



Inflexion Private Equity Partners

MIFIDPRU 8 Public Disclosures

December 2025

1. INTRODUCTION

1.1 Purpose

Inflexion Private Equity Partners LLP (FRN: 454319) ("**Inflexion**" or, the "**Firm**") is an investment firm subject to the prudential requirements of the Investment Firms Prudential Regime ("**IFPR**"). This document (the "**Disclosure Document**") sets out the information the Firm is required to disclose annually under the Prudential Sourcebook for MiFID Investment Firms ("**MIFIDPRU**") on the following areas:

- governance arrangements;
- risk management objectives and policies;
- own funds;
- own fund requirements; and
- remuneration policy and practices.

The purpose of the Disclosure Document is to give stakeholders and market participants an insight into the Firm's culture and its data on the Firm's own funds requirements to allow potential investors to assess the Firm's financial strength.

The Disclosure Document and the key assumptions underlying it have been prepared by the Firm's Legal, Compliance and Finance teams and approved by the Board of the Firm.

Unless otherwise indicated, the disclosures and figures in this document are as at 31 March 2025, and are complimentary to the Firm's published annual financial statements and the Firm's internal capital adequacy and risk assessment ("**ICARA**") process.

1.2 Scope

The Firm is an "adviser – arranger" firm under MiFID and also carries out certain non-MiFID fund management activities. The Disclosure Document covers the Firm's entire business, including its non-MiFID business and unregulated activities. The Firm is the sole MiFID investment firm in its corporate group, and is subject to the MIFIDPRU 2.6 Group Capital Test following receipt of a waiver from the Financial Conduct Authority ("**FCA**"). The Firm's Disclosure Document applies solely to Inflexion and not to any other group entity.

2. GOVERNANCE ARRANGEMENTS

2.1 The role of the Inflexion Board

Inflexion's Board defines, oversees and is accountable for the implementation of its governance arrangements. These ensure effective and prudent management of the Firm, including the segregation of duties within the Firm and the prevention of conflicts of interest, in each case in a manner that promotes the integrity of the market and the interests of clients.

Inflexion Board – responsibility, oversight and governance

Inflexion's Board is ultimately responsible for all strategic, financial, business and operational matters, including Inflexion's regulatory responsibilities, governance, decision making and compliance.

The Board meets at least quarterly to discuss and oversee the firm's key operational and strategic direction and objectives. The Board receives management information and assesses the Firm's performance against its governance objectives, as well as its performance against key business targets.

Inflexion Board - committees and delegated responsibilities

To benefit from the wider expertise of the members, extensive roles and responsibilities are delegated by the Board to committees as follows:

- ***Executive Committee*** meets at least 10 times per year and as required, and oversees the strategic objectives and direction of the business, staff resourcing and remuneration;
- ***Investment Committee*** meets weekly and as required, and discusses preliminary and final investment recommendations, and ensures Inflexion maintains a consistent application of its investment strategy;
- ***Realisation Committee*** meets weekly and as required, and discusses preliminary and final investment disposal and exit recommendations, with a view to encouraging a robust pipeline of exit activity and ensuring best practice and appropriate maximisation of value;
- ***Operations Committee*** meets monthly and as required and oversees the management of operational risk, and it reports into the Executive Committee;
- ***Compliance and Risk Committee*** meets semi-annually and as required, and discusses the Firm's risk management and compliance with legal and regulatory requirements;
- ***Responsible Investment Steering Committee*** meets monthly and as required. It sets the Firm's core ESG agenda and ensures it is carried out across all business functions, and makes recommendations to the Executive Committee and Investment Committee as appropriate;
- ***Valuation Committee*** meets quarterly and as required. It directly assists Inflexion's rigorous valuation review process and signs off all valuations;
- ***Portfolio Committee*** meets weekly and discusses financial performance and development of portfolio companies;

- **IT Steering Committee** meets twice a month and as required, and owns the overall Inflexion IT strategy, provides strategic direction for IT-related projects, establishes Inflexion's IT priorities and a governance framework to support these projects and initiatives; and
- **Data Protection Committee** meets every six weeks and discusses ongoing compliance with data protection laws.

The Firm's Board and Committees are composed of experienced professionals who, individually and collectively, act with honesty and integrity, and possess the requisite knowledge, skills and experience to undertake their duties and understand the Firm's activities and main risks. The Board and all Committees meetings are formally minuted.

2.2 Composition of the Inflexion Board and Committees

The members of the Firm's Board and Committees are currently drawn from the members set out in the following table, together with the number of additional directorships held by each member, throughout the financial year as at 31 March 2025.

| Name | Function Role | Number of additional directorships |
|-------------------|---|------------------------------------|
| John Hartz | Founding Partner SMF 27 Partner | 5 non-executive directorship role |
| Simon Turner | Founding Partner SMF 27 Partner | 1 non-executive directorship roles |
| Florencia Kassai | Managing Partner SMF 27 Partner | 0 |
| George Collier | Chief Operating Officer SMF 27 Partner | 0 |
| Richard Smith | Chief Financial Officer SMF 16 Compliance Oversight SMF 17 Money Laundering Reporting Officer SMF 27 Partner | 0 |
| Andrew Priest | SMF 27 Partner | 0 |
| Carl Wormald | SMF 27 Partner | 0 |
| David Whileman | SMF 27 Partner | 0 |
| Malcolm Coffin | SMF 27 Partner | 0 |
| Philip Edmans | SMF 27 Partner | 0 |
| Richard Swann | SMF 27 Partner | 7 non-executive directorship roles |
| Timothy Smallbone | SMF 27 Partner | 0 |

| | | |
|-----------------|--------------------|---|
| Tom Pemberton | SMF 27 Partner | 0 |
| Andrew Stevens | Certified Function | 0 |
| Joshua Griffin | Certified Function | 0 |
| Kirsty Tikerpae | Certified Function | 0 |
| Alex Mathers | Certified Function | 0 |
| Meredith Bourne | Certified Function | 0 |
| Sarah Gestetner | Certified Function | 0 |

2.3 Risk governance

Inflexion has well-established risk management policies in relation to the operational risks facing the business as well as those associated with Inflexion’s activities. The Firm is not required to establish a Risk Committee, as the thresholds in MiFIDPRU 7.1.4R for a non-SNI firm are not met. Nonetheless, Inflexion established the Compliance and Risk Committee which discusses risk management matters. Given the scope of Inflexion’s business model, such governance arrangements are considered to be sufficient and appropriate.

The Board is ultimately responsible for the Firm’s overall risk management and for maintaining an appropriate internal control framework. The Compliance and Risk Committee reports to the Board regarding risks and where relevant, actions are taken to mitigate and manage such risks. In addition, the members of the Board have clearly defined individual responsibilities that cover risk appetite and management within each of their Statement of Responsibilities under the Senior Managers and Certification Regime.

2.4 Diversity policy

Inflexion has in place an Equality, Diversity and Inclusion (“EDI”) policy which aims to encourage and integrate diversity into the workplace for all employees, including members of the Board and all Committees on matters including recruitment, selection, pay, conditions, training, appraisals, career development and promotion, conduct at work, disciplinary and grievance procedures and termination of employment. Examples of Inflexion’s diversity components include gender, race, age, sexual orientation, disability and socio-economic and educational backgrounds. All Firm appointments and promotions are made on merit against objective criteria and with regard to the individual’s knowledge, skills and experience.

The Firm is currently planning the following targeted initiatives focused on diversity in the next year: (i) commitment to The Institutional Limited Partners Association Diversity in Action initiative that will focus specifically on more detailed EDI data collection and reporting across the Firm, and (ii) continuous development of the internal working group formed in 2023 that will focus on education, professional development and events.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 Potential for harm associated with the Firm's business strategy

Inflexion has established and implemented a robust risk management framework that sets out the risks the Firm is exposed to, including the likelihood of such risks materialising, and systems, controls, and governance arrangements in place to mitigate, and where appropriate, minimise the risk impact. Inflexion identifies risks it may be exposed to by considering the nature of the activities it carries out, its business model and strategy and the jurisdictions, the market, the legal and regulatory environment in which it operates.

Inflexion considers that the potential for harm associated with its business strategy is low and reflects its low risk appetite towards operational risk, financial risk, market risk, conduct risk, prudential risk, reputational risk, legal, compliance and regulatory risk, financial crime risk, data and cyber security risk, and sustainability risk.

As detailed within the Firm's ICARA process, a key part of the risk management framework is the material harms risk assessment, in which Inflexion documents its systems and controls in place in relation to the harms arising to customers, markets and the Firm itself. Inflexion concluded that its systems and controls are appropriate mitigation and any residual risk is adequately covered by the Firm's own funds and liquid assets requirements. Where a material potential harm cannot be managed or mitigated after the implementation of systems and controls, Inflexion would consider whether it needs to hold additional own funds or liquid assets to address the harms.

During the year ending 31 March 2025, the Firm's revenues were mainly comprised of advisory fees charged to the managers of the Group's funds. These fees were calculated by reference to investor commitments during the fund's investment period and invested capital following the end of the fund's investment period and are therefore a stable and predictable source of income.

The level of detail of information in this Disclosure Document is proportionate to the Firm's assessment of low risk of potential harm.

3.2 Management of risks addressed by own funds and liquid assets requirements

Inflexion is required to hold sufficient own funds and liquid assets to ensure that it can remain financially viable throughout the economic cycle and that its business can be wound down in an orderly manner minimising harm to its clients or other market participants.

Taking into account the material harms faced and posed by the Firm, the governance framework it operates, the stress tests it has conducted (including severe relevant but plausible stress tests such as worst-case scenarios), the recovery and wind-down plans it has prepared as part of the Firm's ICARA process, Inflexion has determined that it satisfies both its own funds threshold requirements ("OFTR") and liquid assets threshold requirements ("LATR"), and therefore the overall financial adequacy rule as far as the Firm can reasonably determine, and it will continue to do so on an ongoing basis.

In the event that the Firm's own funds or liquid assets fall below 120% of the OFTR or LATR, the Finance team, as part of its ongoing regulatory capital monitoring, will notify the Firm's Compliance team and the Board. This threshold has been selected based on the Firm's risk appetite with respect to prudential risk and the expected timeframe

necessary for recovery actions to take effect. This allows the Firm to be aware in advance of any risk of breaching the formal requirement of 110% of its LATR or OFTR which requires the Firm to submit a formal notification to the FCA.

3.3 Concentration risk

The Firm has identified the following concentration risks and has put in place the following control strategies:

Earnings

Inflexion recognises the risk that it has its revenue concentrated in a select group of clients, leaving it exposed if Inflexion loses one or more of such clients.

Inflexion's revenue is derived from pricing agreements with its affiliated funds that operate under long term fixed and binding contracts with very limited termination terms. The concentration weighting between affiliated funds will fluctuate due to the underlying investment and realisation activity which drives the fees.

Cash deposits

Inflexion recognises that its cash deposits are held with a narrow range of credit institutions, leaving it exposed if one or more of them become insolvent.

Inflexion maintains instant-access cash accounts with a UK credit institution with a credit rating of Fitch AA- (or equivalent) and monitors this arrangement accordingly.

3.4 Responsibilities of the Senior Management Function-holders

The CFO is the Senior Management Function ("**SMF**") responsible for regulatory capital compliance at the Firm. All Senior Management Function holders of the Firm, as set out in section 2.2, recognise that the ICARA process is a key requirement of the regulatory system and is an essential part of the Firm's internal systems and procedures for ensuring that the business is run prudently.

4. OWN FUNDS REQUIREMENTS

4.1 Own funds

The own funds disclosures are as at 31 March 2025 and are made in line with the requirements set out in MIFIDPRU 8.4.

| Composition of regulatory own funds | | | |
|-------------------------------------|---|------------------------------|---|
| | Item | Amount (GBP thousands) | Source based on the balance sheet in the audited financial statements |
| 1 | OWN FUNDS | 25,628 | |
| 2 | TIER 1 CAPITAL | 25,628 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 25,628 | |
| 4 | Fully paid up capital instruments | 131 | Pages 14 and 16 |
| 5 | Share premium | - | |
| 6 | Retained earnings | - | |
| 7 | Accumulated other comprehensive income | - | |
| 8 | Other reserves | 25,497 | Pages 14 and 16 |
| 9 | Adjustments to CET1 due to prudential filters | - | |
| 10 | Other funds | - | |
| 11 | (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | - | |
| 19 | CET1: Other capital elements, deductions and adjustments | - | |
| 20 | ADDITIONAL TIER 1 CAPITAL | - | |
| 21 | Fully paid up, directly issued capital instruments | - | |
| 22 | Share premium | - | |
| 23 | (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 | - | |
| 24 | Additional Tier 1: Other capital elements, deductions and adjustments | - | |
| 25 | TIER 2 CAPITAL | - | |
| 26 | Fully paid up, directly issued capital instruments | - | |
| 27 | Share premium | - | |
| 28 | (-) TOTAL DEDUCTIONS FROM TIER 2 | - | |
| 29 | Tier 2: Other capital elements, deductions and adjustments | - | |

| Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements | | | | |
|--|-----------------------------------|---|---|-----------------------------------|
| | | a | b | c |
| | | Balance sheet as in published /audited financial statements | Under regulatory scope of consolidation | Cross-reference to previous table |
| | | As at 31 March 2025 £'000s | As at 31 March 2025 £'000s | |
| Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Tangible Assets | 5,670 | | |
| 2 | Investments | 25 | | |
| 3 | Debtors | 11,248 | | |
| 4 | Cash | 56,927 | | |
| | Total Assets | 73,870 | | |
| Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Trade Creditors | 856 | | |
| 2 | Tax and Social Security | 685 | | |
| 3 | Other Creditors | 185 | | |
| 4 | Amounts owed to Subsidiaries | 776 | | |
| 5 | Accruals and Deferred Income | 26,247 | | |
| 6 | Provision For Liabilities | 1,475 | | |
| 7 | Amounts due to Members | 18,018 | | |
| | Total Liabilities | 48,242 | | |
| Shareholders' Equity | | | | |
| 1 | Members' Capital - Equity | 131 | | Row 4 |
| 2 | Other Reserves | 25,497 | | Row 5 |
| | Total Shareholders' Equity | 25,68 | | Rows 1,2 and 3 |

4.2 Own funds requirements

Inflexion is a non-SNI MIFIDPRU investment firm which means that its own funds requirement is the higher of its: (i) permanent minimum requirement; (ii) fixed overheads requirement; and (iii) K-factor requirement. This has been calculated at £5,004,000 as at 31 March 2025.

Inflexion's fixed overheads requirement calculated in accordance with MIFIDPRU 4.5 but subject to MIFIDPRU TP 2.10R and MIFIDPRU TP 2.12R is: £5,004,000.

Inflexion's K-factor calculated in accordance with MIFIDPRU 4.6 to 4.16 and MIFIDPRU 5 but subject to MIFIDPRU TP 2.10R and MIFIDPRU 2.12R is: £634,000, which can be broken down into:

| | |
|--|----------|
| K-AUM requirement, K-CMH requirement, and K-ASA requirement | £634,000 |
| K-COH requirement and K-DTF requirement | N/A |
| K-NPR requirement, K-CMG requirement, K-TCD requirement, and the K-CON requirement | N/A |

5. REMUNERATION

5.1 Remuneration governance

The Board has overall responsibility for Inflexion's remuneration practices, which it reviews annually.

The Board has allocated responsibility for overseeing the implementation of the Firm's remuneration practices to the Executive Committee. The Executive Committee meets at least 10 times per year as part of assessing the operational management resourcing of the Firm. The Executive Committee spends considerable time annually collectively reviewing and appraising staff performance so as to allow remuneration decision to be taken holistically and in such a way that correct staff incentivisation and retention are a core priority.

5.2 Remuneration practices and arrangements

Inflexion has designed its remuneration practices to:

- promote the long-term success of the firm;
- attract, motivate and retain the best talent to help ensure continued growth and success of the firm;
- support the firm's purpose and values to build a safe, respectful and inclusive culture through remuneration policies and schemes that promote and reward good conduct and behaviours for the benefit of our customers and colleagues;
- strike an appropriate balance between short-term and long-term performance with strong linkage to firm performance, effective risk management, management of conflicts of interest, customer outcomes, the culture and values of the firm and long-term shareholder value creation; and
- ensure compliance with relevant remuneration regulation requirements.

Inflexion's compensation arrangement is generally structured as a base salary, benefits and discretionary year-end bonus (for employees) and a discretionary allocation of profits, including advance monthly drawings and benefits (for members).

Discretionary bonuses and discretionary profit allocations will be determined by the Executive Committee in their sole discretion and will be based on the following considerations:

- the profitability of the group during the year in question and on a trend basis;
- the success of the area within which a member works in achieving its objectives for the year;
- the performance of the individual member, both absolutely and in relation to objectives set; and
- market rates for comparable staff roles.

5.3 Material risk takers

The Firm's material risk takers ("MRTs") are those individuals whose professional activities have a material impact on the Firm's risk profile.

In addition to the SMFs set out in section 2.2, the Firm's MRTs also comprise investment partners and heads of key functions within the firm. The Firm has identified 18 MRTs as at 31 March 2025.

5.4 Risk adjustment

Inflexion's variable remuneration arrangements are fully discretionary, and the Firm has ongoing discretion to reduce (including to zero) the amount of variable pay to any member of staff (including MRTs).

Variable remuneration awarded to MRTs is subject to additional adjustments. In specific circumstances where an MRT has (i) participated in or been responsible for conduct which has resulted in significant losses to the Firm; and/or (ii) failed to meet appropriate standards of fitness and propriety, the Firm may take one or more additional measures including malus (reducing the amount of variable remuneration awarded to an MRT) and/or clawback (requiring the MRT to make a payment to the Firm equal to all or some variable remuneration received within a specified time period).

Inflexion ensures that any payments to MRTs relating to the early termination of an employment contract reflect the individual's performance over time and do not reward failure or misconduct.

Inflexion maintains processes governing its approach to risk adjustments and severance payments, including how the Firm takes into account current and future risks when adjusting remuneration.

5.5 Quantitative disclosures

The figures in the table below are as at 31 March 2025, and reflect the Firm's FCA reporting period for 1 April 2024 to 31 March 2025.

The total amount guaranteed variable remuneration and severance payments awarded to SMFs and other MRTs during the last financial year was nil.

| Total remuneration to <u>all</u> staff | |
|--|---------------|
| Total fixed remuneration | (GBP million) |
| Senior management and MRTs | 20,891 |
| Other staff | 16,942 |
| SUB-TOTAL | 37,833 |
| Total variable remuneration | (GBP million) |
| Senior management and MRTs | 15,302 |
| Other staff | 11,389 |
| SUB-TOTAL | 26,691 |
| <u>GRAND TOTAL</u> | <u>64,524</u> |