

# GENERATING

A LOW CARBON FUTURE



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# ABOUT INFINIS AND OUR SHAREHOLDER



## ABOUT INFINIS

Infinis is an independent power energy generator, headquartered in Northampton, England.

Infinis employs over 275 people who support the generation of over 1TWh of renewable and low carbon electricity, from 138 operational sites across the UK.

The business operates 0.6GW of electricity generating assets which deliver baseload renewable electricity generation from captured methane; flexible electricity generation and solar electricity generation.

The Infinis strategy is focused on supporting the transition to net zero through continual investment in renewable and low carbon electricity generation. This is underpinned by a significant development pipeline of future solar and battery projects, including **0.3GW under construction**.

Completion of the refinancing process in October 2025 provides a **£391m facility through to September 2030** and provides the required capital for the group's planned growth.

Infinis is owned by 3i Infrastructure plc.

## ABOUT 3i INFRASTRUCTURE

3i Infrastructure plc ("3iN") is an approved UK Investment Trust company, listed on the London Stock Exchange and a member of the FTSE 250.

3iN's purpose is to invest responsibly in infrastructure investments, delivering long-term sustainable returns to shareholders and having a positive influence on its portfolio companies and their stakeholders. 3iN is committed to upholding the highest standards of corporate governance and the implementation of robust policies and procedures is a key enabler to value creation across its portfolio.

3iN acquired Infinis in 2016 and has supported the business' evolution into a leading, diversified, low-carbon generation platform.

Good corporate governance is fundamental to the way that 3iN and its investment companies conduct business.

## COMMITMENT TO FAIR AND TRANSPARENT TAXATION

This report's objective is to provide a clear and concise summary of Infinis' tax affairs for the year ended March 2026.

Responsibility is a core principle of the business. At Infinis there is a commitment to care for our employees, our communities and other stakeholders:

- Responsibility is one of our four core values
- Responsibility underpins UN Sustainable Development Goal 8 – Decent work and Economic Growth, one of the key principles of our sustainability commitment.

Our corporate responsibility provides a commitment to pay the right amount of tax, at the right time and seek to comply with all tax laws and obligations within the UK.

# INFINIS' TAX CONTRIBUTION



Infinis pays tax directly linked to its operations, and also collects tax on behalf of the UK Government.

These taxes paid and collected combined represent the total annual tax contribution from Infinis operations for the year ended March 2026.

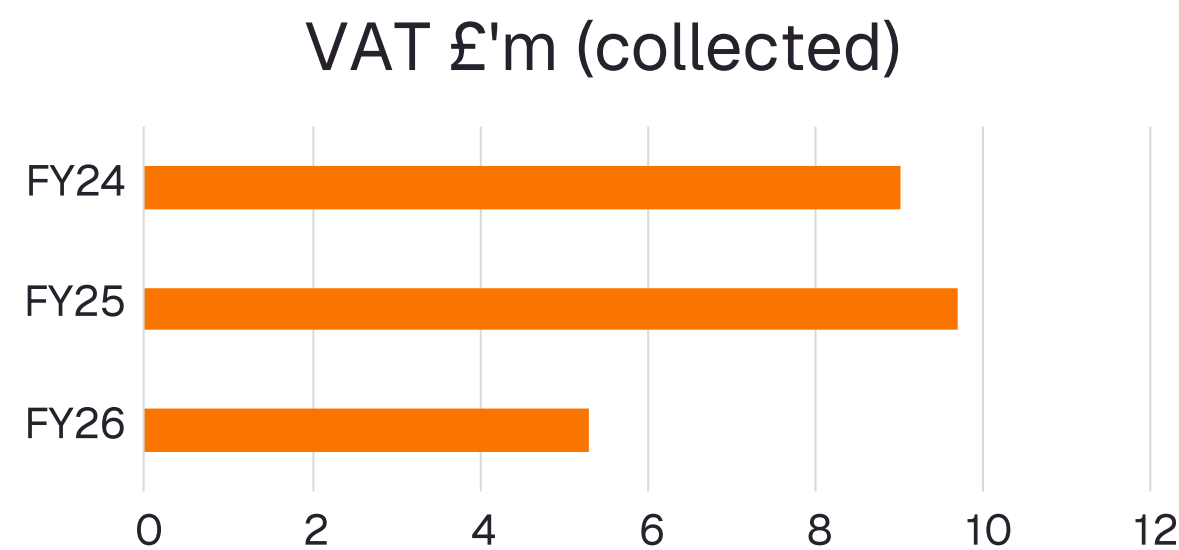
Infinis contributed £20.6m to the UK tax system, split into 3 key areas.

## VALUE ADDED TAX (VAT)

VAT is charged on goods and services bought from suppliers or sold to customers.

Infinis pays the VAT it collects on its sales, net of the recoverable VAT it suffers on its purchases, to the UK government. As a large business, Infinis makes monthly VAT payments on account and submits a quarterly VAT return and annual balancing payment.

With relatively stable revenue, VAT payments predominantly impacted by the Group's capital expenditure (Development CAPEX) on the development and construction of new renewable and low carbon electricity generating sites. The higher the Development CAPEX spend, the more input VAT is paid, which results in the lower net VAT payable.

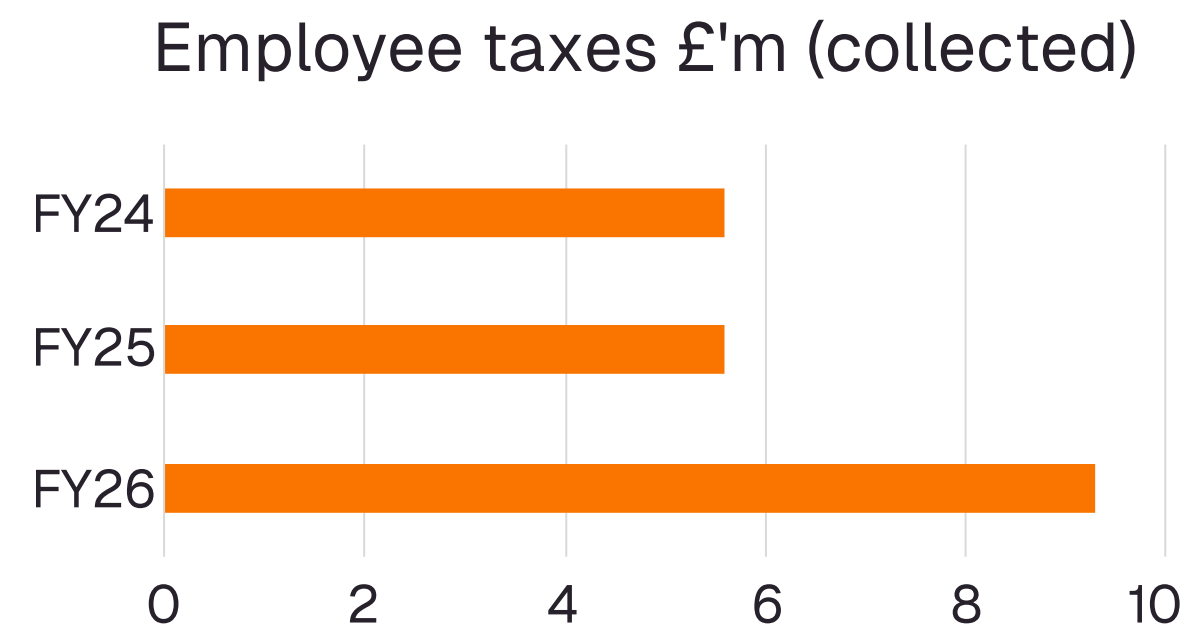


## EMPLOYEE TAXES

Infinis collects Income Tax and National Insurance contributions from employee wages on behalf of the UK Government.

These taxes are paid and collected each month from payroll and paid to the Government the following month.

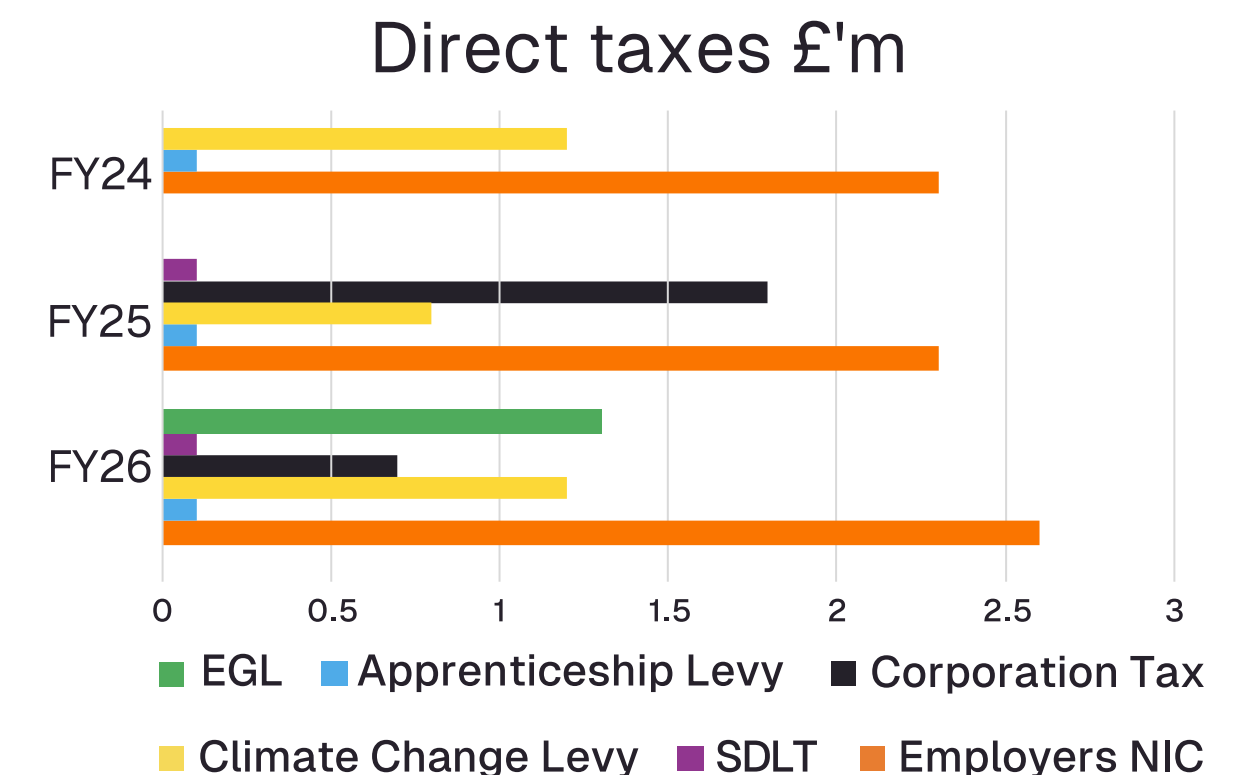
Our employee base is stable. Employee taxes have increased as a consequence of the payments made, to ensure our employees continue to be appropriately and fairly rewarded, while also being able to appropriately manage the cost-of-living challenges of recent years.



## DIRECT TAXES

Infinis pays five primary taxes on its operations:

- **Corporation Tax** - payable on profits that Infinis generates. Further information on Corporation Tax is included on the following page.
- **Employers' National Insurance** - a tax paid on the wages and bonuses paid to employees
- **Environmental Tax** - the Climate Change levy is a tax payable on fossil fuel used to generate electricity within Power Response assets in Flexible Generation
- **Apprenticeship Levy** - a tax paid on all wages and bonuses which is used nationally to train the next generation of employees.
- **Energy Generator Levy (EGL)** - applies to traded power revenues above a defined benchmark.



# CORPORATION TAX



As a private group, Infinis finances its operations through a mix of cash generated from operational activities and debt which is provided by its shareholders and the banks and financial institutions which provide a £391m debt facility to the business.

All profits are subject to UK Corporation Tax, there are no operations in overseas countries (including tax havens).

In recent years, the Group has paid a small amount of corporation tax, reflecting the benefits of its capital structure and the enhanced capital allowances regime introduced in April 2021 and subsequently extended to provide ongoing accelerated relief.

## INTEREST RELIEF

Existing UK Government tax rules permit an element of interest costs on its borrowings (shareholder and lender combined), to be deducted from profits subject to Corporation Tax.

Currently up to 30% of a Group earnings before tax, interest depreciation and amortisation (EBITDA) can be offset by interest costs of borrowings. £8.1m of interest costs are currently disallowed in our tax computations.

## CAPITAL ALLOWANCES

Capital allowances allow the cost of a capital asset to be written off against taxable profits.

There are different categories of capital assets for taxation purposes, the principal two are detailed below:

- **Main pool:** applicable for most short life assets, such as spend on engine overhauls.
- **Special rate pool:** applicable for long life assets such as solar panels.

The enhanced capital allowance rules currently permit 100% of the cost of main pool and 50% of the cost of special rate pool to be written off against taxable profits in the year of spend. The majority of our maintenance capital is categorised as main pool with the majority of development capital special rate pool.





# APPROACH TO RISK MANAGEMENT AND GOVERNANCE

Responsibility for tax governance and strategy lies with the Chief Financial Officer, with oversight of the Board and the Audit Committee.

The Tax Strategy is supported by internal control frameworks which govern the commercial operations of the Group, and are subject to regular reviews by the Group's internal audit function and the Audit Committee.

Day-to-day responsibility for the application of the Group Tax Strategy and the management of the Group's tax affairs is delegated to the Senior Tax Manager, who also provide an annual report detailing compliance with the Tax Strategy (including new tax developments, existing and new tax disputes, and emerging material tax risks) to the Group Finance Director and the Chief Financial Officer.

New and emerging tax matters which are expected to impact the organisation are presented to the Audit Committee and Board by the Chief Financial Officer.

An annual review of all changes in applicable tax legislation arising from the UK Government budget, or other updates, is presented to the Board and Audit Committee as part of a broader legislative review in March each year.

The Senior Tax Manager is responsible for preparing all required tax calculations, which are then reviewed by the Group Finance Director and the Chief Financial Officer.

A number of annual allowances, for corporation tax and other taxes, such as the apprenticeship levy, require to be assessed for the UK Group – the definition of which can either be Infinis Energy Group Holdings or may extend to 3iN and be considered in aggregate

with their other UK investments. 3iN also file the EGL return on behalf of its UK investments although this is currently applicable only for qualifying revenue generated by Infinis.

Tax risk is defined as:

- **Compliance risk:** the risk that Infinis fails to file returns correctly, on time and pay the corresponding liability to the UK Government
- **Interpretation and transactional risks:** the risk that Infinis does not interpret tax rules and/or guidance correctly, or specific non-routine transactions are incorrectly considered.

The Group maintains a timetable for all required compliance reporting and prides itself on highly accurate on time submissions.

Where a new or emerging area of tax legislation arises, or through a corporate acquisition or disposal transaction a specific tax matter arises which is deemed to be different to represent an interpretation or transactional risk, then reputable external tax advisors are engaged to provide specialist guidance and support.



# APPROACH TO PLANNING AND TAX RISK

## TAX PLANNING

By operating solely in the UK, tax risk is generally considered low for the Group's standard business activities.

During this period of investment and associated growth, the core operating activities and their associated tax treatment remains unchanged.

The exemptions and tax reliefs claimed by the Group are relatively standard, with the capital allowances and interest relief being the primary (see page O6).

Infinis does not undertake planning activities with the sole aim of achieving a tax advantage.

There are times when the group will enter into significant one-off transactions, such as financing or acquiring or disposing of subsidiaries. These transactions are incurred to develop and grow the business and are not incurred with the specific objective of obtaining a tax advantage without any underlying commercial justification for the transaction.

The tax implications of each such transactions are detailed by the Senior Tax Manager and reviewed by the Group Finance Director and Chief Financial Officer.

If the Chief Financial Officer considers the matter to carry a higher inherent tax risk, external tax advisors may be engaged. The Group does not pay contingent or success fees to tax advisers where advice is obtained for a specific transaction. While tax risk is considered on a transaction-by-transaction basis, the Group is not prepared to accept a high level of tax risk and the Group only undertakes planning and development activities to achieve the strategic aims of delivering predictable recurring earnings to its shareholders.

## TAX RISK MANAGEMENT

The Group considers tax risk as part of its corporate risk review. As with all risks, the approach to tax risk management is continuous.

Infinis has a well-defined internal control framework that is supported by policies and documented levels of authority, purporting appropriate accountability and decision making in the business.

In accordance with the Anti-Tax Evasion Policy, in the event that any member of staff or third-party representative discovers or has a reasonable suspicion that tax evasion has been or may be facilitated, this must be reported to Infinis' Chief Financial Officer without delay.

Our approach to tax risk follows the same principles that apply to all other business risks. We consider reputation and corporate social responsibility as well as purely financial impacts. We are particularly aware of our reputation with a wider population of stakeholders in matters related to tax, including the tax authorities.

# APPROACH TO HMRC



The Group is committed to maintaining an open, constructive and transparent relationship with HMRC. We engage with HMRC in a timely manner and seek to discuss significant or uncertain tax matters proactively to ensure clarity of treatment before returns are filed. The Group currently has no open enquiries with HMRC.

Where HMRC guidance is unclear or evolving, we seek direct engagement with the appropriate HMRC teams to obtain additional clarity relevant to the Group's circumstances. We aim to meet the standards expected of a low risk taxpayer and ensure that all tax filings are accurate, complete and submitted on time.

The Group also contributes to the development of tax policy. Infinis participates in relevant consultations either directly or through industry bodies, and engages with government departments such as the Department for Energy Security and Net Zero (DESNZ) and HM Treasury on matters affecting the business and the wider sector. This approach supports a cooperative compliance environment and ensures that emerging tax developments are understood and appropriately managed.



**Infinis Energy Group Holdings Limited**

First Floor, 500 Pavilion Drive Northampton  
Business Park Northampton NN4 7YJ

**T** +44 (0)1604 662400

[www.infinis.com](http://www.infinis.com)