 November 2024

Financial review

The portfolio delivered another strong performance during the period.

On 7 October 2024, the Company announced that it had received a binding offer for its 33% stake in Valorem for expected net proceeds of €309 million, representing an uplift of €41 million on the value at 31 March 2024. A follow-on investment of £30 million was made into Future Biogas in August to support the acquisition of a 51% stake in six AD plants from JLEN. An equivalent amount was subsequently received by the Company in September following the syndication of 23% of its stake in Future Biogas, demonstrating an immediate uplift in value.

We are on track to deliver the full-year dividend target, which we expect to be fully covered.

The weighted average discount rate ('WADR') remained unchanged compared to March 2024 at 11.3% (31 March 2024: 11.3%). The change in the valuation methodology for Valorem from a discounted cash flow basis to a sales basis had only a marginal impact on the WADR. The agreement to sell Valorem at a significant premium to NAV and the partial syndication of Future Biogas, also at a premium to NAV, provide tangible support for our approach to valuation.

Portfolio and returns

The Company generated a total return for the six-month period of £169 million, representing a 5.1% return on opening NAV (September 2023: £191 million, 6.3%), ahead of the target return of 8% to 10% per annum. The Company's portfolio was valued at £3,972 million at 30 September 2024 (31 March 2024: £3,842 million) and delivered a total portfolio return in the period of £212 million, including income and allocated foreign exchange hedging (September 2023: £233 million).

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

Table 1: Portfolio summary (30 September 2024, £m)

Portfolio assets	Directors' valuation 31 March 2024	Investment in the period	Divestment in the period	Accrued income movement	Value movement	Foreign exchange translation	**Directors' valuation 30 September 2024**	Allocated foreign exchange hedging	Underlying portfolio income in the period	**Portfolio total return in the period[1]**
TCR	608	5[2]	–	5	20	(14)	**624**	15	11	**32**
ESVAGT	531	25[2]	–	1	1	(6)	**552**	5	26	**26**
Infinis	421	–	–	9	15	–	**445**	–	9	**24**
Tampnet	343	–	–	3	34	(12)	**368**	10	3	**35**
GCX	345	24[2]	–	(7)	10	(21)	**351**	15	16	**20**
Joulz	306	5[2]	(2)	–	15	(8)	**316**	8	4	**19**
Ionisos	306	–	–	5	5	(8)	**308**	8	5	**10**
Valorem	230	1[2]	–	–	26	(6)	**251**	6	2	**28**
Oystercatcher	248	–	(5)[3]	–	10	(3)	**250**	3	1	**11**
SRL	240	–	–	11	(19)	–	**232**	–	11	**(8)**
DNS:NET	164	–	–	7	(7)	(4)	**160**	4	7	**–**
Future Biogas	100	35[2,4]	(30)[5]	(2)	12	–	**115**	–	3	**15**
Total portfolio reported in the Financial statements	**3,842**	**95**	**(37)**	**32**	**122**	**(82)**	**3,972**	**74**	**98**	**212**

1 This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the period.

2 Capitalised interest totalling £64 million across the portfolio.

3 Shareholder loan repayment (non-income cash).

4 Follow-on investment in Future Biogas of £30 million and capitalised interest of £5 million.

5 Syndication of investment.

Portfolio return by asset

Table 2 below shows the portfolio return in the period for each asset as a percentage of the aggregate of the opening value of the asset and investment in the asset in the period (excluding capitalised interest). Note that this measure does not time-weight for investments in the period.

Table 2: Portfolio return by asset (six months to 30 September 2024, not annualised)

Portfolio assets	
TCR	5.3%
ESVAGT	4.9%
Infinis	5.7%
Tampnet	10.2%
GCX	5.8%
Joulz	6.2%
Ionisos	3.3%
Valorem[1]	12.2%
Oystercatcher	4.4%
SRL	(3.3)%
DNS:NET	—%
Future Biogas	14.9%
Total portfolio return[2]	**5.5%**

1 Valorem valuation includes a small execution risk discount to expected proceeds.

2 Portfolio returns include FX net of hedging.

Sensitivities

Our approach to valuation is consistent with previous years. The sensitivity of the portfolio to key inputs to our valuations is shown in Table 3.

Our inflation assumptions for the first two years of our projections reflect current and forecast consensus inflation levels. The longer-term inflation assumptions beyond two years remain consistent with central bank targets, e.g. UK CPI at 2%. A 1% increase in short-term (two-year) inflation assumptions is estimated to increase the portfolio value by £53 million and a 1% decrease is estimated to decrease the portfolio value by £52 million.

The weighted average discount rate is 11.3%. Increasing the discount rate used in the valuation of each asset by 1% would reduce the value of the portfolio by £329 million and decreasing the discount rate used by 1% would increase the value of the portfolio by £372 million.

The portfolio valuations are partially protected against changes in interest rates as long-term fixed rate or hedged debt is in place across the majority of our portfolio. Increasing the cost of borrowing assumption for unhedged borrowings and any future uncommitted borrowing and the cash deposit rates used in the valuation of each asset by 1% would reduce the value of the portfolio by £187 million. A 1% decrease in the interest rate assumption would increase the value of the portfolio by £186 million.

These sensitivities are indicative and are considered in isolation, holding all other assumptions constant. Timing and quantum of price increases will vary across the portfolio and the sensitivity may differ from that modelled. Changing the inflation rate assumption may necessitate consequential changes to other assumptions used in the valuation of each asset. Sensitivities to key inputs to our valuations are described in more detail in Note 3 to the accounts.

Table 3: Portfolio sensitivities

		£m	**% Impact**
Discount rate	(1)%	372	9.4%
	+1%	(329)	(8.3)%
Inflation (for two years)	(1)%	(52)	(1.3)%
	+1%	53	1.3%
Interest rate	(1)%	186	5.0%
	+1%	(187)	(5.0)%

Total return

An analysis of the elements of the total return for the period is shown in Table 4 below. The Company generated a total return for the six-month period of £169 million, representing a 5.1% return on opening NAV (30 September 2023: £191 million, 6.3%), ahead of the target return of 8% to 10% per annum.

Table 4: Summary total return (six months to 30 September, £m)

	2024	2023
Capital return (excluding exchange)	**122**	132
Foreign exchange movement in portfolio	**(82)**	(15)
Capital return (including exchange)	**40**	117
Movement in fair value of derivatives and exchange on EUR borrowings	**74**	19
Net capital return	**114**	136
Total income[1]	**98**	98
Costs including (non-portfolio) exchange movements	**(43)**	(43)
Total return	**169**	191

1 Includes interest receivable on cash balances held of less than £1 million (30 September 2023: £1 million).

The capital return is the largest element of the total return. The portfolio generated a value gain of £122 million in the six-month period to 30 September 2024 (30 September 2023: £132 million), driven principally by outperformance from a number of portfolio companies, particularly Tampnet, Valorem and Future Biogas, which was offset by a value reduction for SRL.

The value increase in Valorem of £26 million reflects the offer received for the investment for a price considerably above its opening valuation. The valuation includes a small execution risk discount to the expected final cash proceeds of €309 million. Tampnet's value gain of £34 million is predominantly driven by higher forecast revenue per customer due to increasing demand for bandwidth and strong interest in its private network solution. The value increase in Future Biogas of £12 million reflects the value accretive nature of the investment in the six AD plants previously operated by Future Biogas on behalf of JLEN and is aligned with the pricing of the syndication transaction with RWE. The SRL valuation has been reduced by £19 million due to the revision of cashflow forecasts to reflect the current market downturn in roadworks and more cautious assumptions in the medium term.

In a volatile period for the currency markets, the movement in foreign exchange rates generated a loss of £82 million in the period (30 September 2023: £15 million). This was offset by a gain on the movement in the value of derivatives and the exchange gain on Euro drawings of £74 million (30 September 2023: £19 million). The foreign exchange hedging programme supports our objective to deliver steady NAV growth for shareholders by reducing our exposure to fluctuations in the foreign exchange markets.

Total income was £98 million (30 September 2023: £98 million), comprising portfolio income of £98 million and interest receivable on cash balances of less than £1 million. The income by portfolio company is shown in Table 1 above. The dividend to shareholders is supported by this income, together with non-income cash receipts of £5 million during the period (30 September 2023: £6 million). These non-income cash receipts reflect distributions from underlying portfolio companies, which would usually be income to the Company, but that are instead distributed as a repayment of investment for a variety of reasons. While non-income cash does not form part of the total return shown in Table 4, it is included when considering dividend coverage. Total income and non-income cash is shown in Table 5 below.

Table 5: Total income and non-income cash (six months to 30 September, £m)

	2024	2023
Total income	**98**	98
Non-income cash	**5**	6
Total	**103**	104

Costs

Management and performance fees

During the period to 30 September 2024, the Company incurred management fees of £25 million (30 September 2023: £24 million). The year-on-year increase reflects the higher average value of the portfolio in the period.

The annual performance hurdle of 8% was not exceeded in the first half of the year, as the total return for the period was 5.1%, resulting in no performance fee accrual (30 September 2023: none).

Other operating and finance costs

Operating expenses, comprising Directors' fees, service provider costs and other professional fees, totalled £1 million in the period (30 September 2023: £1 million).

Finance costs of £17 million in the period (30 September 2023: £16 million) comprised interest, arrangement and commitment fees for the Company's £900 million RCF.

Ongoing charges ratio

The ongoing charges ratio measures annual operating costs, as disclosed in Table 6 below, against the average NAV over the reporting period.

The Company's ongoing charges ratio is calculated in accordance with the methodology recommended by the Association of Investment Companies ('AIC') and was 1.60% for the period to 30 September 2024 (30 September 2023: 1.61%).

The AIC methodology does not include performance fees or finance costs. However, the AIC recommends that the impact of performance fees on the ongoing charges ratio is noted, where performance fees are payable. The cost items that contributed to the ongoing charges ratio are shown below. There was no performance fee accrual in the period to 30 September 2024 (30 September 2023: nil).

Table 6: Ongoing charges (six months to 30 September, annualised £m)

	2024	2023
Investment Manager's fee	**50.4**	47.3
Auditor's fee	**0.8**	0.8
Directors' fees and expenses	**0.6**	0.5
Other ongoing costs	**2.6**	2.3
Total ongoing charges	**54.4**	50.9
Ongoing charges ratio	**1.60%**	1.61%

Balance sheet

The NAV at 30 September 2024 was £3,456 million (31 March 2024: £3,342 million). The principal components of the NAV are the portfolio assets, cash holdings, the fair value of derivative financial instruments, borrowings and other net liabilities. A summary balance sheet is shown in Table 7.

Table 7: Summary balance sheet (£m)

	As at 30 September 2024	As at 31 March 2024
Portfolio assets	**3,972**	3,842
Cash balances	**1**	5
Derivative financial instruments	**109**	77
Borrowings	**(595)**	(510)
Other net liabilities	**(31)**	(72)
NAV	**3,456**	3,342

Cash is principally held in AAA-rated money market funds. The Company has a £900 million RCF in order to maintain a good level of liquidity for further investment while minimising returns dilution from holding excess cash balances. At 30 September 2024, £595 million of the facility was drawn, leaving £305 million available in the facility. Following the expected completion of the sale of the investment in Valorem for expected net proceeds of €309 million (equivalent to £257 million based on 30 September 2024 exchange rate) in Q1 2025, the proforma available funds would be £562 million.

Derivative financial instruments reflect the foreign exchange hedging programme described previously.

Other net liabilities predominantly comprise a performance fee accrual of £32 million (31 March 2024: £74 million), relating to fees earned in prior years. £42 million of prior year performance fees were paid during the period.

NAV per share

The total NAV per share at 30 September 2024 was 374.7 pence (31 March 2024: 362.3 pence). This will reduce to 368.4 pence (31 March 2024: 356.4 pence) after the payment of the interim dividend of 6.325 pence (31 March 2024: final dividend of 5.95 pence).

Dividend

The Board has announced an interim dividend for the period of 6.325 pence per share or £58 million in aggregate (30 September 2023: 5.95 pence; £55 million). This is half of the Company's target full-year dividend for FY25 of 12.65 pence per share. The Board is designating the full 6.325 pence interim dividend payable as an interest distribution.

Alternative Performance Measures ('APMs')

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. These APMs provide additional information on how the Company has performed over the period and are all financial measures of historical performance. The table below defines our APMs and should be read in conjunction with the Annual report and accounts 2024. The APMs are consistent with those disclosed in prior periods.

APM	Purpose	Calculation	Reconciliation to IFRS
Total return on opening NAV	A measure of the overall financial performance of the Company.	It is calculated as the total return of £169 million, as shown in the Statement of comprehensive income, as a percentage of the opening NAV of £3,342 million net of the final dividend for the previous year of £55 million.	The calculation uses IFRS measures.
NAV per share	A measure of the NAV per share in the Company.	It is calculated as the NAV of £3,456 million divided by the total number of shares in issue at the balance sheet date of 922.4 million.	The calculation uses IFRS measures and is set out in Note 6 to the accounts.
Total income and non-income cash	A measure of the income and other cash receipts by the Company which support the payment of expenses and dividends.	It is calculated as the total income from the underlying portfolio and other assets plus non-income cash, being the repayment of shareholder loans or share premium repayments not resulting from the disposal of an underlying portfolio asset. This is shown in Table 5.	Total income uses the IFRS measures; Investment income and Interest receivable. The non-income cash, being the proceeds from partial realisations of investments, is shown in the Cash flow statement. The realisation proceeds which result from a partial sale of an underlying portfolio asset are not included within non-income cash.
Investment value including commitments	A measure of the size of the investment portfolio including the value of further contracted future investments committed by the Company.	It is calculated as the portfolio asset value plus the amount of the contracted commitment. At 30 September 2024, the Company had no investment commitments.	The portfolio asset value is the 'Investments at fair value through profit or loss' reported under IFRS. At 30 September 2024, the Company had no investment commitments.
Total portfolio return percentage	A measure of the financial performance of the portfolio.	It is calculated as the total portfolio return in the period of £212 million, as shown in Table 1, as a percentage of the sum of the opening value of the portfolio and investments in, and syndication of, assets during the period (excluding capitalised interest) of £3,842 million.	The calculation uses capital return (including exchange), movement in fair value of derivatives, underlying portfolio income, opening portfolio value and investment in the period. The reconciliation of all these items to IFRS is shown in Table 1, including in the footnotes.
Total liquidity	A measure of the Company's ability to make further investments and meet its short-term obligations.	It is calculated as the cash balance of £1 million plus the undrawn balance available under the Company's revolving credit facility of £305 million.	The calculation uses the cash balance, which is an IFRS measure, and undrawn balances available under the Company's revolving credit facility as described in Note 4 to the accounts.

Risk review

Review of principal risks and uncertainties

The Company's approach to risk governance, the risk review process and risk appetite is set out in the Risk report in the Annual report and accounts 2024, which can be found on our website www.3i-infrastructure.com.

The principal risks to the achievement of the Company's objectives are unchanged from those reported on pages 68 to 71 of the Annual report and accounts 2024. Developments in relation to these principal risks during the period are outlined below.

External risks – market and competition

During the period, we saw evidence that the interest rate cycle has turned in the countries in which we invest. Inflation in the UK and eurozone is now close to the Bank of England's and European Central Bank's 2% target following three years of higher inflation. The portfolio is positively correlated to inflation as most portfolio companies have revenues at least partially linked to inflation. Sensitivities to macroeconomic assumptions are discussed in the Financial review and in Note 3 to the accounts.

There are no material refinancing requirements in the portfolio until 2026 and over 92% of drawn long-term debt facilities are either hedged or fixed rate.

The Company is exposed to movements in sterling exchange rates against a number of currencies, most significantly the euro. During the period, sterling appreciated c.3% against the euro. The Company operates a hedging programme which substantially offsets any foreign exchange movements.

Despite the infrastructure market continuing to display lower transaction volumes, we have still been able to generate a premium on exit for our high-quality infrastructure businesses as demonstrated by the expected sale of Valorem, the partial syndication of Future Biogas and, in the prior year, the realisation of Attero.

There is evidence of increasing pressure on government deficits in the markets in which we invest, which may cause changes in fiscal and economic policies creating uncertainty for businesses.

Strategic risks

The Company actively manages its balance sheet and liquidity position, seeking to maintain adequate liquidity to pursue investment opportunities, without diluting shareholder returns by holding surplus cash. At 30 September 2024, there was £1 million available in cash, with drawings of £595 million under the RCF. In October 2024, the Company agreed the realisation of its investment in Valorem for €309 million, with completion expected in Q1 2025. Proceeds will be used to repay drawings on the RCF, improving available liquidity.

Statement of comprehensive income

for the six months to 30 September

	Notes	**Six months to 30 September 2024 (unaudited) £m**	Six months to 30 September 2023 (unaudited) £m
Net gains on investments	3	**40**	117
Investment income		**98**	97
Interest receivable		**–**	1
Investment return		**138**	215
Movement in the fair value of derivative financial instruments		**58**	14
Management and performance fees	2	**(25)**	(24)
Operating expenses		**(1)**	(1)
Finance costs		**(17)**	(16)
Exchange movements		**16**	3
Profit before tax		**169**	191
Income taxes		**–**	–
Profit after tax and profit for the period		**169**	191
Total comprehensive income for the period		**169**	191
Earnings per share			
Basic and diluted (pence)	6	**18.3**	20.7

Statement of changes in equity

for the six months to 30 September

For the six months to 30 September 2024 (unaudited)	Notes	**Stated capital account £m**	**Retained reserves £m**	**Capital reserve £m**	**Revenue reserve £m**	**Total shareholders' equity £m**
Opening balance at 1 April 2024		**879**	**1,282**	**1,173**	**8**	**3,342**
Total comprehensive income for the period		**–**	**–**	**98**	**71**	**169**
Dividends paid to shareholders of the Company during the period	7	**–**	**–**	**–**	**(55)**	**(55)**
Closing balance at 30 September 2024		**879**	**1,282**	**1,271**	**24**	**3,456**

For the six months to 30 September 2023 (unaudited)	Notes	Stated capital account £m	Retained reserves £m	Capital reserve £m	Revenue reserve £m	Total shareholders' equity £m
Opening balance at 1 April 2023		879	1,282	940	–	3,101
Total comprehensive income for the period		–	–	131	60	191
Dividends paid to shareholders of the Company during the period	7	–	–	–	(51)	(51)
Closing balance at 30 September 2023		879	1,282	1,071	9	3,241

Balance sheet
as at 30 September

	Notes	30 September 2024 (unaudited) £m	31 March 2024 (audited) £m
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	**3,972**	3,842
Derivative financial instruments	3	**66**	49
Total non-current assets		**4,038**	3,891
Current assets			
Derivative financial instruments	3	**50**	33
Trade and other receivables		**2**	3
Cash and cash equivalents		**1**	5
Total current assets		**53**	41
Total assets		**4,091**	3,932
Liabilities			
Non-current liabilities			
Trade and other payables		**(9)**	(32)
Loans and borrowings		**(595)**	(510)
Total non-current liabilities		**(604)**	(542)
Current liabilities			
Derivative financial instruments	3	**(7)**	(5)
Trade and other payables		**(24)**	(43)
Total current liabilities		**(31)**	(48)
Total liabilities		**(635)**	(590)
Net assets		**3,456**	3,342
Equity			
Stated capital account	5	**879**	879
Retained reserves		**1,282**	1,282
Capital reserve		**1,271**	1,173
Revenue reserve		**24**	8
Total equity		**3,456**	3,342
Net asset value per share			
Basic and diluted (pence)	6	**374.7**	362.3

The Financial statements and related Notes were approved and authorised for issue by the Board of Directors on 11 November 2024 and signed on its behalf by:

Richard Laing
Chair

Cash flow statement

for the six months to 30 September

	Six months to 30 September 2024 (unaudited) £m	Six months to 30 September 2023 (unaudited) £m
Cash flow from operating activities		
Purchase of investments	**(31)**	(60)
Proceeds from partial realisations of investments	**37**	6
Investment income[1]	**2**	18
Operating expenses paid	**(1)**	(2)
Interest received	**–**	1
Management and performance fees paid	**(67)**	(61)
Amounts received on the settlement of derivative contracts	**26**	36
Net cash flow from operating activities	**(34)**	(62)
Cash flow from financing activities		
Fees and interest paid on financing activities	**(16)**	(16)
Dividends paid	**(55)**	(51)
Drawdown of revolving credit facility	**134**	310
Repayment of revolving credit facility	**(33)**	(179)
Net cash flow from financing activities	**30**	64
Change in cash and cash equivalents	**(4)**	2
Cash and cash equivalents at the beginning of the period	**5**	5
Effect of exchange rate movement	**–**	(1)
Cash and cash equivalents at the end of the period	**1**	6

1 Investment income includes dividends of £1 million (30 September 2023: £8 million) and interest of £1 million (30 September 2023: £10 million) received from portfolio assets held directly by the Company.

Accounting policies

Basis of preparation

These financial statements are the unaudited Half-yearly condensed financial statements (the ‘Half-yearly Financial Statements’) of 3i Infrastructure plc (the ‘Company’), a company incorporated and registered in Jersey for the six-month period ended 30 September 2024.

The Half-yearly Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (‘IAS 34’). The accounting policies are consistent with those set out in the Annual report and accounts 2024 and those which we expect to adopt for the Annual report and accounts 2025, which will be prepared in accordance with United Kingdom adopted international accounting standards. They should be read in conjunction with the financial statements for the year to 31 March 2024, as they provide an update of previously reported information.

Going concern

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

The Company is in a strong position in relation to its ability to continue to operate and the Company has sufficient resources to meet its ongoing needs. At 30 September 2024, the Company’s liquidity totalled £306 million (31 March 2024: £395 million). Liquidity comprised cash and deposits of £1 million (31 March 2024: £5 million) and undrawn facilities of £305 million (31 March 2024: £390 million) with a maturity date of November 2026. Income and non-income cash is expected to be received from the portfolio investments during the coming year, a portion of which will be required to support the payment of the dividend target and the Company’s other financial commitments. Expected net proceeds of €309 million are due to be received from the sale of Valorem in the first quarter of 2025. The Company had no investment commitments at 30 September 2024 (31 March 2024: none).

The Half-yearly Financial Statements were authorised for issue by the Directors on 11 November 2024.

The Half-yearly Financial Statements do not constitute statutory accounts. The financial statements for the year to 31 March 2024, prepared in accordance with United Kingdom adopted International Financial Reporting Standards (‘IFRS’) and International Accounting Standards, and on which the auditors issued a report, which was unqualified, have been filed with the Jersey Financial Services Commission.

Key judgements and sources of estimation uncertainties

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. All judgements used in the preparation of the Half-yearly Financial Statements are consistent with those stated in the Annual report and accounts 2024.

The key area where estimates are significant to the Half-yearly Financial Statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods is in the valuation of the investment portfolio. The majority of assets in the investment portfolio are valued on a discounted cash flow basis which requires assumptions to be made regarding future cash flows and the discount rate to be applied to these cash flows. The portfolio is well diversified by sector, geography and underlying risk exposures. The valuation of each asset has significant estimation in relation to asset specific items and the potential impact of macroeconomic factors such as inflation and interest rate expectations. The key risks to the portfolio are discussed in further detail in the Risk review section. A key focus of the portfolio valuations at 30 September 2024 was an assessment of the impact of the macroeconomic environment on the operational and financial performance of each portfolio company. We have incorporated into our cash flow forecasts a balanced view of future income receipts and expenses.

Notes to the accounts

1 Operating segments

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

The Company is an investment holding company and does not consider itself to have any customers. Given the nature of the Company's operations, the Company is not considered to be exposed to any operational seasonality or cyclicality that would impact the financial results of the Company during the period or the financial position of the Company at 30 September 2024.

2 Management and performance fees

	Six months to 30 September 2024 (unaudited) £m	Six months to 30 September 2023 (unaudited) £m
Management fee	**25**	24
Performance fee	**–**	–
	25	24

Total management and performance fees payable by the Company for the period to 30 September 2024 were £25 million (30 September 2023: £24 million). Note 8 provides further details on the calculation of the management fee and performance fee.

3 Investments at fair value through profit or loss and financial instruments

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

The table below shows the classification of financial instruments held at fair value into the fair value hierarchy at 30 September 2024. For all other assets and liabilities, their carrying value approximates to fair value. During the period ended 30 September 2024, there were no transfers of financial instruments between levels of the fair value hierarchy (31 March 2024: none).

Trade and other receivables on the Balance sheet includes £1 million of deferred finance costs relating to the arrangement fee for the revolving credit facility (31 March 2024: £2 million). This has been excluded from the table below as it is not categorised as a financial instrument.

3 Investments at fair value through profit or loss and financial instruments continued

Financial instruments classification

				As at 30 September 2024 (unaudited)
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**
Financial assets				
Investments at fair value through profit or loss	**–**	**–**	**3,972**	**3,972**
Derivative financial instruments	**–**	**116**	**–**	**116**
	–	**116**	**3,972**	**4,088**
Financial liabilities				
Derivative financial instruments	**–**	**(7)**	**–**	**(7)**
	–	**(7)**	**–**	**(7)**

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

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

Level 3 fair value reconciliation	**As at 30 September 2024 (unaudited) £m**	As at 31 March 2024 (audited) £m
Opening fair value	**3,842**	3,641
Additions	**95**	256
Disposal proceeds and repayment	**(37)**	(224)
Movement in accrued income	**32**	(11)
Fair value movement (including exchange movements)	**40**	180
Closing fair value	**3,972**	3,842

All unrealised movements on investments and foreign exchange movements are recognised in profit or loss in the Statement of comprehensive income during the period and are attributable to investments held at the end of the period.

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

Investment income of £98 million (30 September 2023: £97 million) comprises dividend income of £1 million (30 September 2023: £8 million) and interest income of £97 million (30 September 2023: £89 million).

3 Investments at fair value through profit or loss and financial instruments continued

Unquoted investments
The Company invests in private companies which are not quoted on an active market. These are measured in accordance with the International Private Equity Valuation guidelines with reference to the most appropriate information available at the time of measurement. Further information regarding the valuation of unquoted investments can be found in the Portfolio valuation methodology section of the Annual report and accounts 2024.

The Company's policy is to fair value both the equity and shareholder debt investments in infrastructure assets together where they will be managed and valued as a single investment, were invested at the same time and cannot be realised separately. The Directors consider that equity and debt share the same characteristics and risks and they are, therefore, treated as a single unit of account for valuation purposes and a single class for disclosure purposes. As at 30 September 2024, the fair value of unquoted investments was £3,972 million (31 March 2024: £3,842 million). Individual portfolio asset valuations are shown in Table 1 in the Financial review section.

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

The majority of the assets held within Level 3 are valued on a discounted cash flow basis; hence, the valuations are sensitive to the discount rate assumed in the valuation of each asset. Other significant unobservable inputs include the inflation rate assumption, the interest rate assumption used to project the future cash flows and the forecast cash flows themselves.

Increasing the discount rate used in the valuation of each asset by 1% would reduce the value of the portfolio by £329 million (31 March 2024: £352 million). Decreasing the discount rate used in the valuation of each asset by 1% would increase the value of the portfolio by £372 million (31 March 2024: £404 million).

The majority of assets held within Level 3 have revenues that are linked, partially linked or in some way correlated to inflation. The long-term CPI assumption for the country of domicile of the investments in the portfolio is 2.0% (31 March 2024: 2.0%). The long-term RPI assumption for UK assets is 2.5% (31 March 2024: 2.5%). Changing the inflation rate assumption may result in consequential changes to other assumptions used in the valuation of each asset. The impact of increasing the inflation rate assumption by 1% for the next two years would be to increase the value of the portfolio by £53 million (31 March 2024: £54 million). Decreasing the inflation rate assumption used in the valuation of each asset by 1% for the next two years would decrease the value of the portfolio by £52 million (31 March 2024: £56 million).

The valuations are sensitive to changes in interest rates, which may result from: (i) unhedged existing borrowings within portfolio companies; (ii) interest rates on uncommitted future borrowings assumed within the asset valuations; and (iii) cash deposits held by portfolio companies. These comprise a wide range of interest rates from short-term deposit rates to longer-term borrowing rates across a broad range of debt products. Increasing the cost of borrowing assumption for unhedged borrowings and any future uncommitted borrowing and the cash deposit rates used in the valuation of each asset by 1% would reduce the value of the portfolio by £187 million (31 March 2024: £220 million). Decreasing the interest rate assumption used in the valuation of each asset by 1% would increase the value of the portfolio by £186 million (31 March 2024: £214 million). This calculation does not take account of any offsetting variances which may be expected to prevail if interest rates changed, including the impact of inflation discussed above.

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

Valuation process for Level 3 valuations
The valuations on the Balance sheet are the responsibility of the Board of Directors of the Company. The Investment Manager provides a valuation of unquoted investments, debt and unlisted funds held by the Company on a half-yearly basis. This is performed by the valuation team of the Investment Manager and reviewed by the valuation committee of the Investment Manager. The valuations are also subject to quality assurance procedures performed within the valuation team. The valuation team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. On a half-yearly basis, the Investment Manager presents the valuations to the Board. This includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments and investments with significant fair value changes. Any changes in valuation methods are discussed and agreed with the Audit and Risk Committee before the valuations on the Balance sheet are approved by the Board.

4 Loans and borrowings

The Company has a £900 million revolving credit facility ('RCF') at 30 September 2024 maturing on 3 November 2026 (31 March 2024: £900 million).

The RCF is secured by a floating charge over the bank accounts of the Company. Interest is payable at EURIBOR or SONIA plus a fixed margin on the drawn amount. This fixed margin is subject to a small adjustment annually based upon performance against agreed sustainability metrics. As at 30 September 2024, the Company had £595 million of drawings under the RCF (31 March 2024: £510 million). The RCF has certain loan covenants, principally a loan-to-value ratio.

There was no change in total financing liabilities for the Company during the period as the cash flows relating to the financing liabilities were equal to the income statement expense. Accordingly, no reconciliation between the movement in financing liabilities and the cash flow statement has been presented.

5 Issued capital

		As at 30 September 2024 (unaudited)		As at 31 March 2024 (audited)
	Number	**£m**	Number	£m
Authorised, issued and fully paid				
Opening balance	**922,350,000**	**1,598**	922,350,000	1,598
Closing balance	**922,350,000**	**1,598**	922,350,000	1,598

Reconciliation to Stated capital account

	As at 30 September 2024 £m	As at 31 March 2024 £m
Proceeds from issue of ordinary shares	**1,598**	1,598
Transfer to retained reserves on 20 December 2007	**(693)**	(693)
Cost of issue of ordinary shares	**(26)**	(26)
Stated capital account closing balance	**879**	879

6 Per share information

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

	Six months to 30 September 2024 (unaudited)	Six months to 30 September 2023 (unaudited)
Earnings per share (pence)		
Basic and diluted	**18.3**	20.7
Earnings (£m)		
Profit after tax for the year	**169**	191
Number of shares (million)		
Weighted average number of shares in issue	**922.4**	922.4

	As at 30 September 2024 (unaudited)	As at 31 March 2024 (audited)
Net asset value per share (pence)		
Basic and diluted	**374.7**	362.3
Net assets (£m)		
Net assets	**3,456**	3,342

7 Dividends

	Six months to 30 September 2024 (unaudited)		Six months to 30 September 2023 (unaudited)	
Declared and paid during the period	**pence per share**	**£m**	pence per share	£m
Prior year final dividend paid on ordinary shares	**5.950**	**55**	5.575	51

The Company proposes paying an interim dividend of 6.325 pence per share (30 September 2023: 5.95 pence) which will be payable to those shareholders that are on the register on 22 November 2024. On the basis of the shares in issue at 30 September 2024, this would equate to a total interim dividend of £58 million (30 September 2023: £55 million). The designation of a portion of the dividend as an interest distribution is described in the Information for shareholders section.

8 Related parties

Transactions between the Company and 3i Group

3i Group plc ('3i Group') holds 29.2% (31 March 2024: 29.2%) of the ordinary shares of the Company. This classifies 3i Group as a 'substantial shareholder' of the Company as defined by the Listing Rules. During the period, 3i Group received dividends of £16 million (30 September 2023: £15 million) from the Company.

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

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

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

For the period to 30 September 2024, £25 million (30 September 2023: £24 million) was payable and advance payments of £25 million were made resulting in no amount due to 3i plc at 30 September 2024 (31 March 2024: nil). In consideration of the provision of support services under the IMA, the Company pays the Investment Manager an annual fee that increases each year on 1 October by the amount of the prevailing CPI rate of the current year. The cost for the support services incurred for the period to 30 September 2024 was £0.6 million (30 September 2023: £0.5 million). There was no outstanding balance payable at 30 September 2024 (31 March 2024: nil).

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

The performance hurdle requirement was not exceeded for the period to 30 September 2024 and, therefore, no performance fee accrual was recognised (30 September 2023: nil). The outstanding balance payable as at 30 September 2024 was £32 million (31 March 2024: £74 million), which includes the second and third instalments of the FY24 fee and the third instalment of the FY23 fee.

Year	Performance fee (£m)	Outstanding balance at 30 September 2024 (£m)	Payable in FY25 (£m)
FY24	26	17	9
FY23	45	15	15

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

9 Subsequent events

On 7 October 2024, the Company announced that it had received a binding offer for its 33% stake in Valorem for expected net proceeds of €309 million (equivalent to £257 million based on 30 September 2024 exchange rate). This is discussed further in the Financial review.

Independent review report to 3i Infrastructure plc

Conclusion

We have been engaged by 3i Infrastructure plc ('the Company') to review the condensed set of financial statements in the Half-yearly financial report for the six months ended 30 September 2024 which comprises the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet, the Cash flow statement, the accounting policies section and related notes 1 to 9.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in the accounting policies, the Annual financial statements of the Company are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this Half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however, future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The Directors are responsible for preparing the Half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Half-yearly financial report, the Directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the Half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the Half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
London, United Kingdom
Date: 11 November 2024

Statement of Directors' responsibilities

The Directors, who are required to prepare the financial statements on a going concern basis unless it is not appropriate, are satisfied that the Company has the resources to continue in business for the foreseeable future and that the financial statements continue to be prepared on a going concern basis.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom;
- the Half-yearly report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance; and
- the Half-yearly report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

The Directors of 3i Infrastructure plc and their functions are listed below.

By order of the Board

Richard Laing
Chair
11 November 2024

Board of Directors and their functions

Richard Laing
Independent non-executive Chair and Chair of the Nomination Committee, Disclosure Committee and the Management Engagement Committee.

Doug Bannister
Independent non-executive Director.

Wendy Dorman (resigned 4 July 2024)
Independent non-executive Director and Chair of the Audit and Risk Committee.

Jennifer Dunstan
Non-executive Director.

Milton Fernandes (appointed 15 July 2024)
Independent non-executive Director.

Stephanie Hazell
Senior Independent non-executive Director and Chair of the Remuneration Committee.

Samantha Hoe-Richardson (resigned 4 July 2024)
Independent non-executive Director.

Martin Magee
Independent non-executive Director, and appointed Chair of the Audit and Risk Committee 4 July 2024.

Information for shareholders

Financial calendar

Ex-dividend date for interim dividend	21 November 2024
Record date for interim dividend	22 November 2024
Interim dividend expected to be paid	13 January 2025
Full year results expected date	8 May 2025

Designation of dividends as interest distributions

As an approved investment trust, the Company is permitted to designate dividends wholly or partly as interest distributions for UK tax purposes. Dividends designated as interest in this way are taxed as interest income in the hands of shareholders and are treated as tax deductible interest payments made by the Company. The Company expects to make such dividend designations in periods in which it is able to use the resultant tax deduction to reduce the UK corporation tax it would otherwise pay on the interest income it earns from its investments. The Board is designating the full 6.325 pence per share interim dividend payable in respect of the period as an interest distribution.

3i Infrastructure plc

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