Delivering growth, *realising value*

BGF UK ENTERPRISE FUND 3 LP

PARTNERSHIP NUMBER: LP023196

GENERAL PARTNER'S REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Fuelling the engine of *growth*

Founded in 2011, BGF was created to address a long-standing gap in the UK economy: the lack of flexible equity capital for ambitious growth companies. Fifteen years on, BGF has established itself as a proven driver of growth – and the opportunity to back entrepreneurial ambition has never been greater.

BGF continues to be the most active growth investor in the UK and Ireland. It has invested over £4.9 billion in 646 companies across its network of 15 offices spanning the nations and regions.

BGF's nationwide platform ensures growth companies can access the capital and expertise needed to build resilient, scalable businesses. Together, we deliver meaningful value for entrepreneurs, attractive returns for shareholders, regional prosperity and national economic strength.

As we mark our 15th anniversary, the opportunity is clear: growth companies remain underserved by financial markets. BGF has a proven model to unlock this opportunity at scale, delivering returns and impact in the process.

Discover more online at bgf.co.uk

Inside this report:

OUR PERFORMANCE

15 years of *impact*

Over 15 years, BGF has backed ambitious entrepreneurs and management teams across the UK and Ireland, combining capital, expertise and partnership to help them grow. Our portfolio has driven economic impact at scale, while delivering attractive, risk-adjusted returns for BGF's shareholders and investors.

Investment

£4.9bn
Total invested

646
Companies backed

Economic impact

£8.2bn
Revenue growth

35,000
Jobs created

Realisations

£3.5bn
Exit returns

289
Exits

> "Since BGF was founded in 2011, we have been focused on one goal: unlocking the potential of ambitious businesses. Fifteen years on, the growth in revenues, jobs and exports across our portfolio shows the impact that flexible capital, deep local presence and long-term partnership can deliver – for entrepreneurs, investors and the wider economy.

Andy Gregory
CEO, BGF

OUR PERFORMANCE

2025 BGF performance

2025 delivered a strong year of exit activity from the wider portfolio – deploying capital into new and existing portfolio companies. This activity supported continued profitability and growth in net asset value, reflecting the strength and resilience of the portfolio.

Financial highlights

Profit on disposals
£183m
2024: £37m

Fair value uplift
£94m
2024: £59m

Opex as % of AuM
1.89%
2024: 1.91%

Total investment
£417m
2024: £489m

Total return on exits
£685m
2024: £364m

Investment income
£118m
2024: £120m

Profit after tax
£287m
2024: £121m

Net asset value
£3.0bn
2024: £2.8bn

New investments*
28
2024: 41

* Private investments only

Exited investments
42
2024: 29

OUR PERFORMANCE

UKEF 3

Financial highlights

Companies backed	Invested since inception	Distributed to date	Investment income to date	Growth Companies invested in
37	£21.1m	£0.8m	£1.6m	30

Current investments	Follow on investment since inception	TVPI	Sectors invested in	Early stage companies invested in
37	£0.4m across 3 companies	1.25	10	7

AT A GLANCE

Our approach to *growth*

Purpose

- Founded to support UK SMEs
- Regional-first, unlocking equal access to capital
- Minority only investments via flexible capital

Platform

- Unmatched scale, deliverability and diversification
- Capable of supporting 50 new deals and £500m deployment annually
- Strong proprietary deal flow and regional footprint

Portfolio

- Live portfolio of 357 companies in excess of £3bn AuM
- 26.5%* realised return uplift vs carrying value
- Optimised through preferential structuring and diversification

Performance

- Highly attractive risk-adjusted returns
- Expert team unlocking value creation across the portfolio
- Increasing cash generation and profitability

* Uplift is based on previous five years of data, including 187 exits (2021–25)

75%
invested outside London

15
regional offices across the UK and Ireland

BUSINESS MODEL

Driving growth, creating *value*

Introduction

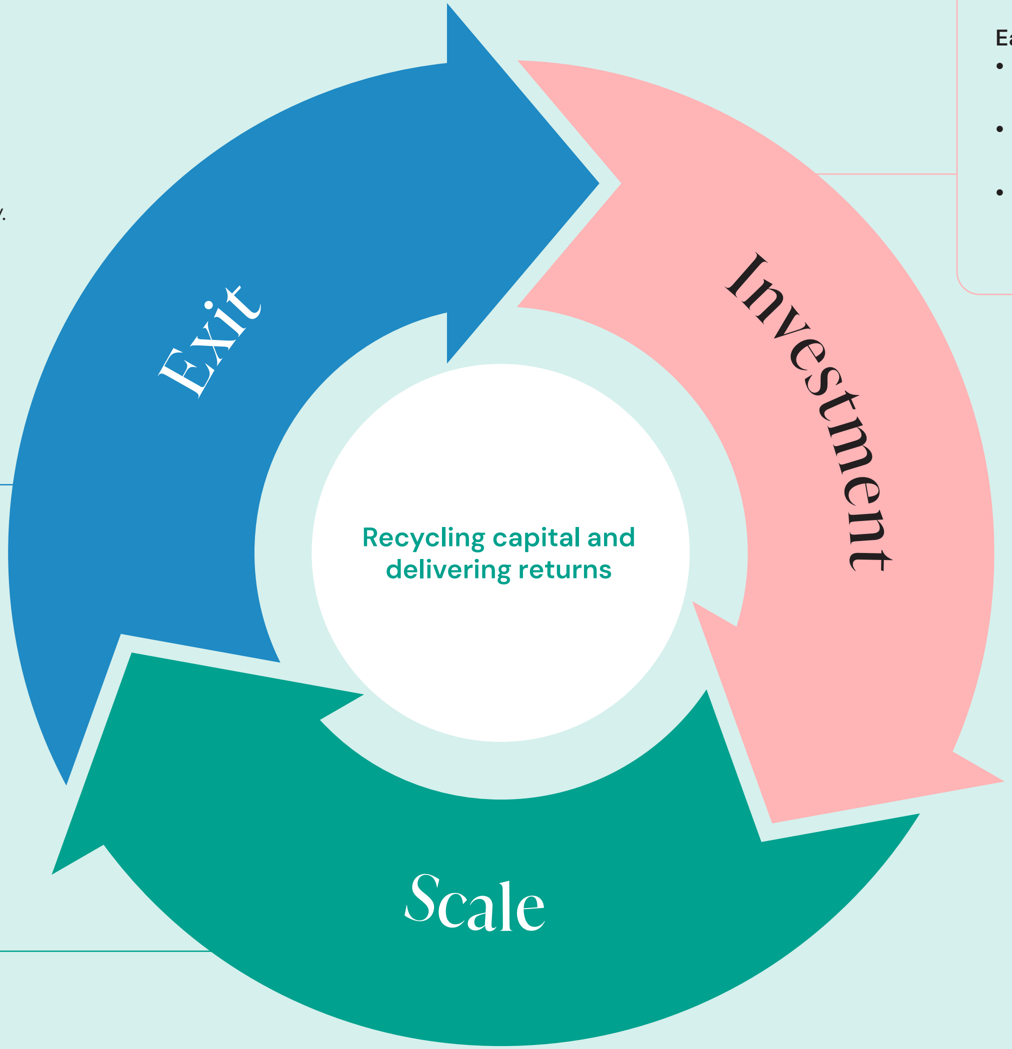
BGF's model is designed to balance scale, risk, and long-term value creation.

We invest across both growth-stage and early-stage businesses, providing flexible minority capital to ambitious companies at different points in their journey.

We partner with founders and management teams to add value beyond our investments, without taking control. We're long-term investors, helping businesses achieve the right exit, at the right time.

Growth Stage:
- Businesses seeking an initial investment of £3m–£30m
- Privately-owned, typically generating £1m–£10m EBITDA
- Able to demonstrate a clear growth strategy, with strong management team

Early Stage:
- Startups seeking an initial investment of £3m–£10m
- Specialists in life sciences and deeptech
- IP-protected innovations offering substantial scientific or engineering advances



- Timing driven by value optimisation, not fund cycle
- Multiple exit routes (trade, secondary, PE, IPO)
- Focus on maximising shareholder returns

- Follow-on capital
- Value creation support
- M&A opportunities

PORTFOLIO CONSTRUCTION

Backing businesses *in all sectors* and throughout the growth cycle

Diversification

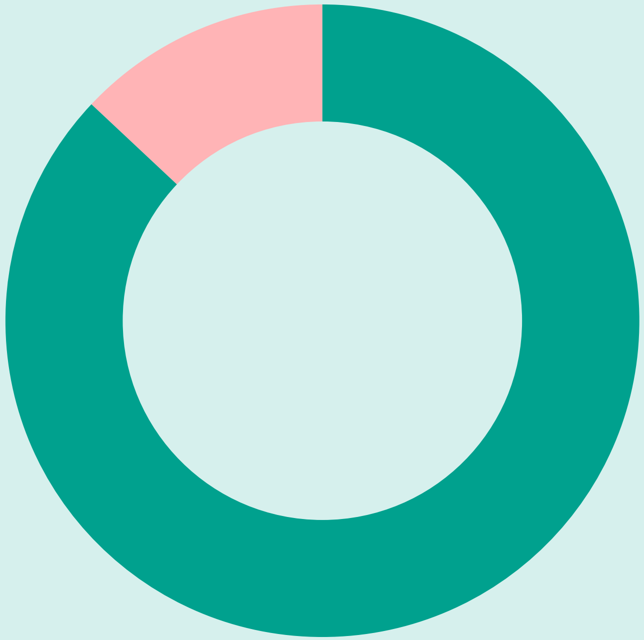
We invest across almost all sectors of the growth economy, diversifying our risk and enabling investment throughout economic cycles.

Portfolio by sector (% of net invested cost)

- Business & Support Services — 16%
- Construction — 9%
- Consumer Products & eCommerce — 6%
- Energy & Resources — 10%
- Health & Education — 10%
- Industrial — 3%
- Retail, Leisure & Hospitality — 2%
- Life Sciences — 5%
- Media & Marketing — 10%
- Technology — 29%

Portfolio by stage – Growth v Early Stage (% of net invested cost)

- Growth: 87%
- Early stage: 13%



PORTFOLIO CASE STUDY: FOLLOW-ON INVESTMENT

Sunswap

INDUSTRY	LOCATION	STAGE
Energy & Resources	South East	Growth

Funding zero-emission refrigeration to decarbonise cold chain logistics

Sunswap has developed Endurance, the UK's first purpose-built, fully electric transport refrigeration unit (TRU). The Leatherhead-based business combines adaptive battery capacity, integrated rooftop solar power, rapid charging and cloud-based telematics to eliminate tailpipe emissions from chilled freight — delivering around a 35% reduction in total cost of ownership versus traditional diesel units.

In August 2024, BGF and UKEF 3 invested £6 million as part of a wider £14.7 million round alongside the Clean Growth Fund and Barclays Sustainable Impact Capital. With over 55,000 TRUs operating in the UK and more than 6,000 replaced annually — almost all diesel-powered — and fleet operators facing Net Zero targets by 2030–35, BGF identified a compelling and near-term decarbonisation opportunity.

BGF and UKEF 3 subsequently provided £1.6 million of follow-on capital to support working capital and production as Sunswap secured large new contracts. Commercial trials with Tesco and Müller demonstrated superior performance, first unit deliveries began in November 2024, and a manufacturing expansion in January 2025 created 75 new jobs. The customer base now includes TIP Group, DFDS and Cranswick.

Investment to date

£6m
Initial investment (UKEF 3 share: £511,000)

£1.6m
Follow-on investment (UKEF 3 share: £136,000)

"We are thrilled to have BGF and Shell Ventures support our mission to decarbonise cold chain logistics. Their investment, alongside the continued backing of our existing investors, is a real validation of Sunswap's journey to date. This funding will be instrumental in accelerating our growth across the UK and European markets.

Michael Lowe
Co-founder and CEO of Sunswap

Strategic report

Inside this section:

CHAIR'S REPORT

A proven model, built for *scale*

BGF continues to support hundreds of growing businesses across the UK, helping to drive innovation, employment and economic resilience. As we mark our 15-year anniversary in 2026, we do so with a clear track record and a model that has demonstrated its strength.

> Last year, we set out our ambition to deploy at least £3 billion over the next five years. This reflects confidence in both the opportunity within the UK growth economy and the scalability of our model.

Since launch, we have backed 646 companies and deployed over £4.9 billion of capital. Approximately 75% has been invested outside London, directly addressing regional imbalances in access to growth funding. Our nationwide footprint reflects both the depth of entrepreneurial talent and the strength of our model.

The outcomes are measurable. Since 2011, BGF-backed companies have delivered £8.2 billion in revenue growth, created more than 35,000 jobs and achieved 84% export growth. This is growth capital translating into tangible economic impact.

Importantly, this performance has been achieved in challenging market environments. High-quality exits and strong cash returns during the year reinforce the strength of our investment approach and the robustness of our balance sheet.

Last year, we set out our ambition to deploy at least £3 billion over the next five years. This reflects confidence in both the opportunity within the UK growth economy and the scalability of our model. The requirement to support growing businesses remains central to the UK's long-term prosperity.

There is increasing momentum behind mobilising institutional capital into growth companies. Initiatives such as the Mansion House reforms underscore this ambition.

BGF's scale, regional presence and minority partnership approach provide a proven route for capital to be deployed effectively and responsibly.

Board and governance

During the year, we appointed Anita Dougall as a Non-Executive Director, bringing deep entrepreneurial and data-led experience. In 2026, Ben Barker stepped into the role of Chief Investment Officer and joined the Board. These appointments strengthen the range of expertise at Board level.

I would like to thank Alice Avis MBE, who stepped down from the Board in April 2026 after ten years of dedicated service.

My thanks also go to the Board, our shareholders and the wider BGF team. Their commitment and discipline underpin the strength of the business today and its continued progress. We are pleased to share this success with our shareholders, having paid a dividend of £75 million in December 2025 and declared a further £125 million thus far in 2026.

Ian Livingston (Lord Livingston of Parkhead)
Non-Executive Chair

CEO REPORT

Championing the next generation of *growth businesses*

2025 was a year of strong performance for BGF, marked by significant realisations, substantial investment activity and continued portfolio growth. Our long-term minority investment model has demonstrated resilience, enabling us to deploy flexible capital at scale while maintaining alignment with founders and management teams.

> "During the year, BGF delivered £685 million in total proceeds, achieving a money multiple of 2x, with an IRR of 17%. Realisations drove strong cash generation for reinvestment and shareholder liquidity.

A proven model

During the year, BGF delivered £685 million in total proceeds, achieving a money multiple of 2x, with an IRR of 17%. These realisations supported strong cash generation for reinvestment and enabled the payment of a £75 million dividend to shareholders, with a £125 million dividend declared to be paid in May 2026. As we approach BGF's 15th anniversary, this performance reflects both the progress we have made and the continued strength of our model in supporting ambitious businesses across the UK and Ireland.

Since 2011, we have focused on providing flexible, minority growth capital to scaling companies. Over that time, we have backed hundreds of businesses, helping them to scale, create jobs and contribute meaningfully to the wider economy. These companies are a vital part of the UK's growth story, and ensuring they have access to the right capital and support remains central to our purpose.

In 2025, we saw strong momentum across the platform, deploying £417 million during the year, despite a difficult macro economic environment. This level of activity highlights both the depth of opportunity across the UK and our ability to support companies through multiple stages of growth.

This momentum was echoed in UKEF 3 as the Fund continued to support growth in the portfolio, investing almost £400,000 of follow-on capital across three companies. There was further positive news with more than £800,000 distributed to investors during the year, as well as the valuation exercise seeing a £5 million uplift on cost.

Our regional model remains a defining strength of BGF. With teams based across 15 cities, we maintain deep local networks that provide consistent access to high-quality, often proprietary opportunities. The majority of new investments are sourced through our relationship-led approach, reflecting the strength and reach of our platform. This enables us to originate opportunities across sectors and regions, including businesses often underserved by traditional sources of capital.

Looking ahead, our ambition remains clear. In May 2025, we announced a commitment to invest at least £3 billion in UK and Irish businesses over the next five years – a meaningful increase on the £2.3 billion deployed between 2020 and 2024. This signals our confidence in the strength of the long-term opportunity and in our ability to scale our model effectively.

CEO REPORT CONTINUED

Value beyond investment

Alongside capital, we continue to strengthen our value creation capabilities. Tracy Bownes was appointed Head of Value Creation to deepen our commercial and operational support across the portfolio; Tom Pearson joined as Head of Data and AI to help harness the potential of emerging technologies; and Indro Mukerjee was appointed to our Deep Tech & Climate Advisory Board, bringing specialist experience in innovation-led growth.

Our regional footprint and specialist expertise enable us to work closely with founders to build resilient, well-governed and scalable businesses. This partnership approach remains central to our differentiation.

Sustainability and inclusion

Integrity and purpose are central to BGF's approach, and as a B Corp we are committed to responsible and sustainable investment. Environmental, social and governance (ESG) principles are embedded throughout our investment process, and this year we have continued to support portfolio companies to meaningfully improve their wider societal impact.

Our commitment to invest at least £300 million in female-powered businesses over the next five years, alongside our partnership with the Invest in Women Taskforce, reflects our long-standing focus on broadening access to capital. During the year, this included investment in Northern Ireland-based specialist care provider CWC Group, supporting an all-female executive team in expanding essential care services.

> “Over 15 years, we have built a scalable, regionally anchored investment model with a consistent track record of deploying long-term capital into ambitious growth businesses.

The BGF Foundation

In 2025, the BGF Foundation announced its largest funding commitment to date, with £820,000 allocated across new multi-year partnerships, follow-on funding and staff grants. We were also pleased to increase support for the Foundation with an additional commitment of capital from an allocated share in BGF's performance award scheme.

The Foundation supported more than 30 UK charities through a combination of unrestricted funding, strategic guidance and volunteering. I am proud to see that employee-led volunteering hours have increased by more than 60% over the past three years, reflecting strong engagement across the organisation.

Looking ahead

BGF enters its next phase from a position of strength. Over 15 years, we have built a scalable, regionally anchored investment model with a consistent track record of deploying long-term capital into ambitious growth businesses.

The UK continues to demonstrate deep entrepreneurial capability across sectors and regions. As policymakers seek to unlock greater flows of long-term capital into UK businesses through the Mansion House reforms, BGF is well positioned to play a constructive role.

Our experience of investing at scale, combined with our national footprint and minority model, provides a proven bridge between institutional capital and high-growth businesses.

We see clear potential to expand our impact further and we are actively evaluating opportunities, right across the UK, to introduce external capital. We see this as a strategic opportunity for BGF and for the UK and Ireland – enabling us to support more companies, back more founders and contribute more meaningfully to economic resilience throughout the nations and regions.

We have built a highly capable team, one I am proud to work alongside, which brings discipline and rigour to everything we do. We remain confident in our ability to continue creating successful businesses and delivering against the UK's growth ambitions.

Andy Gregory
Chief Executive Officer

COO REPORT

A year of delivering *strong* performance

Our annualised financial performance is most simplistically understood across three principal areas: operating profitability, realised gains on exits, and fair value movements within the unrealised portfolio. In 2025, across BGF we delivered positively against all three measures, reflecting disciplined execution and strong underlying portfolio health.

> “BGF’s wider portfolio companies delivered, on average, revenue growth of more than 10% and EBITDA growth of more than 20%, supporting positive unrealised valuation gains of £94 million.

Arguably the most significant of these metrics is the realised gains achieved on exit, which demonstrate the success of our investment decisions. This year, realised gains across the wider BGF portfolio increased significantly as we accelerated the pace of exits, generating £183 million of gains (2024: £37m).

Unrealised gains or losses will inevitably fluctuate, particularly for investments in the earlier stages of their lifecycle. Those fair value movements reflect underlying portfolio company trading performance and changes in comparable valuation multiples.

In 2025, improved trading performance across the wider portfolio – where companies delivered average revenue growth of more than 10% and EBITDA growth of more than 20% – combined with higher comparable listed multiples, supported positive unrealised valuation gains of £94 million (2024: £59.5m).

P&L highlights

The Group delivered increased profitability, with year-end operating profit of £279 million (2024: £126m) and profit after tax of £287 million (2024: £121m).

Underlying portfolio performance has been a key contributor to valuation gains. NAV grew by 7% over the year (including exit uplift) due to the extent of realisations over the period.

UKEF 3 valuation

As at December 2025, we were pleased to see that the UKEF 3 portfolio of 37 live investments was valued at £26.0 million, a £5.0 million (24%) uplift on cost of £21.0 million.

The value uplift was in part driven by Metric Search, which has since exited.

Our purpose

BGF has continued to deliver on its purpose of championing growing businesses and ambitious entrepreneurs across the UK and Ireland. There remains clear demand and a pressing need for additional long-term capital to support a broad range of small to mid-sized companies. As we celebrate our 15th anniversary, we are proud of the meaningful impact our investment and support have had in helping these businesses scale and succeed.

The strength of our portfolio companies reflects the continued development of our value creation capabilities, which are contributing directly to EBITDA expansion and enhanced resilience across the portfolio.

COO REPORT CONTINUED

Investment activity

2025 saw continued economic uncertainty and political developments, some of which significantly affected UK businesses' trading performance as well as some investors' propensity to deploy capital and transact.

BGF has always sought to invest through economic cycles, and last year was no exception. Despite a challenging market, BGF deployed a total of £417 million. This included £304 million (2024: £343m) in new deals, which comprised £286 million from its own balance sheet and £18 million through third-party funds, including BGF Ireland and the UK Enterprise Funds. New additions to the portfolio included 23 Growth Stage investments totalling £279 million and five Early Stage investments totalling £25 million.

As long-term partners to our portfolio, we also provided a further £113 million of follow-on investment during the year, £104 million from our own balance sheet and £9 million through third-party managed fund.

We increased the number of exits in 2025, with 42 companies fully exited, including the sale of OrganOx, which generated proceeds of £181 million. We backed OrganOx through seven rounds of fundraising over six years. The deal has driven a 5x money multiple on exit from BGF's investment, and an overall IRR of 67%. It represents a strong example of how our long-term, flexible model delivers for both companies and our investors.

Total exit activity during the year delivered a money multiple of 2x, with an IRR of 17%.

Proceeds from exits contributed to a strengthened balance sheet, with cash increasing from £104 million to £256 million at year end. While portfolio value remained broadly stable due to the scale of realisations relative to new investment and fair value uplifts, this reflects successful capital recycling rather than a deterioration in underlying performance.

The increase in cash provides flexibility for redeployment and reinforces the resilience of our model. Successful exits across the portfolio also supported the payment of a £75 million dividend to shareholders, BGF's largest-ever dividend. At the date of approval of these financial statements, the Directors have declared the payment of a dividend of £125 million in May 2026.

Our investment activity continues to span a broad range of sectors and regions, reflecting our belief that entrepreneurs and growing companies can be found across all parts of the UK and Irish economies – in 2025, approximately 75% of capital deployed went into businesses outside of London. BGF's regional office infrastructure and extensive network provide direct access to proprietary opportunities and enable us to maintain a strong pipeline.

Our confidence in the outlook for investment and our ability to deploy capital effectively underpinned our decision last year to commit at least £3 billion to UK businesses over the next five years. We are already making good progress towards that target, which includes a £300 million commitment for female-powered businesses.

We remain the UK and Ireland's most active growth investor and recognise that BGF plays an important role within a broader ecosystem encompassing companies, banks, advisers, investors, and local and central government, among others. We remain focused on sustaining their trust, and on deepening these relationships to help drive long-term growth in UK entrepreneurship.

Chris Olds
Chief Operating Officer

"BGF has always sought to invest through economic cycles, and last year was no exception. Despite a challenging market, BGF deployed a total of £417 million.

CIO INTERVIEW

Markets, *momentum* and what's next

Our Chief Investment Officer (as of March 2026) Ben Barker shares his perspective on the current investment landscape, BGF's approach in a shifting market and the opportunities driving future growth.

Q: What are your reflections on the year's investment market?

A: Investment activity across UK private equity remained subdued this year, with deal volume falling. Our area of focus – minority investments – saw a decline of 20% against the prior year. Despite this, we maintained a similar level of deployment into new deals as in 2024, demonstrating our ability to continue investing through a challenging market environment.

Rising interest rates, combined with ongoing volatility, have led many entrepreneurs to question whether now is the right time to take on investment. At the same time, the funding landscape has broadened, with founders having more options than ever before.

Against this backdrop, expectations of investors are shifting. Founders are increasingly looking for trusted partners who can help them scale, professionalise operations and deliver strategic initiatives – not simply provide capital.

BGF is well positioned to meet these evolving needs. Our model is underpinned by a network of c.100 investors across 15 regional offices, a strong focus on proprietary origination – with the majority of investments sourced off-market in 2025 – and a dedicated value creation programme designed to support businesses beyond investment.

Q: Where are you seeing the most compelling opportunities?

A: We maintain a focus on robust businesses with a clear potential to scale. Earnings quality, margin resilience, strong management teams and realistic growth plans will be essential to ensuring that businesses can weather any unexpected market turbulence, and they will continue to be key areas of focus for due diligence throughout 2026.

One of BGF's strengths is our ability to operate as multi-sector specialists with the flexibility to adjust our areas of focus to reflect emerging technologies and market trends.

In 2025, we continued to see strength in business services, healthcare, life sciences and B2B software. Additions to our growth portfolio across these sectors included Origin Tech, a water technology business focused on leakage detection and network efficiency, and Ecovis DCA, an Ireland-based accountancy and advisory firm. Within our Early Stage strategy, notable investments included Phlux Technology, a Sheffield-based developer of advanced infrared sensor technology for optical communications.

Fragmented markets also remain compelling. With valuations often more realistic for smaller companies, bolt-on acquisitions are increasingly powerful tools for accelerating scale and strengthening positioning. We are well placed to provide follow-on capital to support disciplined buy-and-build strategies where acquisitions are strategically aligned and sensibly priced.

> "Founders are seeking to build relationships with trusted partners who can help them scale, professionalise operations and execute strategic initiatives – not simply provide capital.

CIO INTERVIEW CONTINUED

Q: What differentiates BGF's model in the current environment?

A: Our evergreen capital allows us to support long-term strategies without the constraints of fixed fund lifecycles, and our minority partnership model ensures we work alongside entrepreneurs to strengthen leadership and build capability for scale.

With one of the largest SME portfolios in the UK and Ireland, we have substantial experience of successfully executing bolt-ons, and we have completed more than 280 exits over the last fifteen years, many of which have been complicated deals. As the portfolio has matured, we are seeing greater opportunities to leverage this expertise.

We have also continued to strengthen our internal value creation capability. This includes integration specialists to support bolt-on execution and post-deal alignment, as well as go-to-market specialists to accelerate commercial growth.

Q: How are you supporting the portfolio through ongoing market uncertainty?

A: Given the size and maturity of our portfolio, we are active across the full investment lifecycle – from initial funding, through scaling and consolidation, to successful exits. Throughout this journey, our focus is disciplined execution of clearly defined value creation plans.

From day one, we establish growth priorities and measurable KPIs. Operationally, we focus on margin improvement, working capital discipline and commercial optimisation while ensuring governance and reporting standards strengthen as businesses scale. This helps to ensure that portfolio companies are 'exit ready' at the point shareholders wish to pursue the next liquidity event.

Q: What structural forces are shaping the investment environment today?

A: Digitisation continues at pace, creating opportunities for service providers and competition for legacy businesses. This trend is being accelerated by the increasing deployment of artificial intelligence, which is also enabling greater productivity across our portfolio.

Succession planning in founder-led businesses remains a challenge facing many growth companies, providing opportunities for investment to support this transition. Ongoing market fragmentation similarly offers opportunity for consolidation and growth.

These trends increase the importance of leadership, governance and execution, and of embedding clear value creation plans from the outset – favouring long-term investors who combine patient capital with hands-on operational support.

VALUE CREATION UPDATE

Value *beyond* investment

In 2025, we strengthened and clarified our Value Creation offering to enhance deal conversion, provide new investments with a framework for value creation planning and improve how we track impact across the portfolio. This reinforces our commitment to delivering Value Beyond Investment.

Our Portfolio Investor Directors work alongside the Value Creation team to identify and accelerate key growth levers using a clear and practical framework. Drawing on extensive board experience, they support management teams through common scaling challenges, acting as a sounding board while facilitating access to BGF's three value creation pillars: talent network, operating specialists and Community via Scale.

Talent network

In 2025, our network supported the appointment of 40 Non-Executive Chairs and Directors and over 20 C-suite Executives across the portfolio. 95% of our new growth investments appointed a Chair from our network, with 67% of them in their first role with BGF.

Our region-wide, multi-functional network of Non-Executives with credible SME experience continues to support both deal conversion and exceptional outcomes on exit. Delivering sector expertise, transformation experience, strategic insight and coaching capabilities into our entrepreneurial businesses through appointment of Non-Executive Chairs and Directors remains fundamental to our operating model.

Over the year, we strengthened our technology bench through a partnership with Boardwave and continued to improve gender diversity across our Non-Executive appointments, with 41 new individuals added to the network.

95%

of new growth investments appointed a Chair from our network

VALUE CREATION UPDATE CONTINUED

Operating specialists

Our operating specialists support businesses throughout the deal lifecycle.

Procurement

38 portfolio companies accessed procurement programmes through Auditel and Aon, delivering average savings of over £130k per company across insurance, energy, payments, logistics and consumables. On exits, including Victorian Sliders, BB7 and Panthera, material value creation can be traced to procurement initiatives.

£130k

Average savings per company across insurance, energy, payments, logistics and consumables

Cyber

All portfolio companies participate in our cyber risk monitoring programme with KYND and receive recommendations following diligence from our in-house Head of Digital. Support ranges from staff training programmes and Managed Service Provider (MSP) introductions to infrastructure and governance improvements – sometimes facilitated by cyber experts. Through our community programme Scale, we have run in-person simulation workshops to highlight incident response plans, and in late 2025, we introduced a fractional Chief Information Security Officer to further strengthen scale-appropriate cyber frameworks.

> "In 2025, our network supported the appointment of 40 Non-Executive Chairs and Directors and over 20 C-suite Executives.

ESG

205 portfolio companies completed our annual ESG survey and received tailored benchmarking, progress and recommendation reports. Of those, bespoke ESG support was provided to a range of engaged companies. Notable achievements included B Corp certification at Clarke Facades, Revive Active and BB7, and the successful exits from BB7 and Victorian Sliders, where product development and marketing were pivoted to align with customers' ESG expectations.

International expansion and Board effectiveness

To support portfolio companies considering international expansion, we held a successful workshop event in New York, where portfolio companies planned market entry strategies, receiving training on local regulatory requirements, recommendations on the logistics of operating a transatlantic business and approaches to customer acquisition.

Effective board dynamics are central to long-term value creation. Our confidential online board evaluation tool provides benchmarking insights and helps boards identify practical actions to enhance effectiveness.

Community via Scale

In July 2025, we relaunched our 'Community via Scale' programme on a modern platform, enabling self-service access for up to ten leaders per portfolio company. By year end, 171 companies and 450 leaders were registered.

Approximately 1,500 training hours were delivered across ESG, GTM, CFO forums and targeted workshops and webinars. Content is shaped by participant feedback and delivered in partnership with specialist providers, ensuring practical and immediately actionable insight.

Looking ahead

Our enhanced value creation programme ensures every portfolio company can access Value Beyond Investment. Feedback from our new post-investment and post-exit listening programme is informing the evolution of the value creation offer.

In 2026, we will prioritise:

- accelerating faster AI deployment across the portfolio;
- strengthening in-house support for GTM opportunities;
- scaling buy-and-build capability; and
- completing the roll-out of the Community via Scale programme.

Targeted investment in talent across these areas, alongside continued development of our ESG, cyber, procurement, data and governance frameworks, is expected to further enhance portfolio performance and exit outcomes.

1,500

Training hours were delivered

VALUE CREATION UPDATE CONTINUED

Accelerating ambition through *Forum events*

> The BGF GTM Forum was a day of practical sessions, thought-provoking panels and honest conversations that reminded me how much more deeply ideas stick when you engage, interact and reflect together. Huge thanks to the team for creating this space. I walked away energised with thoughts and action points.
>
> **Tian Tian**
> Marketing Director, Reactive Technologies

In October 2025, BGF brought together 70 CMOs, CROs and commercial leaders from our portfolio for the inaugural GTM Forum in London.

Focusing on our technology, business services and consumer sectors, portfolio leaders explored three priorities for growth-stage businesses:

- evolving GTM models as complexity increases;
- sharpening positioning and messaging; and
- improving end-to-end execution through clearer processes, data and team alignment.

Gautam Sahgal (former CEO, Perkbox) opened the day with Scaling smarter: how GTM is being redefined, focusing on what to systemise, what to test, and how to align technology and partner choices to commercial priorities. His energetic customer-centric approach resonated, anchoring many of the debates that followed in panel sessions, sector breakouts and keynotes from our trusted partners throughout the day. The day concluded with a live AI demonstration, taking a real business problem to a five-page Board-level project recommendation with incisive questioning, competitor analysis and initial cost benefit analysis completed.

Attendee feedback was excellent, with a Net Promoter Score (NPS) of 75 and participants describing it as "a really valuable day" and leaving "energised with tools and insights to put into action" (Alex Thomas, CRO, Boxphish; Tian Tian, Marketing Director, Reactive Technologies).

70
CMO, CROs and commercial leaders attended

75
NPS score

VALUE CREATION UPDATE CONTINUED

Metric

INDUSTRY	LOCATION	STAGE
Business Services	Midlands	Growth

BGF, alongside UKEF 3, invested in Metric Search in 2024, a fast-growing specialist executive search firm headquartered in Nottingham. BGF's investment was designed to accelerate US expansion, professionalise the business and deepen its presence in high-value micro-niches.

In 2025, Metric delivered 56% revenue growth. This was driven by rapid onboarding and upskilling of fee-earners, focused expansion in US micro-niches (including life sciences, geotechnical and a new Data Centres brand), and selective international desk openings. BGF funding supported the launch of new US offices in Texas and California, improving access to both clients and talent.

Through the Value Creation Talent Network, Andy MacRae was introduced and appointed as Non-Executive Chair. Having previously guided Phaidon's successful recruitment scale-up, he also personally invested in the business. Working closely with the founder, he supported leadership professionalisation, including the appointment of C-suite executives with BGF guidance. These hires, alongside strengthened KPI tracking, finance systems upgrades and commission automation, have been key enablers of growth.

BGF's value creation support additionally helped Metric to:

- scale headcount to over 100 employees
- expand to seven locations across the US and UK
- strengthen governance and digital infrastructure
- evolve its high-performing people and L&D platform

Exit

In 2026, Metric was acquired by Southfield Capital

$100m	4.1x	138%
Exit valuation	**MM**	**IRR**

> "In the last two years, we've accelerated our growth ambitions, expanded our global footprint and built a very high-performing business that has a strong and collaborative culture at its core. BGF has played a significant part in delivering our growth plan, working with us in partnership to achieve this fantastic result for Metric.

Joe Jani
Founder and CEO, Metric Search

PEOPLE & CULTURE UPDATE

Building a team to meet our *ambitions*

Our approach

At BGF, our people are fundamental to our ability to invest well, deliver sustainable long-term returns and support entrepreneurs across the UK and Ireland. As a multi-sector specialist investor operating from 15 offices with over 190 colleagues, our scale and regional presence are central to our model.

Our people strategy is closely aligned to our investment approach, ensuring we have the leadership depth, organisational structure and cultural cohesion required to originate and deploy capital effectively across our nationwide platform.

Culture and performance

Our culture is a core enabler of performance. We foster an environment characterised by collaboration, accountability and mutual respect, where constructive challenge is encouraged and individuals are empowered to contribute.

This inclusive culture supports balanced decision-making, prudent risk management and consistent execution. Operating across a distributed office network requires strong connectivity and shared standards, and we continue to invest in alignment, communication and collective ownership across the Company.

Strengthening capability and structure

In 2025, our priorities focused on enhancing leadership capability, strengthening the employee experience and embedding equity, diversity and inclusion across the employee lifecycle.

These initiatives directly support investment performance and capital deployment by ensuring our teams are appropriately structured and equipped with the right balance of experienced deal leaders and developing talent.

> In 2025, we focused on strengthening leadership, employee experience and embedding equity, diversity and inclusion across the employee lifecycle.
>
> **Claire Lamb**
> Head of People

People at a glance

91%
employee Net Promoter Score

86%
engagement survey participation

79%
engagement score

15
offices across the UK and Ireland

46%
female representation

12%
Black, Asian or minority ethnic representation

27
new joiners

8
interns

PEOPLE & CULTURE UPDATE CONTINUED

> Employee engagement remained strong with an employee Net Promoter Score of 91%, indicating high levels of advocacy and alignment.

During the year, we deepened leadership bench strength and expanded execution capacity. We invested in senior deal leader development while recruiting high-quality junior investors to provide effective leverage. We also refined team structures and reporting lines to improve efficiency and support scalable growth.

Together, these actions strengthen deployment capability, reinforce investment discipline and enhance long-term succession depth.

Talent, diversity and succession

Recruiting, retaining and developing exceptional talent remains a strategic priority, grounded in merit, fairness and opportunity.

As of 31 December 2025:

- 56% of hires during the year were female;
- women represented 46% of the overall workforce;
- women represented 29% of the Investment team and 68% of infrastructure; and
- 12% of colleagues identified as being from a Black, Asian or minority ethnic background.

We welcomed 27 new joiners and hosted eight interns. Our internship cohort reflected strong diversity across gender, ethnicity and socioeconomic background. Developing talent remains central to succession planning and sustaining leadership depth.

Engagement and governance

Employee engagement remained strong, with an 86% participation rate in our engagement survey and an overall score of 79%. Our employee Net Promoter Score of 91% indicates high levels of advocacy and alignment.

Insights from the engagement survey and ongoing dialogue inform leadership priorities and support continuous improvement in organisational effectiveness.

Oversight of our people strategy rests with the Executive Committee, supported by the People team and internal forums including the Diversity Advisory Group and the Female Investor Group.

Development and wellbeing

Learning and development remains a core focus. Programmes such as Management 101, Partner Development and Hogan leadership diagnostics strengthen leadership effectiveness and consistency across teams. Our approach combines stretch opportunities, formal training and executive coaching, creating clear progression pathways for high-potential colleagues.

We recognise that sustained performance depends on a healthy and supported workforce. We promote wellbeing through initiatives focused on work-life balance, mental health awareness and flexible ways of working.

Long-term commitment

The Diversity Advisory Group, chaired by senior leadership, supports the embedding of inclusive practices across recruitment, development and progression. In 2025, BGF retained the Onvero Gold Standard Award and Level 3 Diversity VC standard.

While progress will naturally be incremental given our size and 'distributed platform', our long-term commitment remains clear: to build leadership depth, strengthen inclusive capability and ensure equitable access to opportunity. By continuing to invest in our people across our nationwide office network, we reinforce the foundations that support sustainable performance and responsible investment over the long term.

ESG UPDATE

ESG and *good growth*

BGF remains proud to be a certified B Corp and to champion responsible growth across the UK and Ireland. Last year we were pleased to see the number of B Corps within our portfolio increase to 13 companies across a range of sectors.

We supported Revive Active, a leading Irish supplement retail business in achieving B Corp certification with a score of 86.2 and supported the recertification of Emma Bridgewater. You can read more about our 2025 journey in the B Corp Positive Impact Report.

This year, we made significant improvements in our Principles for Responsible Investment (PRI) assessment, a globally recognised framework for evaluating how investors integrate ESG considerations. Through a concerted focus on strengthening our approach to climate risks and opportunities, publishing our Responsible Investment Policy, and increasing transparency in our processes, we achieved a 40% uplift in our Confidence Building Measures score and a 28% uplift in our Private Equity module score.

We also joined the ESG Data Convergence Initiative (EDCI) and Initiative Climat International (iCI), reinforcing our commitment to improving ESG data comparability and supporting the decarbonisation of private equity-backed businesses in line with global climate goals. During the year, BGF also participated in the Better Business Act roundtable hosted by B Lab at the Labour Party Conference, contributing investor perspectives on responsible growth.

ESG is now fully embedded within BGF's value creation offering, enabling a more integrated approach to how sustainability can drive long-term performance. As part of building a resilient and responsible portfolio, 205 portfolio companies completed an externally verified ESG benchmarking exercise. The average portfolio score increased by 23% compared with the baseline year, including a 35% improvement in environmental performance.

This benchmarking continues to identify multiple opportunities to support the portfolio, including reducing energy costs, strengthening employee engagement, developing strategic ESG roadmaps and embedding cyber security within risk management frameworks.

Our annual ESG Forum evolved this year to bring together portfolio companies and charities supported by the BGF Foundation. The event created a platform for commercial and non-profit leaders to share practical insights on sustainability, impact and responsible growth.

Our ESG-linked £200 million revolving credit facility (RCF) with NatWest, HSBC and Lloyds includes KPIs such as increasing the proportion of portfolio companies measuring their emissions, enhancing ESG training participation, and improving governance through board effectiveness reviews. We are pleased to have surpassed all four of our ESG-linked targets with further refinement planned for next year.

"ESG is now fully embedded within BGF's value creation offering, enabling a more integrated approach to how sustainability can drive long-term performance.

ESG CASE STUDY

Twenty7tec

INDUSTRY	LOCATION	STAGE
Technology	South West	Growth

In 2024, BGF, alongside UKEF 3, invested in Twenty7tec, a specialist technology platform for the mortgage market.

Following investment, we engaged early with the senior leadership team to understand the company's ESG baseline. The initial health check showed a solid foundation, with an overall score of 46/100, but also highlighted opportunities to move from good underlying practice to a clearer strategy, defined targets and more structured delivery.

We supported Twenty7tec through hands-on workshops with senior leadership, helping the team build clarity on material ESG priorities, strengthen internal ownership and translate existing activity into a more coherent programme. This included support on developing a refreshed ESG policy, setting company-wide ESG targets and KPIs, completing a materiality assessment, and improving environmental data capture, including energy consumption and Scope 1, 2 and 3 greenhouse gas emissions reporting

As a result, Twenty7tec's latest health check score increased to 63/100, moving the business into the Excellent category. The most notable improvements were in Environment, which increased from 21% to 53%, and Governance, which increased from 58% to 68%. Areas that were not previously evidenced, including ESG materiality, company-wide ESG targets, climate risk and opportunity identification, energy monitoring, greenhouse gas emissions reporting and environmental targets, are now in place. This progress reflects the company's commitment to embedding ESG into its operating model and building the capability of its leadership team to deliver continued improvement.

BGF FOUNDATION UPDATE

Transforming the lives of *young people*

In 2025, the BGF Foundation continued to advance its mission of supporting small and mid-sized charities dedicated to improving the lives of disadvantaged young people across the UK, reinforcing its role as a long-term partner for sustainable impact.

Over the course of the year, the Foundation broadened both the scale and reach of its work, strengthening long-term partnerships, increasing pro bono and skills-based support, and deepening employee engagement. Through a combination of unrestricted funding, strategic guidance and focused volunteering, the Foundation supported more than 30 charities in their growth journeys.

Central to the Foundation's approach is its funder-plus model, which pairs flexible multi-year grants with targeted expertise, networks and business guidance to help charities build capability and confidence.

In its largest funding round to date, the Foundation awarded £650,000 of unrestricted grants to seven high-impact charities working across education, employability, physical wellbeing and mental health: Access Sport, Social Mobility Foundation, Go Beyond, ThinkForward, Sister System, Team Domenica and the Jon Egging Trust. In addition, the Foundation committed £150,000 of follow-on funding to Leadership Through Sport & Business (LTSB), bringing the total multi-year funding commitment in 2025 to £750,000.

The Foundation also provides practical support alongside funding. Many mid-sized charities seeking to scale their impact face operational and financial challenges similar to growing businesses. In response, the Foundation offers hands-on support in areas such as financial forecasting, governance and systems development, helping organisations build stronger, more sustainable foundations.

> "The Foundation supported more than 30 charities in their growth journeys through a combination of unrestricted funding, strategic guidance and focused volunteering.

BGF FOUNDATION UPDATE CONTINUED

Throughout 2025, BGF employees deepened their contribution to community impact. A growing proportion of the team used their Social Impact Days to provide skills-based support to charity partners, from digital reviews and governance advice to strategic planning, helping organisations move faster and achieve more with limited resources. This hands-on involvement is becoming a defining feature of the Foundation's work, with nearly half of staff participating in volunteering, including all of BGF's Executive Committee. BGF was also pleased to strengthen its support for the Foundation by committing additional capital from an allocated share of BGF's performance award scheme.

Alongside volunteering and pro bono support, BGF teams also actively fundraised for Foundation charity partners, taking part in individual and team-led challenges and events across the year. These employee-led fundraising efforts generated additional financial support for partner charities while strengthening connections between colleagues and the causes they support.

To ensure impact remains grounded in local communities, the staff grants programme awarded 20 grants of £1,000, empowering employees to nominate grassroots charities with strong local ties and encouraging active involvement through volunteering and fundraising.

These successes in 2025 reflect a growing cultural commitment across BGF to social impact and civic engagement. Looking ahead, the Foundation is well positioned to build on this momentum in 2026, with plans to expand its programmes, create new opportunities for colleague involvement and continue pairing funding with high-quality, hands-on expertise.

This report was approved by the General Partner on 30 June 2026 and signed on its behalf by:

Andrew Gregory (Director)
For and on behalf of BGF UK Enterprise Fund 3 GP Limited

Spotlight: BGF Foundation

oxfordshire youth

Challenge

Oxfordshire Youth provides wellbeing, employment and resilience support for young people, some of whom are homeless. A long-standing Foundation partner, the charity had received funding and pro-bono support across financial forecasting, knowledge management and operating systems. As the organisation grew, it identified a need to further strengthen financial systems and governance capacity.

Intervention

In 2025, the BGF Foundation funded the appointment of a fractional CFO (one day per week for three months). The role was enabled through pro-bono support from BGF's Value Creation team.

Impact

- Strengthened financial systems and governance
- Improved visibility of core financial capabilities
- Enhanced organisational resilience
- Successful access to additional external funding

Financial statements

Inside this section:

Financial statements

PARTNERSHIP INFORMATION

Partnership registration number
LPO23196

General Partner
BGF UKEF 3 GP Limited
13–15 York Buildings
London, WC2N 6JU

Limited Partner
Strand Nominees Limited
440 Strand
London, WC2R 0QS

Registered Office
13–15 York Buildings
London, WC2N 6JU

Independent Auditor
KPMG LLP
15 Canada Square
London, E14 5GL

Banker
Barclays Bank Plc
One Churchill Place
London, E14 5HP

REPORT OF THE GENERAL PARTNER

BGF UKEF 3 GP Limited, in its capacity as General Partner of BGF UK Enterprise Fund 3 LP ("the Partnership"), is pleased to present its report and audited financial statements of the Partnership, for the year ended 31 December 2025.

Principal activities

The Partnership was established in the UK by BGF UKEF 3 GP Limited, the General Partner, to invest in growing companies that need long-term capital to drive their future success. These companies will typically have exceptional founding teams, innovative products, large addressable markets and highly scalable business models. The Partnership will co-invest with BGF Investments LP in return for a minority equity stake. Follow on funding may be provided to fund further business expansion. The Partnership ceased new investment activity on 31 December 2024. Subsequently, the Partnership provides follow on funding only.

Partnership interests

The Partnership is funded by loans from the Limited Partner. The Limited Partner is Strand Nominees Limited.

General Partner

BGF UKEF 3 GP Limited, the General Partner, is responsible for the management and operation of the Partnership. The General Partner receives a priority profit share for these services.

Results

The Partnership has made a profit for the year of £3,028,000 (2024: £2,487,000).

Going concern

The financial statements have been prepared on a going concern basis which the General Partner considers to be appropriate for the following reasons.

The General Partner has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

The following factors have been considered as part of the review of cash flow forecasts:

- The Partnership has net current assets of £1.6m at 31 December 2025.
- The Partnership has a current cash balance of £0.6m.
- The Partnership's funding is supplied by its existing Partners under an agreement which allows for the drawdown of capital up to the value of £31.2m as at 31 December 2025. As at the date of signing these financial statements £22m of this had been drawn from Partners leaving £9.2m available to meet the future funding needs of the business.
- The key variables that impact the cash flow of the business are the level of new and follow on investment and the proceeds received from exits. The impact of changes to these inputs has been modelled and, under all reasonable scenarios, the General Partner expects sufficient funding to be available from the existing arrangement with Partners to meet the cash needs of the business for at least 12 months.
- In the event that forecast deployment might exceed current expectations, the General Partner is able to reduce the level of investment activity to keep within the agreed funding limits. This might limit the growth of the business but would not impact the ability to maintain the current level of investment activity.

Consequently, the General Partner is confident that the Partnership will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Taxation

The Partnership as a transparent entity is not subject to UK income tax. Where relevant for UK tax purposes each Limited Partner is required to report its share of the income, gains, losses, deductions and credits of the Partnership. A Limited Partner is taxable, if applicable, on Partnership income or gain whether or not any distribution of money or property is made to the Limited Partner during its fiscal year. It is possible that a Limited Partner's income or tax liability related to the transactions of the Partnership could exceed amounts distributed to such Limited Partner in a particular year.

Limited Partners subject to tax in jurisdictions other than the UK may be taxed by their home tax authority differently from UK Limited Partners.

The country in which an investment is made may impose withholding tax on dividends and interest paid to the Partnership and may tax gains on investments made by the Partnership in that country. Limited Partners resident in countries with appropriate double taxation treaties may be entitled to reclaim part or all of such tax.

Disclosure of information to Auditor

The General Partner confirms that, so far as it is aware, there is no relevant audit information of which the Partnership's Auditor is unaware, and the General Partner has taken all the steps that ought to have been taken as a General Partner to make itself aware of any relevant audit information and to establish that the Partnership's Auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, as applied to qualifying partnership by The Partnerships (Accounts) Regulations 2008, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in Office.

These financial statements will be appended to the General Partner's financial statements and sent to the Registrar of Companies (requirement of CA 2006 SI 2008 No 410 Sch 4 Para 7).

This report was approved by the General Partner on 30 June 2026 and signed on its behalf by:

Andrew Gregory (Director)
For and on behalf of BGF UKEF 3 GP Limited

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

Statement of General Partner's responsibilities in respect of the Strategic Report, the General Partner's report and the financial statements

The general partner is responsible for preparing the Strategic Report, the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the general partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the qualifying partnership and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGF UK ENTERPRISE FUND 3 LP

Opinion

We have audited the financial statements of BGF UK Enterprise Fund 3 LP ("the qualifying partnership") for the year ended 31 December 2025 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Net Assets Attributable to Partners, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in *accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the qualifying partnership in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The general partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease its operations, and as they have concluded that the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the general partner's conclusions, we considered the inherent risks to the qualifying partnership's business model and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the general partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the qualifying partnership will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the general partner as to the qualifying partnership's policies and procedures to prevent and detect fraud as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meetings of those charged with governance.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment valuation. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying the journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included material journal entries recorded as post-closing entries, unusual or unexpected pairings with cash and revenue accounts, and journals relating to investment valuation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the general partner (as required by auditing standards), and discussed with the general partner the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The qualifying partnership is subject to laws and regulations that directly affect the qualifying partnership including financial reporting legislation (as determined by the Limited Partnership Agreement) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the qualifying partnership is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGF UK ENTERPRISE FUND 3 LP CONTINUED

Fraud and breaches of laws and regulations – ability to detect continued

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and General Partner's Report

The general partner is responsible for the strategic report and the general partner's report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and general partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the general partner's report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

We have nothing to report in these respects.

General Partner's responsibilities

As explained more fully in the statement set out on page 29, the general partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard De La Rue (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

30 June 2026

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	Notes	**2025 £'000**	2024 £'000
Investment income	2	**1,176**	515
Operating expenses	3	**(567)**	(605)
Operating profit/(loss)		**609**	(90)
Interest receivable		**—**	1
Net realised capital gain	4	**—**	—
		609	(89)
Net unrealised capital gain	5	**2,419**	2,576
Total comprehensive income		**3,028**	2,487

All of the above arose from continuing operations.

The notes on pages 36 to 40 form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2025

	Notes	**2025 £'000**	2024 £'000
Fixed assets			
Investments	5	**26,034**	23,240
Current assets			
Debtors:	6		
– Amounts falling due within one year		**400**	164
– Amounts falling due after one year		**548**	214
		948	378
– Cash at bank and in hand		**602**	248
		1,550	626
Creditors: amounts falling due within one year	7	**—**	—
Net current assets		**1,550**	626
Total assets less current liabilities		**27,584**	23,866
Creditors: amounts falling due after one year	8	**(970)**	(418)
Net assets		**26,614**	23,448
Net assets attributable to partners			
Limited partners – loan	9	**21,099**	20,961
Income and capital accounts	10	**1,490**	329
Partners' capital account		**22,589**	21,290
Unallocated profit reserve	12	**4,025**	2,158
Total capital		**26,614**	23,448

These financial statements were approved by the General Partner on 30 June 2026 and were signed on its behalf by:

Andrew Gregory
Director
Partnership registration number: LP023196

The notes on pages 36 to 40 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS

For the year ended 31 December 2025

	Limited partners – loan £'000	Income and capital accounts £'000	Unallocated profit reserve £'000	**2025 Total £'000**
Balance as at 1 January 2025	20,961	329	2,158	**23,448**
Loan capital advanced	961	—	—	**961**
Loan capital distributed to partners	(823)	—	—	**(823)**
Allocation of net income	—	1,161	(552)	**609**
Valuation gain	—	—	2,419	**2,419**
Balance at 31 December 2025	21,099	1,490	4,025	**26,614**

For the year ended 31 December 2024

	Limited partners – loan £'000	Income and capital accounts £'000	Unallocated profit reserve £'000	2024 Total £'000
Balance as at 1 January 2024	—	—	—	—
Loan capital advanced	20,961	—	—	20,961
Loan capital distributed to partners	—	—	—	—
Allocation of net income	—	329	(418)	(89)
Valuation gain	—	—	2,576	2,576
Balance at 31 December 2024	20,961	329	2,158	23,448

The notes on pages 36 to 40 form an integral part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2025

	2025 £'000	2024 £'000
Cash flows from operating activities		
Operating profit/(loss)	**609**	(90)
Adjustments for:		
(Increase) in debtors	**(570)**	(378)
Increase in creditors	**552**	418
Movement in accrued interest	**8**	(8)
Net cash from/(used in) operating activities	**599**	(58)
Cash flows from investing activities		
Purchase of investments	**(462)**	(20,676)
Proceeds from disposal of investments	**79**	20
Interest received	**—**	1
Net cash used in investing activities	**(383)**	(20,655)
Cash flows from financing activities		
Loan capital advanced	**961**	20,961
Loan capital repaid	**(823)**	—
Net cash from financing activities	**138**	20,961
Net increase in cash and cash equivalents	**354**	248
Cash and cash equivalents at 1 January	**248**	—
Closing cash position	**602**	248

The notes on pages 36 to 40 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. Accounting policies

a. Basis of preparation

Under the Partnerships (Accounts) Regulations 2008, the Partnership, as a Qualifying Partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the General Partner has the choice whether the financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or under UK-adopted international accounting standards. The General Partner has decided to apply UK Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies have been applied consistently to all periods presented in these financial statements.

b. Going concern

The financial statements have been prepared on a going concern basis which the General Partner considers to be appropriate. The factors that have been considered as part of this review are set out on page 28. The General Partner has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, upon analysis of reasonable scenarios the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

c. Income

Income on loan notes and preference shares is calculated using the effective interest method and recognised on an accruals basis. Appropriate provisions are made against this income where the recovery becomes doubtful. Dividends on equity shares are recognised on the date that the right to receive the income is established.

The revenue relates to investment activities undertaken in the UK.

d. Operating expenses

Operating expenses are recorded on an accruals basis.

e. Priority profit share

The priority profit share is recorded on an accruals basis and is payable to the General Partner, calculated in accordance with the LPA. It relates to costs incurred in connection with the on-going management of the Partnership's investments and administrative costs.

f. Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less impairment.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

Accruals

Accruals are recognised for expenditure incurred within the period which are anticipated to be settled shortly following the end of the current accounting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank and in hand.

g. Taxation

No provision for taxation has been made as the individual Partners are responsible for settling their own tax liabilities. The Partnership as a tax transparent entity is not subject to UK income tax.

h. Recognition and measurement of investments

The Partnership makes and holds investments with a view to earning investment income and realising gains on subsequent disposals. Investments by the Partnership are typically made through a combination of equity shares and unsecured loan notes.

Recognition

The purchase or sale of investments is recognised at the date of completion.

Measurement

Investments are initially and subsequently measured at fair value.

Investments are valued by applying the International Private Equity and Venture Capital Valuation Guidelines (2022), which have been adopted by UK Private Capital (formerly known as the British Private Equity and Venture Capital Association).

They are initially recognised at cost, being the best approximation of fair value. They are subsequently recognised at fair value, determined using one of the following methodologies, with changes in fair value being recognised in the profit and loss account within "net unrealised gain/(loss) on investments".

1. Earnings multiple (based on comparable quoted multiples and significant third party transactions)
2. Price of recent investment;
3. Net assets;
4. Offers received, adjusted to reflect execution risk;
5. Discounted cash flows or earnings from the underlying business; or
6. Closing bid price, in the case of quoted investments for which an active market exists.

Any gain or loss on derecognition is recognised in the profit and loss account within "realised gain/(loss)".

i. Carried interest

All investments made by the Partnership are allocated to an annual vintage based on the calendar year of the investment. If the realised return on a given vintage exceeds a minimum hurdle rate, then BGF Investments LP (the Carried Interest Partner) is entitled to a share of those realised returns.

Carried interest payments are accrued at the balance sheet date based on the realisation of all investments at their fair value. The movement in the accrued balance is recognised as an expense in the Profit & Loss account.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

1. Accounting policies continued

j. Critical accounting estimates and assumptions

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the partnership's accounting policies.

The General Partner considers the areas where management make critical estimates and judgements that may have a significant effect on the financial statements are in relation to the valuation of investments at fair value through profit and loss and the provision for carried interest payable which is discussed in detail in accounting policy 'i'.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Fair value of investments

As noted in accounting policy 'h', investments are measured at fair value.

The General Partner considers that the fair value of Investments involves critical accounting estimates and judgements because it is determined by the General Partner using valuation methods in accordance with International Private Equity and Venture Capital Valuation Guidelines.

Valuation methods use observable data, to the extent practicable. The determination of what constitutes 'observable' requires significant judgement by the General Partner. The General Partner considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

However, the General Partner also relies on significant unobservable inputs. The selection of these unobservable inputs and assumptions require significant judgement by the General Partner. When applying an Earnings Multiple, the General Partner uses its best estimate of maintainable earnings; determines the appropriate multiple to use; and discounts are applied to the multiple for liquidity, size, quality of earnings and other relevant factors as appropriate.

Furthermore, changes in these inputs and assumptions could affect the reported fair value of financial instruments. Therefore, the valuation of these investments is an estimate.

Carried interest partner provision

As stated in accounting policy 'i', a provision is recognised for carried interest partner payable where it is expected that the realised returns will exceed a minimum hurdle rate. Significant judgements on the likely timing and amount of future cash flows are required to measure the Partnership's provision for carried interest partner payable. Management have used the fair value as at the balance sheet date as an estimate of the expected future proceeds.

k. Amendments to FRS 102 not yet applied

The following amendments to FRS 102 have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated:

Amendments to Section 2A Fair Value Measurement (effective 1 January 2026)

This aligns definitions with the latest international standards and provides additional guidance on the measurement and disclosure of fair value. The Partnership has reviewed the amendments in the context of its existing valuation approach for investments, which already incorporates market based assumptions, recognised valuation techniques and a fair value hierarchy. Accordingly, no material impact is expected on the measurement of investments and consider its current disclosures to be broadly in line with the amended requirements. Any additional disclosures which may be required on adoption are expected to be limited in nature and not material to these financial statements.

2. Income

	2025 £'000	2024 £'000
Dividend income – investee companies	**124**	59
Loan note interest – investee companies	**1,052**	456
Total	**1,176**	515

3. Operating expenses

	2025 £'000	2024 £'000
Other expenses	**15**	187
Movement in carried interest provision	**552**	418
Total	**567**	605

Auditor's remuneration of £47,648 (2024: £41,035) for the audit of these financial statements is wholly borne by Business Growth Fund Limited, a member of the General Partner's Parent Company's Group. There were no other amounts payable to the auditor during the year (2024: £nil).

The Partnership had no employees in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

4. Realised capital transactions

	2025 £'000	2024 £'000
Proceeds received	**79**	20
Fair value	**(79)**	(20)
Exit fees	**—**	—
Net realised (loss)/gain	**—**	—

5. Investments

	Equity £'000	Loan Notes £'000	Accrued Interest £'000	Total £'000
Opening book cost	9,465	11,191	8	20,664
Opening unrealised surplus/(deficit)	2,413	163	—	2,576
Opening valuation at 1 January 2025	11,878	11,354	8	23,240
New investments	63	399	—	462
Realisations/redemptions	—	(79)	—	(79)
Net movement on accrued interest	—	—	(8)	(8)
Valuation movement	3,089	(670)	—	2,419
Closing valuation as at 31 December 2025	15,030	11,004	—	26,034
Represented by:				
Closing book cost	9,528	11,510	—	21,038
Closing unrealised surplus/(deficit)	5,502	(506)	—	4,996
Closing valuation as at 31 December 2025	**15,030**	**11,004**	**—**	**26,034**

All investments are designated as fair value through profit or loss at initial recognition, therefore all gains and losses arising on investments are recognised through profit or loss. The closing unrealised surplus of £4,996,000 (2024: £2,576,000) consists of an unrealised loss against the value of 11 (2024: 0) investments totalling £1,772,000 (2024: £nil), and an unrealised gain against 24 (2024: 12) investments totalling £6,768,000 (2024: £2,576,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

6. Debtors

	2025 £'000	2024 £'000
Withholding tax debtor	**96**	16
Interest income receivable	**786**	362
Prepayments and accrued income	**66**	—
Total	**948**	378

Amounts falling due after more than one year included above are:

	2025 £'000	2024 £'000
Interest income receivable	**548**	214
Total	**548**	214

7. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Other creditors	**—**	—
Total	**—**	—

8. Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Opening carried interest provision	**418**	—
Provision made in the year	**552**	418
Total	**970**	418

9. Loan account

	2025 £'000	2024 £'000
As at 1 January	**20,961**	—
Loan capital advanced during the year	**961**	20,961
Loan capital distributed to Partners	**(823)**	—
Loan capital as at 31 December	**21,099**	20,961

10. Income and capital account

	2025 £'000	2024 £'000
As at 1 January	**329**	—
Net profit allocated during the year	**1,161**	329
Income and capital account as at 31 December	**1,490**	329

11. Allocation of net profit

	2025 £'000	2024 £'000
Realised profit allocated to income and capital account	**1,161**	329
Unrealised profit allocated to revaluation reserve	**2,419**	2,576
Unrealised (loss) allocated to carried interest provision	**(552)**	(418)
Total net profit/(loss)	**3,028**	2,487

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

12. Unallocated profit reserve

	Carried interest provision £'000	Revaluation reserve £'000	**2025 Total £'000**
As at 1 January 2025	(418)	2,576	**2,158**
Valuation gain	—	2,419	**2,419**
Provision	(552)	—	**(552)**
As at 31 December 2025	(970)	4,995	**4,025**

	Carried interest provision £'000	Revaluation reserve £'000	2024 Total £'000
As at 1 January 2024	—	—	—
Valuation gain	—	2,576	2,576
Provision	(418)	—	(418)
As at 31 December 2024	(418)	2,576	2,158

13. Related party transactions

Strand Nominees Limited, the Limited Partner of the Partnership, is a member of the same group as RBS SME Investments Limited, one of the shareholders of the general partner of the Partnership, BGF UKEF 3 GP Limited.

14. Ultimate controlling party

The General Partner of the Partnership is BGF UKEF 3 GP Limited, a limited company registered in England and Wales. BGF Group Plc is the ultimate controlling party and copies of its financial statements can be obtained from 13-15 York Buildings, London, WC2N 6JU.

15. Subsequent events

Since the balance sheet date, geopolitical tensions in the Middle East have continued and remain subject to significant uncertainty. The General Partner has considered the potential implications of this ongoing conflict on its operations and investment portfolio. At the date of approval of these financial statements, it is not possible to reliably estimate the potential financial impact of the situation. The investment portfolio is diversified across sectors and geographies, and while there has been no direct material impact identified to date, the evolving nature of the conflict may give rise to broader macroeconomic effects, including impacts on market conditions, supply chains, inflation, and investor sentiment. The General Partner will continue to monitor developments closely and assess any potential impact on the valuation of its investments. No adjustments have been made to the carrying values of assets or liabilities in these financial statements as a result of this matter. There are no other subsequent events which the General Partner considers would have a material impact on the users of the financial statements.

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