

INTERIM RESULTS STATEMENT

For the six months ended 30 June 2023

EARNINGS LOWER REFLECTING SLOWER REALISATION AND DEPLOYMENT ENVIRONMENT; FREE CASH FLOW REMAINS STRONG

Key Highlights

- Lower Adjusted Profit After Tax¹ for the six months ended 30 June 2023
 - Total income¹ of \$138m (1H 2022: \$171m) and Adjusted EBIT¹ of \$120m (1H 2022: \$153m) with Adjusted Profit After Tax¹ of \$68m (1H 2022: \$135m) and Adjusted EPS¹ of 6.0 cents (1H 2022: 11.7 cents).
 - IFRS Profit After Tax of \$112m (1H 2022: \$359m loss) and IFRS EPS of 9.9 cents (1H 2022: (31.0) cents), includes the unrealised change in the carrying value of investments.
- Partner Distributable Earnings (DE)² of \$125m, lower than the comparable period in 2022 (1H 2022: \$169m), against slow macro-economic backdrop
 - Lower DE primarily driven by lower Partner Realised Performance Revenues (PRE)² at \$15m, versus a strong comparable period (1H 2022: \$47m). PRE as a percentage of Partner Revenues² was 8% (1H 2022: 20%), and 22% based on last twelve months (LTM) to June 2023 (LTM June 2022: 27%). We expect PRE as a percentage of Total Partner Firm Revenues for 2023 to be below our medium-term guidance reflecting a muted realisation environment. Accrued Carried Interest at \$608m was broadly stable (FY22: \$611m).
 - Partner Fee Related Earnings (FRE)² of \$99m (1H 2022: \$110m), included a 6% increase in gross management fees reduced by higher fee offsets and higher Partner Fee Related Expenses due to Partner-firm fundraising, team expansions and the impact of the inflationary environment year-on-year. Partner FRE Margin² of 59% was lower than the comparable period in 2022 (1H 2022: 66%), and stable relative to 2H 2022, reflecting investment for growth ahead of fees being activated.
 - Guidance on Partner FRE for 2023 has been lowered, principally to reflect the slower deployment environment impacting timing of fee activations.
- Robust Partner-firm asset raising and AuM growth
 - Aggregate Partner-firm AUM² of \$300bn and Aggregate Fee-paying AUM² of \$196bn, up 13% and 7%, respectively year-over-year. \$14bn of gross fee eligible assets raised in the first half 2023. A total of \$28bn of fee-eligible assets as at 30 June 2023 are expected to turn on and generate revenues in future periods.
- Balance Sheet and capital return remain strong
 - Free cash flow (FCF)¹ conversion increased to 105% (1H 2022: 99%) supporting growth and the progressive dividend policy.
 - Investments at fair value were \$5.0bn, broadly stable since the year end.
 - Cash and investments in money market funds totalling \$478m as at June 2023 (31 December 2022: \$581m).
 - Book value per share¹ of 415 cents (2022: 416 cents), equivalent to 327p (2022: 344p).
 - Purchased 1.8m Ordinary Shares for \$3.5m through 30th June as part of the \$50m buyback programme announced in March 2023 and 5.9m Ordinary Shares for \$12.4m through 6th September.

2023 Guidance

- \$20 - \$25 billion organic fee-eligible AuM raise and realisations of \$5 - \$10 billion in fee-paying AuM.
- \$190m - \$210m full year Partner FRE; previously \$220m - \$250m.
- Partner Realised Performance Revenues expected to be below medium-term guidance of 20% - 30% of total Partner Revenues for full year.
- Acquisitions in 2023 expected to be at or below the bottom end of the medium-term range of \$100-\$300m per annum as we continue to remain selective on M&A, with no new acquisitions during 1H 2023.
- 85% - 90% Company Adjusted EBIT margin.

Interim Dividend

The Board has approved an interim dividend payment of 4.9 cents (USD) per share, in-line with our policy of the interim dividend being one-third of the prior full year dividend, payable on 27 October 2023 to shareholders on the register as at close of business on 29 September 2023, with ex-dividend date of 28 September 2023. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 13 October 2023. Currency elections should be submitted via CREST³ in the usual manner.

1. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on APMs on page 34.

2. Partner-firm key operating metric. Refer to the glossary on page 31 for additional information.

3. CREST: Certificates Registry for Electronic Share Transfer – electronic system for holding securities.

Ali Raissi-Dehkordy and Robert Hamilton Kelly commented:

“During the first six months of 2023, the economic environment remained tough, with the slower investment backdrop delaying the activation of management fees and subdued transaction and advisory fees. The broader muted realisation environment has impacted Partner Realised Performance Revenues, although the significant level of accrued performance revenues supports the medium-term outlook. We have also seen recent realisations occur at a premium to their holding values. Despite the challenging backdrop, the diversified asset raising profile of our Partner-firms was reflected in the \$14bn in fee eligible AuM raised. This asset-raising supports future FRE growth as fees become activated and the pace of cost growth moderates. We expect a stabilisation in Partner FRE during the remainder of 2023, as firms bed down increased headcount and turn on fees from funds raised in prior periods. As we look forward from today we recognise that any continued delay in fund activations, or continued reduced transaction activity, may defer and impact future FRE; furthermore continued market uncertainty may delay deal activity and the return to more normal levels of PRE and Partner Realised Investment Income. However, we believe that our Partner-firms are well positioned for when activity picks up given considerable capital raised since 2022.

Our portfolio of Partner-firms remains robust with the carrying value of our Partner-firms broadly stable while our high profitability margin and cash conversion underpins our strategy for growth and capital return to shareholders. We have completed \$12.4 m of our previously announced \$50m share buyback programme and the interim dividend is consistent with our progressive dividend policy. Our Partner-firms’ capital raising activity underpins our ongoing confidence about our medium-term prospects and provides the platform to enable significant future distributions to shareholders”.

MANAGEMENT RESULTS

	For the six months ended 30 th June	
	2023 \$m	2022 \$m
Income		
Partner Fee Related Earnings ¹	99.1	110.4
Partner Realised Performance Revenues ¹	15.1	47.2
Partner Realised Investment Income ¹	10.6	12.2
Total partner distributable earnings	124.8	169.8
Interest income from investments in money market funds	13.2	0.8
Total Income²	138.0	170.6
Operating costs		
Board of Directors' fees and expenses	(0.8)	(0.8)
Operator charge	(9.4)	(13.3)
Other operating expenses	(8.2)	(3.8)
Total operating costs	(18.4)	(17.9)
Adjusted Earnings before interest and tax (EBIT)²	119.6	152.7
Finance cost	(18.6)	(11.5)
Adjusted Earnings before tax (EBT)²	101.0	141.2
Tax and tax related expenses ²	(32.6)	(6.3)
Adjusted profit after tax²	68.4	134.9
Reconciliation of Adjusted profit after tax to IFRS profit / (loss) for the period after tax		
Adjusted profit after tax ²	68.4	134.9
▪ APM basis Movement in financial assets and liabilities held at fair value ²	48.3	(569.8)
▪ Unrealised divestment fee (expense) credit	(5.7)	45.2
▪ Non recurring expenses ³	1.2	(22.3)
▪ Change in liability for Tax Receivables Agreement	(15.5)	(14.4)
▪ Adjustment for Tax and tax related expenses ⁴	15.7	67.6
IFRS profit / (loss) for the period after tax	112.4	(358.8)

1. Partner-firm key operating metrics. Refer to the glossary on page 31 for additional information.

2. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 34.

3. 2023 amount includes \$1.2m VAT reclaim. 2022 amount includes \$21.1m related to the extinguishment of \$350m of notes and \$1.2m in connection with the IPO.

4. Includes deferred tax (expense) / credit related to movement in financial assets and liabilities held at fair value.

KEY PARTNER-FIRM METRICS

Petershill Partners Operating Metrics

		For the six months ended 30 th June			For the last twelve months ended 30 th June		
		2023	2022	Δ	2023	2022	Δ
Aggregate Partner-firm AuM	(\$bn)	300	266	13%	300	266	13%
Aggregate Fee-paying Partner-firm AuM	(\$bn)	196	184	7%	196	184	7%
Partner Blended Net Management Fee Rate	(%)	1.27%	1.44%	-17 bps	1.33%	1.54%	-21 bps
Implied Blended Partner-firm FRE Ownership	(%)	13.6%	13.4%	18 bps	13.5%	13.8%	-30 bps
Partner Net Management and Advisory Fees	(\$m)	169	168	1%	343	341	1%
Management Fees	(\$m)	174	164	6%	347	322	8%
Fee Offsets	(\$m)	(10)	(1)	900%	(25)	(16)	56%
Transaction and Advisory Fees	(\$m)	5	5	-	21	35	(40%)
Partner Fee Related Expenses	(\$m)	(70)	(58)	21%	(141)	(115)	23%
Partner FRE	(\$m)	99	110	(10%)	202	227	(11%)
Partner Realised Performance Revenues (PRE)	(\$m)	15	47	(67%)	101	139	(27%)
Partner Realised Investment Income	(\$m)	11	12	(8%)	24	32	(25%)
Partner Distributable Earnings	(\$m)	125	169	(26%)	327	397	(18%)
Partner FRE Margin	(%)	59%	66%	-7 pts	59%	66%	-7 pts
Partner Distributable Earnings Margin	(%)	64%	74%	-10 pts	70%	78%	-8 pts
Partner Realised PRE as a percentage of Partner Revenue	(%)	8%	20%	-12 pt	22%	27%	-5 pts
Partner Realised PRE over Average Aggregate Performance Fee Eligible Partner-firm AuM*	(bps)	0.6 bps	2.1 bps	-1.5 bps	3.9 bps	6.8 bps	-2.9 bps

* Realised Performance Fee Revenues for the period divided by the Average Aggregate Performance Fee Eligible Partner-firm AuM. The Average Aggregate Performance Fee Eligible Partner-firm AuM represents the average of the beginning and ending period stated.

Petershill Partners Operating Metrics***

		30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	YTD** Δ
Aggregate Partner-firm AuM	(\$bn)	300	290	283	282	266	6%
Aggregate Fee-paying Partner-firm AuM	(\$bn)	196	195	194	189	184	1%
Average Aggregate Fee-paying Partner-firm AuM*	(\$bn)	190	188	178	169	159	7%
Aggregate Performance Fee Eligible Partner-firm AuM	(\$bn)	274	266	259	256	241	6%
Average Aggregate Performance Fee Eligible Partner-firm AuM*	(\$bn)	258	251	236	220	204	9%
Additional metrics:							
Partner Private Markets Accrued Carried Interest	(\$m)	608	600	611	644	700	-
Investment Capital	(\$m)	398	383	383	398	395	4%

* Average Aggregate AuM figures represent the twelve month mean and use the start and each quarter end of the reporting period adjusted for acquisitions and dispositions where applicable.

** Percentage change relative to 30 June 2022.

*** Represents key Operating Metrics that reflect data reported to the Operator on a three-month lag.

DETAILS OF RESULTS PRESENTATION

There will be a call for investors and analysts at 9.00am BST today, 8 September 2023, hosted by Ali Raissi-Dehkordy, Adam Van de Berghe and Gurjit Kambo to discuss these results, followed by a Q&A session.

All interested parties are invited to participate via telephone or the audio webcast. Please click [here](#) to access the webcast.

Conference Call Information:

Domestic: +44(0) 330-165-3657
Domestic Freephone: 0800 279 6843
International: +1-929-477-0492
International Tollfree: 888-596-2629
Conference ID: 1772166

All participants are asked to dial in approximately 10-15 minutes prior to the call, referencing "Petershill Partners" when prompted.

Replay Information:

An archived replay of the call will be available on the webcast link.

Please direct any questions regarding obtaining access to the conference call to Petershill Partners Investor Relations, via e-mail, at PHP-Investor-Relations@gs.com Analyst / Investor enquiries:

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ABOUT PETERSHILL PARTNERS

Petershill Partners plc (the “Company” or “Petershill Partners”) and its Subsidiaries (the “Group”) is a diversified, global alternatives investment group focused on private equity and other private capital strategies. Through our economic interests in alternative asset management firms (“Partner-firms”), we provide investors with exposure to the growth and profitability of the alternative asset management industry. The Company completed its initial acquisition of the portfolio of Partner-firms on 28 September 2021 and was admitted to listing and trading on the London Stock Exchange on 1 October 2021 (ticker: PHLL). The Company is operated by Goldman Sachs Asset Management (“Goldman Sachs” or the “Operator”) and is governed by a diverse and fully independent Board of Directors (the “Board”).

Through our Partner-firms, we have exposure to \$300 billion of Aggregate Partner-firm AuM, comprising a diverse set of more than 200 long-term private equity and other private capital funds where capital is typically locked in over a multi-year horizon. These underlying funds generate recurring management fees and the opportunity for meaningful profit participation over the typical 8+ year lifecycles of such funds. We believe our approach is aligned with the founders and managers of our Partner-firms and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

For more information, visit <https://www.petershillpartners.com/homepage.html>. Information on the website is not incorporated by reference into this press release and is provided merely for convenience.

THE OPERATOR'S REPORT

In the first half of 2023, we have seen higher inflation, interest rates, market volatility and geopolitical risk all with an impact on people and the real global economy. There are signs that inflation is beginning to trend lower but we continue to monitor the recession risk in developed markets, with a particular focus on the United States as the majority of our Partner-firms are located there and as our revenues are defined mostly in US Dollars. The Group reported an IFRS profit after tax of \$112 million for the six months ended 30 June 2023 and an Adjusted Profit After Tax¹ of \$68m, which excludes the change in fair value of investments. Total income from investments in Partner-firms¹ for the six months was \$138 million, a decline of 19% year-on-year, predominately reflecting lower Partner Realised Performance Fees but also lower Partner Fee Related Earnings.

Our Partner Fee Related Earnings declined by 10% year-on-year to \$99 million, reflecting modest net management fee income growth of 1% as the activation of management fees on certain funds were delayed resulting from the slower pace of deployments combined with lower transaction and advisory fees net of fee offsets, as well as higher Partner Fee Related Expenses reflecting growth investment and a higher inflationary environment. The majority of these earnings continue to be comprised of income from contractually committed, long-dated assets.

Partner Realised Performance Revenues were lower in the first half of the year due to the increase in interest rates and volatility in the global markets, impacting realisations across the market. We are closely monitoring demand and are seeing some recovery in the level of capital market activity but remain conservative in a near term recovery. As a result, we believe the Partner Realised Performance Revenues will be below our medium-term guidance of 20% to 30% of our total Partner Revenues for the full year of 2023 reflecting the moderate realisation environment.

Our diversified group of Partner-firms, sector experts across private equity, private real assets, private credit and absolute return strategies, on average have tenures of over 20 years, have operated across multiple market cycles, independently of one another. While we have seen a nuanced fund-raising environment for the private capital industry given competition for investment, the first half of 2023 resulted in \$14 billion of gross fee-eligible AuM inflows against our full-year guidance of \$20-25 billion, reflecting the quality of our Partner-firms.

Investments made during 1H 2023 related to follow on commitments to existing Partner-firms made in prior periods. We continue to seek and evaluate new acquisition opportunities, although we remain highly selective having made no new investments during the period and expect acquisitions during 2023 to be at or below our medium-term guidance of \$100-\$300m per annum.

The valuation of the investments in our Partner-firms were broadly stable since the year end, reflecting modestly higher valuation multiples of comparable businesses, which offset weaker near-term performance expectations across the sector.

Petershill Partners continues to execute on its strategy of generating returns for its shareholders underpinned by a strong conversion to free cash flow. We commenced a \$50 million share buyback programme this year and have purchased 5.9m Ordinary Shares for \$12.4m through to 6th September 2023. We expect this programme to be completed in 2024. We distributed \$125 million in dividends, or 11 cents per share, to shareholders in the first half of this year and the Company has declared an interim dividend of 4.9 cents per share to be paid on 27 October 2023. This is in line with our policy of the interim dividend being one-third of the prior full year dividend and will result in an additional \$55 million being distributed to shareholders.

Company Performance

Petershill Partners first half results showed robust fee-eligible AuM raised of \$14 billion and growth in Aggregate Partner-firm AuM and Aggregate Fee-paying Partner-firm AuM of 13% and 7% respectively. Adjusted Profit After Tax declined year-on-year reflecting lower Partner Realised Performance Fees and Partner Fee Related Earnings. The Company Adjusted EBIT margin¹ remained strong at 87%.

The revenue model of the Company is comprised of income from Partner-firms which combines three types of income: management fee income, performance fee income and investment income. Of these three, management fee income in particular provides stable recurring cashflow. The management fee income APM basis² for the period was \$99m (1H22: \$110m), performance fee income APM basis² \$15m (1H22 \$47m), and investment income APM basis² \$11m (1H22 \$12m).

The IFRS Profit for the period after tax was \$112m (1H22: \$359m loss) equating to an EPS of 9.9 cents (1H22: (31.0) cents). This includes an increase in financial assets and liabilities held at fair value of \$48m (1H22: decrease of \$570m), an Unrealised Divestment Fee Expense of \$6m (1H22: \$45m credit), and an increase in liability towards Tax Receivables Agreement of \$16m (1H22: \$14m).

The Company's Adjusted Profit after tax¹ was \$68m (1H22: \$135m). The Company's Adjusted EBIT¹ for the period was \$120m (1H22: \$153m), resulting in an Adjusted EBIT margin¹ of 87% (1H22: 90%). The lower Adjusted EBIT and Adjusted Profit after tax in the first half of this year compared to 2022 was primarily driven by lower performance fee income resulting from lower investment activity year over year.

Dividends

The Company paid a dividend of \$125m (1H22: \$30m) or 11 cents per share (1H22: 2.6 cents) to its shareholders during the six months ended 30 June 2023.

The Board has approved an interim dividend payment of 4.9 cents (USD) per share payable on 27 October 2023 to shareholders on the register as at close of business on 29 September 2023, with ex-dividend date of 28 September 2023. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 13 October 2023. Currency elections should be submitted via CREST in the usual manner.

The Board expects to operate a progressive dividend policy which will reflect earnings growth over time.

¹ Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 34.

Investments at fair value through profit and loss

	For the six months ended 30 June 2023 \$m
At beginning of year/period	4,958.9
Investments (includes new, follow on, and prior commitments, net of disposals)	27.8
Change in fair value of investments through profit and loss	54.1
At end of year/period	5,040.8

The fair value of the Company's investments in Partner-firms as of 30 June 2023 and 31 December 2022 was \$5,041m and \$4,959m respectively. The fair value of the Company's investments in Partner-firms is determined using both earnings multiples and discounted cash flow techniques, which are common industry guidelines. In valuing the investments, key assumptions include estimates of future AuM growth, expected management and performance fee rate margins, expected current and future underlying fund returns and timing of realisations. Whilst an exit of an investment is possible, we do not typically seek to exit an investment as part of our strategy. The change in fair value of investments through profit and loss was \$54m for the six months ended 30 June 2023. Refer to note 3 in the Notes to the Condensed Interim Consolidated Financial Statements on page 24 for additional information.

Investments in money market funds

The Company had \$453m and \$483m invested in money market funds with a AAA credit rating as of 30 June 2023 and 31 December 2022, respectively.

Deferred payment obligations and notes payable

Certain investments in Partner-firms are purchased with deferred payment terms. These deferred payment obligations represent amounts payable by the Company at various dates in the future.

As at 30th June 2022 the Company, through its interest in the Issuers, had \$350m of long-term debt with a 5% coupon and a maturity date of 2039 that are secured by the rights to the cash flows of certain Partner-firm investments. On 20 September 2022, the Notes were repaid by the Company out of proceeds raised from the issue of the Unsecured Notes. The Issuer SPVs were also subject to a Make-Whole Amount (as defined in the Indenture) of \$7m upon redemption of the Notes in accordance with the provisions of the Indenture.

The Company had outstanding amount of the unsecured notes of \$500m as at 30 June 2023 and 31 December 2022, respectively. For the period ended 30 June 2023, the effective interest rate on the Unsecured Notes was 6.2% per annum.

Tax receivable agreement

The Company entered into tax receivable agreements as part of the Initial Acquisition on 28 September 2021. The agreements provide for the payment of 75% of cash tax savings, if any, in U.S. federal, state and local income tax that the Company actually realises. The cash tax savings is defined as the difference between the taxes actually due compared with what the taxes due would have been without the step-up in tax basis resulting from the Initial Acquisition. The Company expects these payments to arise over a period of 15 years. The value of these estimated payments is \$193m at 30 June 2023 and \$186m at 31 December 2022. The Change in liability for Tax Receivable agreement was \$16m (1H 22: \$14m) and reflects the accretion of the discount for the period. The discount rate used in arriving at the value was 18%.

During the period, a \$9m payment was made in relation to the Tax Receivables Agreement liability, of which \$0.3m was a finance cost. The amount of the payment for the Tax Receivables Agreement estimated for the full year of 2023 is approximately \$31m, of which \$16m is reflected in the results for the six months ended 30 June 2023 as a Tax and tax related expense. Refer to Alternative Performance Measures beginning on page 34 for additional information.

Operating expenses

Operating expenses, excluding the accrued divestment fee, totalled \$17m (1H 22: \$19m). The Operator is entitled to a divestment fee calculated at 20% of the realised profit on the exit of an investment. Although the Company does not intend to exit its investments, an accrual is reflected representing an amount that would be payable if the Company were to exit all of its investments. At 30 June 2023, the amount of the divestment fee accrued was \$50m. At 31 December 2022, the amount of the divestment fee accrued was \$44m. No amount had been previously charged.

The Operator is entitled to a fee ("Operator charge") of 7.5% of Income from investments in Partner-firms APM basis. The Operator charge for the period was \$9m, lower than the \$13m charge in 1H 22, aligned with the lower distributable earnings year-on-year.

The Directors' fees for the period were \$1m.

Interest expense

Interest expense was \$19m (1H 22 \$33m). The Company had \$350m of private placement debt with a fixed rate of 5% and a maturity of 2039 as part of the initial acquisition on 28 September 2021. The debt was retired when the Company raised \$500m of new, unsecured long-term debt. Refer to note 9 in the Notes to the Condensed Interim Consolidated Financial Statements on page 28 for additional information.

Tax expense / (credit)

Current tax expenses comprise obligations to tax authorities related to current period reporting. Deferred tax expenses arise with respect to temporary differences between carrying amounts of assets and liabilities and their tax bases.

	For the six months ended 30 th June	
	2023 \$m	2022 \$m
Analysis of tax		
Analysis of tax on profit		
Current tax	16.8	0.7
Corporate tax	–	–
Deferred taxation	0.1	(62.0)
Current year	–	–
Tax expense / (credit)	16.9	(61.3)

The current tax includes approximately \$10m related to estimates from the prior year.

The tax expense does not include the related expected payments under the tax receivables agreement for the current year. The expected payment under the tax receivable agreement for the six months ended 30 June 2023 is \$16m (1H 22: \$6m). The amount of the payment for the Tax Receivables Agreement estimated for the full year of 2023 is expected to be approximately \$31m (2022: \$31m).

The Tax and tax related expenses¹, which includes the current tax and the expected payment under the tax receivables agreement, for the period were \$33m (1H 22: \$6m) and the Adjusted tax and tax related expense rate¹ was 32% (1H 22: 4%). During periods of lower Performance Fee Income, the Adjusted tax and tax related expense rate will be higher than what it may be over the medium term. Refer to Alternative Performance Measures beginning on page 34 for additional information.

Cash and money market investments

The Company's balance sheet is strong and well-capitalised with sufficient cash and money market investments to facilitate its acquisition strategy. There was \$453m invested in money market investments and \$25m of cash and cash equivalents as of 30 June 2023 (31 December 2022: \$483m and \$98m respectively).

Capital

During the six months ended 30 June 2023, the Company initiated a \$50m buyback programme and repurchased 1.8m Ordinary Shares for \$3.5m. The buyback programme is expected to be completed in 2024.

A final dividend in respect of the period ended 31 December 2022 totalling \$125m was paid to shareholders in the first six months ended 30 June 2023.

As at 30 June 2023, the Company's issued share capital comprised of 1,133,598,506 ordinary shares (1,135,399,597 at 31 December 2022).

The Group generated a profit of \$112m during the period (1H22: \$359m loss)

Shareholders' equity was \$4,703m at 30 June 2023 and \$4,719m at 31 December 2022. The Company's cancellation of the \$3.3bn share premium account became effective in June 2023, which will provide the Company with considerable flexibility to pay dividends and return capital to shareholders through buybacks.

Subsequent Events

Between 1 July 2023 and 6 September 2023, the Company purchased 4,145,148 Ordinary Shares at a cost of \$8.9 million as part of the ongoing buyback programme.

On 7 September 2023, the Board approved an interim dividend of 4.9 cents (USD) per share with respect to the six-month period ended 30 June 2023. The record date for the dividend is 29 September 2023 and the payment date is 27 October 2023.

Technical Note

References are made to adjusted measures which the Company considers to be alternative performance measures ("APMs") or Operating Metrics.

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts ("Issuers SPVs"), which previously issued \$350m of long-term debt with a 5% coupon and a maturity date of 2039. The debt was secured by the rights to the cash flows of certain Partner-firm investments held by the Company and other investments held by the Petershill Funds.

Although the Company did not have rights to the cash flows of the collateral held by the Petershill Funds, under IFRS, the Company was required to consolidate them. This consolidation resulted in reflecting all the assets and liabilities of these entities in the consolidated statement of financial position at 30 June 2022 and all of the income, investment gain and finance cost in the consolidated statement of comprehensive income at 30 June 2022. However, shareholder returns for this period were only affected by the interests that the Company owned. Since these interests were de-consolidated at 19 December 2022, they are not included in the results for the 6 months to 30 June 2023.

The APM basis, which presents the financial information on a non-IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect shareholder returns, aids shareholders in assessing their investment in the Company. This only has an impact on the 2022 comparatives.

The IFRS and APM basis numbers discussed and presented include 'unrealised' and non-cash items that include unrealised change in fair value of investments, and it should be noted that while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented excluding the unrealised change in fair value of investments at fair value through profit and loss, related unrealised divestment fee, and movements in tax balances.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

Definitions of alternative performance measures along with reconciliations to the IFRS measure, where appropriate, can be found in the glossary beginning on page 31.

The results and the Operating Metrics provided in this announcement reflect the Company's resilient and unique business model focusing on growth and profitability, whilst also demonstrating continued strong growth from our Partner-firms.

PARTNER-FIRM PERFORMANCE FOR THE SIX MONTHS ENDED 30 JUNE 2023 (CONTINUING OPERATOR'S REPORT)

Key Operating Metrics

We provide detail on our Partner-firms in our Key Operating Metrics as this gives investors insight into the revenues and revenue model of the Company.

Partner Distributable Earnings for the six months ended 30 June 2023 were \$125m, a decline of 26% when compared to the six months ended June 2022 of \$169m. The impact of higher inflation, interest rates and market volatility, resulted in delays in the deployment of funds and realisations at our Partner-firms. In 2023, fundraising momentum continued across the Company's Partner-firms with aggregate Partner-firm AuM growing 6% for the six months ended 30 June 2023 to \$300 billion. Aggregate Fee-paying AuM rose by 1% for the six months ended 30 June 2023 to \$196 billion. Ownership weighted Fee-paying AuM at 30 June 2023 was \$26 billion, up 7% over the past twelve months. Aggregate Partner-firm AuM and Aggregate Fee-paying AuM growth are the basis for future earnings development and highlight the positive operating dynamics and pricing power of our high-quality Partner-firms.

Petershill Partners is not reliant on any one firm, one fundraise, one track record, one brand. A unique and differentiated aspect of our business model arises from the diversification benefits that the underlying Partner Funds provide, giving the Company a distinctive risk-adjusted earnings growth and a high quality of earnings through the cycle.

Our total AuM comprises a diverse set of predominately locked-up, long-term private equity and other private capital funds with a Weighted Average Capital Duration of around 9 years. Over 200 funds generate recurring management fees and the opportunity for meaningful profit participation, or performance fees, over the typical 8+ year lifecycles of such funds. We believe our approach provides for enhanced alignment with the key principals at each Partner-firm and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

Partner Fee Related Earnings (FRE)

Partner FRE, drawn from management fees, declined 10% for the six months ended 30 June 2023 relative to the six months ended June 2022 to \$99m, reflecting a 59% partner FRE margin on \$169m of partner net management and advisory fees. Partner net management fees of \$169m, increased 1% year-on-year reflecting growth in gross management fees but with a lower level of transaction and advisory fees net of fee offsets year-on-year. The FRE margin of 59% was stable vs. the prior six-month period but lower than the 66% FRE margin in the comparable period in 2022. The decline year-on-year principally reflects the higher Partner Fee Related Expenses driven by investment to support growth and the broader inflationary environment. Of the over 200 funds, the largest partner FRE contribution by fund represents approximately 9% of the aggregate, highlighting the diversified nature of the Company. The partner blended net management fee rate was 1.33% for the last twelve months ended 30 June 2023.

Partner Realised Performance Revenues (PRE)

Partner realised performance revenues, which represents direct participation in the upside performance of Partner firms' funds and products, decreased by 67% to \$15m in the six months ended 30 June 2023 relative to the six months ended June 2022. Overall, approximately 8% of the partner revenue over the six months ended 30 June 2023 came from partner-realised performance revenues, compared with 22% over the last twelve months ending 30 June 2023. The Operator has partnered with some of the leading alternative asset managers and assists them in developing their businesses with growth capital and strategic partnership.

Partner-firms manage over 190 different performance fee-eligible funds at different stages of their life cycle. Due to this diversification, the Company anticipates that Realised Performance Revenues will be earned regularly from a wide range of funds going forward, making them a source of income generally within a range of 20 – 30% of total Partner firm revenues over the medium term, assuming market conditions and environment are broadly supportive. For 2023, we expect PRE to be below the 20 – 30% medium-term guidance, reflecting the muted realisation environment.

Partner Private Markets accrued carried interest was \$608m at 30 June, 2023, broadly stable with the \$611m at 31 December 2022.

Partner Realised Investment Income

As an owner in the Partner-firms, the Company shares in a percentage of the investment and balance sheet income of the Partner-firms and realises this through a number of direct positions in the funds of underlying Partner-firms, known as realised investment income which totalled \$11m for the six months ended 30 June 2023, decreasing 8% from \$12m for the six months ended 30 June 2022, reflecting the slower realisation environment in 2023 when compared to 2022.

Investment Capital is a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Investment capital at 30 June 2023 was \$398m, increasing 4% from \$383m at 31 December 2022.

Principal Risks and Uncertainties

The Company's underlying investments are high-risk and illiquid assets within the alternative investment industry. Its principal risks are therefore related to revenue generated by the alternative asset managers in which the Company invests and the performance of the Partner-firms, their funds, and the products they manage. The Operator seeks to mitigate these risks through active engagement and action as outlined in the Acquisition Strategy and Investment Policy on pages 22-24 of the 2022 Annual Report and by carrying out due diligence work on potential targets before entering into any investments. The Company's business model involves the acquisition of non-control investments in independent Partner-firms, and although the Company has certain controls as part of contractual rights, the Company does not control the risk tolerance of the underlying Partner-firms.

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis, and these risks are reported and discussed at Board meetings. The Board ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

The key areas of risk faced by the Company are the following:

1. Alternative asset industry risk;
2. Partner-firm revenue risk;
3. Investment diligence risk;
4. Macroeconomic risk;
5. Regulatory risk;
6. Key person risk;
7. Operator, administrator and service provider resiliency and performance risk;
8. Partner-firm reporting risk;
9. Cyber / information security risk.
10. Liquidity risk

The principal risks and uncertainties of the Company remain those identified in further detail in the 2022 Annual Report.

The principal risks and uncertainties outlined above remain the most likely to affect the Company and its investments in the second half of the year.

Statement of Directors' Responsibilities in Respect of the Interim Results Statement

The Directors are responsible for preparing this Interim Results Statement in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge:

The unaudited interim condensed financial statements have been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

The Operator's Report includes a fair review of the information required by:

- DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the year and that have materially affected the financial position or the performance of the entity during that period; and any changes in the related party transactions described in the 2022 Annual Report that could do so.

The Directors of Petershill Partners plc are listed on pages 48 to 49 of the 2022 Annual Report. A list of current Directors is maintained on the Company's website which can be found at www.petershillpartners.com.

On behalf of the Board

Naguib Kheraj
Chairman

7 September 2023

INDEPENDENT REVIEW REPORT TO PETERSHILL PARTNERS PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Petershill Partners plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim results statement of Petershill Partners plc for the 6 month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Interim Consolidated Statement of Financial Position as at 30 June 2023;
- the Condensed Interim Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Interim Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Interim Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results statement of Petershill Partners plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim results statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim results statement, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim results statement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim results statement, including the interim financial statements, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results statement based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

London

7 September 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Note	For the six months ended 30 June 2023 (Unaudited) \$m	For the six months ended 30 June 2022 (Unaudited) \$m
Income			
Income from investments in Partner-firms derived from:	2		
Management fee income		99.1	110.4
Performance fee income		15.1	51.6
Investment income		10.6	16.5
		124.8	178.5
Interest income from investments in money market funds	3	13.2	0.8
		138.0	179.3
Movement in financial assets and liabilities held at fair value			
Change in fair value of investments at fair value through profit or loss	3	48.3	(612.5)
		48.3	(612.5)
Expenses			
Board of Directors' fees and expenses	16	(0.8)	(0.8)
Operator charge	4	(9.4)	(13.3)
Other operating expenses		(7.0)	(5.0)
Unrealised divestment fee (expense) / credit		(5.7)	45.2
Total expenses		(22.9)	26.1
Operating profit / (loss) for the period		163.4	(407.1)
Finance income / (expense)			
Finance cost	9, 10	(18.6)	(32.6)
Movement in liability to Petershill Funds	11	–	34.0
Change in liability for Tax Receivables Agreement	2	(15.5)	(14.4)
Total finance expense		(34.1)	(13.0)
Profit / (Loss) for the period before tax		129.3	(420.1)
Tax (expense) / credit	5	(16.9)	61.3
Profit / (Loss) for the period after tax		112.4	(358.8)
Profit / (Loss) and total comprehensive income / (expense) for the period			
		112.4	(358.8)
Profit / (Loss) and total comprehensive income / (expense) attributable to:			
Equity holders of the Company		112.4	(358.8)
Earnings per share			
Basic and diluted earnings per Share (cents)	6	9.90	(31.04)

The accompanying notes on pages 20 to 30 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 (Unaudited) \$m	31 December 2022 (Audited) \$m
Non-current assets			
Investments at fair value through profit or loss	3	5,040.8	4,958.9
Deferred tax asset	5	44.1	44.0
		5,084.9	5,002.9
Current assets			
Investments in money market funds at fair value	3	453.0	483.4
Cash and cash equivalents		25.1	97.6
Trade and other receivables	7	116.9	138.2
		595.0	719.2
Total assets		5,679.9	5,722.1
Non-current liabilities			
Unsecured notes payable	10	493.5	493.2
Deferred payment obligations	2	49.0	50.0
Liability for Tax Receivables Agreement	2	161.4	150.6
Fee payable on divestment of investments	4	50.0	44.3
		753.9	738.1
Current liabilities			
Trade and other payables	8	28.3	29.7
Deferred payment obligations	2	153.1	189.9
Interest payable		10.0	10.0
Liability for Tax Receivables Agreement	2	31.3	35.1
		222.7	264.7
Total liabilities		976.6	1,002.8
Net assets		4,703.3	4,719.3
Equity			
Share capital	12	11.3	11.4
Share premium	12	–	3,346.7
Other reserve	12	1,689.6	1,689.6
Capital redemption reserve	12	0.4	0.3
Retained earnings/(losses)	13	3,002.0	(328.7)
Total shareholders' funds		4,703.3	4,719.3
Number of ordinary shares in issue at period/year end		1,133,598,506	1,135,399,597
Net assets per share (cents)	14	414.90	415.65

The condensed interim financial statements (unaudited) of the Group were approved and authorised for issue by the Board of Directors on 7 September 2023 and signed on its behalf by:

Naguib Kheraj
Chairman

Mark Merson
Director

The accompanying notes on pages 20 to 30 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023 (unaudited)

	Note	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Retained earnings \$m	Total \$m
Opening net assets attributable to Shareholders at 1 January 2023		11.4	3,346.7	1,689.6	0.3	(328.7)	4,719.3
Repurchase and cancellation of Ordinary Shares	12	(0.1)	–	–	0.1	(3.5)	(3.5)
Dividends paid in the period	15	–	–	–	–	(124.9)	(124.9)
Share premium cancellation	12	–	(3,346.7)	–	–	3,346.7	–
Profit and total comprehensive income for the period		–	–	–	–	112.4	112.4
Closing net assets attributable to Shareholders at 30 June 2023		11.3	–	1,689.6	0.4	3,002.0	4,703.3

For the six months ended 30 June 2022 (unaudited)

	Note	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Retained losses \$m	Total \$m
Opening net assets attributable to Shareholders at 1 January 2022		11.6	3,346.7	1,689.6	–	247.9	5,295.8
Repurchase and cancellation of Ordinary Shares	12	(0.1)	–	–	0.1	(14.2)	(14.2)
Redemption and cancellation of Redeemable Shares	12	–	–	–	0.1	(0.1)	–
Dividends paid in the period	15	–	–	–	–	(30.1)	(30.1)
Loss and total comprehensive expense for the period		–	–	–	–	(358.8)	(358.8)
Closing net assets attributable to Shareholders at 30 June 2022		11.5	3,346.7	1,689.6	0.2	(155.3)	4,892.7

The accompanying notes on pages 20 to 30 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Note	For the six months ended 30 June 2023 (Unaudited \$m)	For the six months ended 30 June 2022 (Unaudited \$m)
Cash flows from operating activities			
Profit / (Loss) for the period before tax		129.3	(420.1)
Adjustments to reconcile operating loss for the financial period to net cash flows from operating activities:			
Finance expense		34.1	13.0
Purchase of investments in money market funds	3	(122.8)	(153.9)
Sale of investments in money market funds	3	166.4	156.9
Reinvested interest income from investments in money market funds		(13.2)	–
Reinvestment of income from investments in Partner-firms		(23.9)	(20.5)
Movement in financial assets and liabilities held at fair value through profit and loss	3	(48.3)	612.5
Movement in trade and other receivables	7	26.1	(10.7)
Movement in trade and other payables	8	(21.5)	15.7
Movement in fee payable on divestment of investments	4	5.7	(45.2)
Taxes paid		(8.2)	–
Net cash inflows from operating activities		123.7	147.7
Cash flows from investing activities			
Purchase of investments at fair value through profit or loss		(45.2)	(14.4)
Capital proceeds received		–	6.7
Net cash outflows from investing activities		(45.2)	(7.7)
Cash flows from financing activities			
Dividends paid	15	(124.9)	(30.1)
Interest expense payments		(14.1)	(8.8)
Payment of share issue costs		–	(5.7)
Repayment and cancellation of share capital	12	(3.5)	(13.0)
Extinguishment of liability to Petershill funds		–	(1.7)
Payment under Tax Receivables Agreement		(8.5)	–
Net cash outflows from financing activities		(151.0)	(59.3)
Net (decrease) / increase in cash and cash equivalents during the period		(72.5)	80.7
Cash and cash equivalents at the beginning of the period		97.6	124.8
Cash and cash equivalents at the end of the period		25.1	205.5

The accompanying notes on pages 20 to 30 form an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2023

1. General Information

Petershill Partners plc (the “Company”) is a company limited by shares, incorporated, and registered in England and Wales, whose shares are publicly traded on the main market of the London Stock Exchange. The unaudited condensed interim consolidated financial statements of Petershill Partners plc for the period from 1 January 2023 to 30 June 2023 comprise the Company, its subsidiaries and its indirect subsidiaries together referred to as the “Group”.

The Company was incorporated and registered in England and Wales under the UK Companies Act 2006 (as amended) as a private company limited by shares under the name Delta Epsilon Limited on 24 March 2021 with the registered number 13289144. On 12 August 2021, the Company was re-registered as a public limited company as Delta Epsilon plc, and on 2 September 2021, the Company was renamed Petershill Partners plc.

2. Basis of preparation and significant accounting policies

i. Basis of preparation

The unaudited condensed interim consolidated financial statements of the Group have been prepared and approved by the Board of Directors in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 Interim Financial Reporting as adopted for use in the UK. The unaudited condensed interim consolidated financial statements should be read in conjunction with the 2022 year-end Annual report and financial statements (together “Annual Report”) prepared and approved by the Board of Directors in accordance with UK-adopted International Accounting Standards (“IFRS”) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The unaudited condensed interim consolidated financial statements are presented to the nearest million United States Dollar (\$m), the functional and reporting currency of the Company.

The financial information for the six months ended 30 June 2023 contained within this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year to 31 December 2022 have been reported on by PricewaterhouseCoopers LLP and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The unaudited condensed interim consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The principal accounting policies are set out below.

ii. Significant accounting policies

The accounting policies applied by the Group for the unaudited condensed interim consolidated financial statements are consistent with those described on pages 86 to 96 of the 2022 Annual Report. There was no change in the current period to the critical accounting estimates and judgements applied in 2022, which are stated on pages 96 and 97 of the 2022 Annual Report.

iii. Segmental reporting

As discussed in the 2022 Annual Report, the Operator serves as the Group’s alternative investment fund manager for purposes of the UK AIFMR and EU AIFMD, and pursuant to the Operator Agreement has delegated its portfolio management functions to the Investment Manager, which has further delegated the provision of portfolio management services to the Investment Advisor. The Investment Advisor, acting as the chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments. The management of the Group including assessment of performance, budgets and liquidity is managed for the portfolio as a whole and not by discrete segments. Hence, the Investment Advisor has concluded that the Group is organised into one main operating segment.

For the period from 1 January 2023 to 30 June 2023, the Group derived 89.5% (30 June 2022: 85.3%) of its current income from North America and the remaining 10.5% (30 June 2022: 14.7%) from Europe. 92.3% (31 December 2022: 92%) of the Group’s non-current assets are located in North America and the remaining 7.7% (31 December 2022: 8%) are located in Europe.

iv. Related parties

There have been no material changes to the related parties or the nature of their transactions since 31 December 2022.

v. Share capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company’s Ordinary Shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares (“Share issue costs”) are shown as a deduction against proceeds from share premium.

The cost of repurchasing Ordinary Shares including the related stamp duty and transactions costs is charged to Retained earnings and dealt with in the Unaudited Condensed Interim Consolidated Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital and Redeemable Deferred Shares repurchased and cancelled is transferred out of 'Share capital' and into the 'Capital redemption reserve'.

The Company's shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its annual general meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 by His Majesty's High Court in England (the "Court"). Accordingly, the Reduction of Capital has become effective and has created additional distributable reserves of approximately \$3,346.7 million. Accordingly, the amounts standing to the credit of the share premium account have been transferred to Retained earnings. Refer to note 13 for more information.

vi. New and amended standards and interpretations

The following accounting standards and interpretations have been published and will be mandatory for the Group's and Company's accounting periods beginning on or after 1 January 2023 or later periods.

- Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) – Classification of liabilities as current or non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023) – Deferred tax related to assets and liabilities arising from a single transaction

These amendments have been adopted and the impact of these amendments to the Company and the Group is not material.

vii. Assessment of investment entity

The Board of Directors has determined that the Company and its Subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 'Consolidated Financial Statements'. Accordingly, the Company has not applied the provisions of Para 31 of IFRS 10 that requires an investment company to measure its investment in subsidiaries at fair value through profit or loss. Instead, the Company will consolidate its subsidiaries that it controls.

Please refer to page 92 of the 2022 Annual Report for a detailed discussion.

viii. Basis of consolidation of subsidiaries

IFRS 10 requires a parent to consolidate its subsidiaries that it controls. Consolidation of the subsidiaries shall begin from the date the parent obtains control of the subsidiaries and ceases when the parent loses control of the subsidiaries. A parent controls the subsidiaries when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The Company consolidates its subsidiaries to the extent it is exposed or has rights to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The unaudited condensed interim consolidated financial statements of the Group include the accounts of the Company and its subsidiaries listed below. Refer to page 92 and 93 of the 2022 Annual Report for a detailed discussion of the basis of consolidation of Subsidiaries. There have been no changes in the basis of consolidation of subsidiaries since 31 December 2022.

Name of Subsidiary	Registered office	Purpose	Interest as at 30-Jun-23	Interest as at 31-Dec-22
Held directly				
Petershill Partners Ltd ¹	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Petershill Partners II Ltd ¹	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Petershill Partners, Inc. ¹	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Held indirectly				
Petershill Partners GP Sub I Series LLC ^{2,3}	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Petershill Partners GP Sub II Series LLC ^{2,3}	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Petershill Partners GP Sub III Series LLC ^{2,3}	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Petershill Partners GP Sub IV Series LLC ^{2,3}	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
PHP Aggregator GP Ltd 2	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	General Partner of Cayman domiciled Petershill holding companies	100%	100%
Cook Holdings Series LLC ^{4,5}	251 Little Falls Drive, Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Knight Holdings Series LLC ^{4,5}	251 Little Falls Drive, Wilmington, DE 19808, United States of America States of America	Investment holding company	100%	100%
Lyndhurst Holdings LP ^{4,5}	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Plum Holdings LP ^{4,5}	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Peasy Holdings LP ^{4,5}	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%

¹ Referred to as Petershill Subsidiaries.

² Held through Petershill Partners Ltd.

³ Referred to as Petershill Blockers.

⁴ Held through the Petershill Blockers and Petershill Partners, Inc.

⁵ Referred to as Petershill holding companies.

As discussed in note 2(vi) and note 13 of the 2022 Annual Report, the Company and the Petershill Funds had an exposure to the Issuer SPVs (comprised of PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer and PH Onshore IM Issuer) through the Intermediary Entities (comprised of PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator). The Issuer SPVs were formed to offer the 5% Series A Senior Guaranteed Notes due 2039 ("Notes"). The Notes were collateralised by the rights to future cash flows (referred to as "Transferred Interest") generated from FRE and PRE of certain existing investments in Partner-firms that were owned by the Petershill Funds. In return for the Transferred Interest, the Petershill Funds received the proceeds from the issue of the Notes and remainder in the form of Participation Interest in the Issuer SPVs.

On 28 September 2021, a majority of the Investments in Partner-firms (including the Participation Interest) referred to above, were sold by the Petershill Funds to the Company and its Subsidiaries as part of the Offer in return for Ordinary Shares of the Company. This resulted in the Company holding majority interest in the Issuer SPVs through the Intermediary Entities and Subsidiaries. The Petershill Funds continued to have an interest in the Issuer SPVs and Intermediary Entities and hence a payable was recorded as a liability to the Petershill Funds. The Petershill Funds did not have any economic exposure to the Issuer SPVs except in the event of default of the Notes, when the cash flows relating to the Participation Interest owned by the Petershill Funds may be used to service the Notes and its obligations.

On 20 September 2022, the Notes were repaid out of proceeds raised from the issue of Unsecured Notes and the Transferred Interest held as collateral was released back to the Petershill Funds and the Subsidiaries of the Company. Other assets comprised of income receivable from Partner-firms held at the Issuer SPVs were also distributed to the Petershill Funds and the Subsidiaries of the Company. Cash left at the Issuer SPVs was distributed in December post which the Issuer SPVs and the Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date. Pursuant to above, the Company consolidated the accounts of the Issuer SPVs and the Intermediary Entities in preparing the consolidated financial statements for the period from 1 January 2022 to 19 December 2022 under the definition of control, the date these Issuer SPVs and the Intermediary Entities were dissolved. Refer to note 11 for more information.

ix. Elimination of intra-group balances and transactions

Intra-group balances and any unrealised gains arising from intra-group transactions are eliminated in preparing the condensed interim consolidated financial statements. Unrealised losses are eliminated unless the costs cannot be recovered. The financial results of Subsidiaries that are included in the consolidated financial statements are included from the date that control commences until the date that control ceases.

x. Going Concern

In accordance with the Companies Act 2006, the Board of Directors has a responsibility to evaluate whether the Group has adequate resources to continue its operational existence for the foreseeable future and at least for the 12 months following the issuance of the financial statements.

The Board has made an assessment of going concern, which takes into account the current performance and the Group's outlook, including future projections of profitability and cash flows as well as a downside scenario using information that is available as of the date of these financial statements.

The Group's business model involves earning income from investments in Partner-firms. The Group's investments in Partner-firms are long-term and the Group has no exit strategy for its investments. As a result, the Group expects long-term recurring revenues from its investments in Partner-firms. Income from investments in Partner-firms is derived from management fee income, performance fee income and investment income. Management fee income is typically based on private capital commitment funds managed by the Partner-firms that are locked up for a period of 8 or more years. The income from management fees is therefore stable and recurring. Income derived from performance fee income and investment income from Partner-firms is dependent on underlying fund and underlying investment performance of the Partner-firms. The Group has good visibility into the income from investments in Partner-firms. The Group has a low, and relatively predictable, cost structure. When taken together with the visibility into the income from investments in Partner-firms, the Group has reasonably stable earnings.

As at 30 June 2023, the Group has \$25.1 million (31 December 2022: \$97.6 million) of cash and cash equivalents along with \$453.0 million (31 December 2022: \$483.4 million) of investments in money market instruments, reflecting a strong liquidity position to meet operating costs. In making the assessment of going concern, the Board has considered a downside scenario in the future outlook.

The Board acknowledges its responsibilities related to the financial statements. Based on this analysis outlined above, the Board is comfortable that the Group has sufficient cash to support its ongoing operations and meet its liquidity requirements in the downside scenario.

Given the above, the Board considers it appropriate to prepare the financial statements of the Group on a going concern basis for the period of at least twelve months from the date of issue of these financial statements as set out in note 2.

3. Investments at fair value through profit or loss

Non-current investments

The Group's non-current investments comprise of investments in Partner-firms, which manage a diversified portfolio of investments in private equity, absolute return, private credit, and private real assets.

	For the six months ended 30 June 2023 \$m	For the year-ended 31 December 2022 \$m
Opening balance	4,958.9	6,023.1
Additions	27.8	230.7
Proceeds from redemptions and return of capital	–	(18.9)
In kind distributions of Investments in Partner-firms to Petershill Funds ¹	–	(469.3)
Change in fair value of investments at fair value through profit or loss	54.1	(806.7)
	5,040.8	4,958.9

¹ Represents the fair value of Transferred Interest held as collateral that were released back to the Petershill Funds. Refer to note 2(viii) and 11 for a detailed discussion.

As discussed in note 2(viii), in preparing the condensed consolidated financial statements for the year ended 31 December 2022, the Company has consolidated the accounts of the Issuer SPVs and the Intermediary Entities till the date of their dissolution on 19 December 2022.

Current investments

The Group invests its overnight cash balance in money market funds (Money Market Funds) representing a collective investment scheme promoted by an affiliate of the Operator. The Money Market Funds are AAA rated and the Group holds these investments for cash management purposes with the intent to manage excess cash and ensure these can be readily liquidated to meet the Group's investment commitments. These investments are redeemable at short notice and have been classified as debt investments. As at 30 June 2023, the Group held investments in Money Market Funds of \$453.0 million (31 December 2022: \$483.4 million) and during the period ended 30 June 2023 earned interest of \$13.2 million (30 June 2022: \$0.8 million).

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes "observable" requires significant judgement by the Group. The Board of Directors 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.

The following tables analyse within the fair value hierarchy the assets and liabilities (by class) measured at fair value:

30 June 2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Investment in money market funds	–	453.0	–	453.0
Investments in Partner-firms	–	–	5,040.8	5,040.8

31 December 2022	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Investment in money market funds	–	483.4	–	483.4
Investments in Partner-firms	–	–	4,958.9	4,958.9

Due to the nature of the investments in Partner-firms, they are always expected to be classified as Level 3. There have been no transfers between levels during the period. Any transfers between the levels would be accounted for on the last day of each financial period.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

Key assumptions including the future fund raises by Partner-firms, future performance of funds managed by the Partner-firms, the timing of exits of investments managed by Partner-firms and margins of the Partner-firms are estimates made by the Operator and are not certain. The choice of discount rate or market multiple is somewhat correlated to the growth and return assumptions made above. The discount rates and multiples are therefore considered to be the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy. These, together with a quantitative sensitivity analysis as at 30 June 2023 and 31 December 2022 are as shown below:

Level 3 Investments	Market Value as of 30 June 2023	Significant unobservable inputs by valuation technique ¹	Range of significant unobservable inputs as of 30 June 2023	Weighted Average	Reasonable Shift ⁴	Valuation Sensitivity	
Investments in Management Companies:	Market Approach:				–/+	–	+
Private Markets	1,086.7	Profit Multiple – FRE ²	9.5x – 23.0x	13.4x	0.9x	\$(83.6)	\$74.8
	368.3	Asset Based Multiple	1.0x	1.0x	10.0%	(36.8)	36.8
	Income Approach:						
	1,637.6	Terminal Multiple – FRE ²	4.7x – 17.0x	12.6x	0.7x	(52.1)	31.6
		Discount Rate – FRE	9.5% – 21.3%	13.1%	1.0%	(124.8)	103.2
	1,372.8	Terminal Multiple – PRE ³	2.7x – 10.0x	5.4x	0.8x	(36.9)	21.9
		Discount Rate – PRE	14.0% – 40.0%	25.0%	2.0%	(133.8)	92.0
Investments in Management Companies:	Market Approach:				–/+	–	+
Absolute Return	176.8	Profit Multiple – FRE ²	7.6x	7.6x	1.6x	\$(15.1)	\$15.1
	69.4	Profit Multiple – PRE ³	4.3x – 6.1x	5.3x	2.0x	(11.3)	11.3
	29.8	Asset Based Multiple	1.0x	1.0x	10.0%	(3.0)	3.0
	Income Approach:						
	219.5	Terminal Multiple – FRE ²	6.1x – 7.6x	7.4x	1.1x	(15.8)	21.1
		Discount Rate – FRE	13.2% – 16.3%	13.5%	2.0%	(15.8)	21.1
	79.9	Terminal Multiple – PRE ³	3.3x – 6.0x	5.1x	0.8x	(5.8)	7.8
		Discount Rate – PRE	16.6% – 30.7%	20.7%	3.1%	(5.7)	7.7

¹ The fair value of any one instrument is determined using multiple valuation techniques. For example, market comparable and discounted cash flows may be used together to determine fair value. Therefore, the Level 3 balance encompasses both of these techniques.

² The range consists of multiples on management fee related earnings and may represent historical or forward-looking multiples.

³ The range consists of multiples on performance related earnings and may represent historical or forward-looking multiples.

⁴ The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shifts.

Level 3 Investments	Market Value as of 31 December 2022	Significant unobservable inputs by valuation technique ¹	Range of significant unobservable inputs as of 31 December 2022	Weighted Average	Reasonable Shift ⁴	Valuation Sensitivity	
						-/+	- +
Investments in Management Companies:	Market Approach:						
Private Markets	\$1,119.7	Profit Multiple – FRE ²	8.6x – 22.0x	13.3x	0.9x	\$(103.1)	\$58.4
	353.7	Asset Based Multiple	1.0x	1.0x	10.0%	(35.4)	35.4
	Income Approach:						
	1,592.7	Terminal Multiple – FRE ²	4.7x – 16.5x	12.8x	0.7x	(58.3)	25.5
		Discount Rate – FRE	10.5% – 21.3%	13.3%	1.0%	(139.6)	68.8
	1,297.7	Terminal Multiple – PRE ³	2.8x – 10.0x	5.5x	0.8x	(44.1)	20.3
		Discount Rate – PRE	13.1% – 42.0%	25.2%	2.0%	(146.1)	74.1
Investments in Management Companies:	Market Approach:					-/+	- +
Absolute Return	188.1	Profit Multiple – FRE ²	7.4x – 8.3x	7.8x	1.7x	\$(16.9)	\$16.9
	75.1	Profit Multiple – PRE ³	4.7x – 5.7x	5.2x	1.1x	(7.2)	7.2
	30.1	Asset Based Multiple	1.0x	1.0x	10.0%	(3.0)	3.0
	Income Approach:						
	226.8	Terminal Multiple – FRE ²	6.3x – 7.5x	7.4x	1.1x	(16.1)	21.3
		Discount Rate – FRE	13.4% – 16.0%	13.5%	2.0%	(16.3)	21.6
	75.0	Terminal Multiple – PRE ³	3.4x – 5.8x	4.9x	0.7x	(5.6)	7.4
		Discount Rate – PRE	17.4% – 29.5%	21.1%	3.1%	(5.3)	7.0

^{1.} The fair value of any one instrument is determined using multiple valuation techniques. For example, market comparable and discounted cash flows may be used together to determine fair value. Therefore, the Level 3 balance encompasses both of these techniques.

^{2.} The range consists of multiples on management fee related earnings and may represent historical or forward-looking multiples.

^{3.} The range consists of multiples on performance related earnings and may represent historical or forward-looking multiples.

^{4.} The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shifts.

As the Group's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

The below is a reconciliation of Level 3 assets and liabilities held at fair value through profit or loss:

Level 3 Instrument	For the six months ended 30 June 2023 \$m	For the year ended 31 December 2022 \$m
Assets		
Opening balance	4,958.9	6,023.1
Additions	27.8	230.7
Proceeds from redemptions and return of capital	–	(18.9)
In kind distributions of Investment in partner-firms to Petershill Funds ²	–	(469.3)
Change in fair value of investments at fair value through profit or loss ¹	54.1	(806.7)
	5,040.8	4,958.9

^{1.} Of the above, an amount of \$54.1 million (31 December 2022: \$(806.7) million) relates to unrealised (loss)/gain on fair value of investments held at period end.

^{2.} Represents the fair value of Transferred Interest held as collateral that were released back to the Petershill Funds. Refer to note 2(viii) and 11 for a detailed discussion.

4. Operator charges

Recurring Operating Charges

Under the Operator Agreement, the Operator is entitled to a recurring operating charge on a quarterly basis, such as Recurring Operating Charges consisting of, in aggregate, 7.5% of the Group's relevant income from investments, as defined under IFRS, for the relevant quarter.

The Operator is entitled to Recurring Operating Charges only on income earned by the Group from assets owned by it. For the six months ended 30 June 2022, the income reported in the Condensed Interim Consolidated Statement of Comprehensive Income also included income earned from interest in the Intermediary Entities and the Issuer SPVs that the Company does not wholly own. However, the Company was required to consolidate them under the definition of control. For the period ended 30 June 2023, the income attributable to assets owned by the Group on which Recurring Operator charge was earned amounted to \$124.8 million (30 June 2022: \$178.5 million).

Amounts recorded as Operating Charges during the period ended 30 June 2023 were \$9.4 million (30 June 2022: \$13.3 million) and an amount of \$4.7 million (31 December 2022: \$21.0 million) was outstanding as at 30 June 2023. These amounts will be paid in accordance with the terms of the Operator Agreement.

Profit Sharing Charge

The Operator is entitled to a profit sharing charge (the "Profit-Sharing Charge") on a quarterly basis in arrears, which in aggregate shall be an amount equal to 20% of the total dividend income from each new investment ("New Investment") made by the Group after the Admission in the relevant fiscal quarter (net of any Recurring Operating Charges in respect of such New Investment), beginning in the ninth fiscal quarter from the date on which the New Investment closed and subject to such New Investment having achieved a return of 6% per annum calculated using the total invested capital funded to the pertinent date. These amounts will be paid in accordance with the terms of the Operator Agreement.

The aggregate of the Recurring Operating Charges and the Profit-Sharing Charge is capped at 15% of the Group's income from investments in Partner-firms for the relevant quarter excluding any Divestment Fee payable for such quarter.

Amounts recorded as Profit Sharing Charges during the period ended 30 June 2023 were \$Nil (30 June 2022: \$Nil).

Divestment Fee

The Operator is entitled to a divestment fee ("Divestment Fee") calculated at 20% of the total divestment profit in the relevant quarter in relation to the Group's investments. Divestment Profit refers to the cash flows realised from the sale or divestment of assets calculated as the sale price minus the contribution value of such asset, excluding any dividend income received over the holding period and on which the Group has already paid Recurring Operating Charges and, in the case of New Investments, Profit Sharing Charges.

Although the Group does not have an exit strategy for its investments, it may be subject to exits or realisations at underlying Partner-firms, as such an accrual is reflected in the accounts representing an amount that would be payable if the Group were to exit all of its investments at the valuation recorded as at 30 June 2023 and 31 December 2022. As at 30 June 2023, an amount of \$50.0 million (31 December 2022: \$44.3 million) has been accrued towards divestment fee payable to the Operator and none of the amounts have vested.

5. Tax

The Group's interim income tax expense or benefit is calculated using the best estimate of the weighted average annual effective tax rate for the full financial year applied to the year-to-date profit/(loss) before tax. Items not included in the weighted average annual effective tax rate are recognised in full in the interim period and relate to the impact of (1) the Company's year-to-date unrealised gains and losses and (2) movement in unrecognised deferred tax. The Group's effective tax rate differs from the standard rate of corporation tax due to the following: (1) tax rates in certain jurisdictions, (2) income and expenses not included for tax purposes, and temporary differences subject to initial recognition exception, and (3) recognition of changes in estimates of income tax expenses from prior periods.

The Group's effective tax rate for the period ended 30 June 2023 was 13.9% (30 June 2022: 12.0%), resulting in a tax expense for the period ended 30 June 2023 of \$16.9 million (30 June 2022: benefit of \$61.3 million). The increase in the effective tax rate is attributable to (1) the discrete expense on the Company's year-to-date change in unrealised loss, (2) the discrete benefit on the movement in the unrecognised deferred tax and the tax expense related to the recognition of changes in estimated income tax expense from prior periods.

6. Earnings per share

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Profit / (Loss) attributable to equity holders of the Company – \$m	112.4	(358.8)
Weighted average number of Ordinary Shares in issue	1,135,192,342	1,155,970,457
Basic and diluted earnings per Share from continuing operations in the period (cents)	9.90	(31.04)

The weighted average number of shares for the period ended 30 June 2023 is calculated on a time weighted basis based on the timing of issue or repurchase of Ordinary Shares. There are no dilutive shares in issue.

7. Trade and other receivables

	30 June 2023 \$m	31 December 2022 \$m
Amounts receivable from investments	104.7	135.9
Tax recoverable	6.7	0.2
Other receivables	4.0	0.3
Prepayments	1.5	1.8
	116.9	138.2

On 9 January 2023, the three direct subsidiaries Petershill Partners, Inc, Petershill Partners Ltd and Petershill Partners II Ltd entered into a revolving credit facility of \$100.0 million with a financial institution. Interest charged on the facility is the aggregate of Margin plus the Term Reference Rate. The entities did not draw on the facility during the period. Costs incurred in relation to this arrangement have been capitalised as a prepayment and are amortised over the length of the facility.

8. Trade and other payables

	30 June 2023 \$m	31 December 2022 \$m
Other payables	28.3	29.7
	28.3	29.7

9. Notes payable

As discussed on page 105 of the 2022 Annual Report, the Issuer SPVs had issued the Notes with an aggregate principal amount of \$350.0 million. On 20 September 2022, the Notes were repaid by the Company out of proceeds raised from the issue of the Unsecured Notes. The Issuer SPVs were also subject to a Make-Whole Amount (as defined in the Indenture) of \$7.0 million upon redemption of the Notes in accordance with the provisions of the Indenture.

An amount of \$Nil (30 June 2022: \$32.6 million) has been recorded as Finance cost on the Condensed Interim Consolidated Statement of Comprehensive Income.

10. Unsecured notes payable

On 24 August 2022, the Petershill Partners, Inc. issued US private placement senior unsecured notes (the "Unsecured Notes") to a group of institutional investors. The Unsecured Notes issued by the Petershill Partners, Inc. are guaranteed by the Company.

The Notes are comprised of five tranches:

Notes	Notional (US\$)	Tenor (years)	Maturity	Fixed Coupon
Series A	125,000,000	7	2029	5.51%
Series B	175,000,000	10	2032	5.54%
Series C	80,000,000	12	2034	5.69%
Series D	80,000,000	15	2037	5.84%
Series E	40,000,000	20	2042	6.14%

The Petershill Partners, Inc. may be subject to pay a Make-Whole Amount (as contained in the Note Purchase Agreement) contingent upon certain principal repayment, prepayment, or redemption of the Unsecured Notes in accordance with the provisions of the Note Purchase Agreement. Absent an intent by the Group to prepay the Unsecured Notes, no accrual for such Make-Whole Amount has been made as at 30 June 2023.

As of 30 June 2023, the outstanding amount of the Unsecured Notes was \$500 million (31 December 2022: \$500 million). The carrying value of the Unsecured Notes was reported at amortised cost and was net of unamortised debt issuance costs of \$6.5 million (31 December 2022: \$6.8 million) in an amount of \$493.5 million (31 December 2022: \$493.2 million). For the period ended 30 June 2023, the effective interest rate on the Unsecured Notes was 6.2% (31 December 2022: 6.2%) per annum.

For the period ended 30 June 2023, an amount of \$18.6 million has been recorded as Finance cost on the Condensed Interim Consolidated Statement of Comprehensive Income which includes \$14.1 million in relation to interest on the Unsecured Notes, \$0.9 million relating to amortisation of transaction costs incurred on revolving credit facility and Unsecured Notes and \$3.6 million in relation to interest on the deferred payment obligations.

11. Liability to Petershill Funds

As discussed in Note 2(xvi) and Note 13 of the consolidated financial statements in the 2022 Annual Report, the Petershill Funds had beneficial ownership in the Issuer SPVs and Intermediary entities. On 20 September 2022, the Transferred Interest valued at \$469.3 million held as collateral was released back to the Petershill Funds. Other assets amounting to \$22.9 million and cash of \$89.6 million held at the Issuer SPVs were also distributed to the Petershill Funds. As of 30 June 2023, the Group does not have any liability to Petershill Funds. Further, the Issuer SPVs and Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date and the Liability to Petershill Funds was extinguished.

The interest held by the Petershill Funds was classified as a financial liability and the corresponding income/expense was included in Movement in liability to Petershill Funds under Finance expense in the Condensed Interim Consolidated Statement of Comprehensive Income. For the period ended 30 June 2022, an amount of \$34.0 million was included in finance income representing a reduction of Petershill Funds interest in the Issuer SPVs.

12. Share capital and other reserve

For the six months ended 30 June 2023

Date	Issued and fully paid	Number of shares issued	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Total \$m
Shares at							
1 January 2023		1,135,399,597	11.4	3,346.7	1,689.6	0.3	5,048.0
	Repurchase and cancellation of Ordinary Shares – \$0.01	(1,801,091)	(0.1)	–	–	0.1	–
	Share premium cancellation	–	–	(3,346.7)	–	–	(3,346.7)
Closing balance as at 30 June 2023		1,133,598,506	11.3	–	1,689.6	0.4	1,701.3

For the six months ended 30 June 2022

Date	Issued and fully paid	Number of shares issued	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Total \$m
Shares at							
1 January 2022		1,156,696,029	11.6	3,346.7	1,689.6	–	5,047.9
	Repurchase and cancellation of Ordinary Shares – \$0.01	(5,143,810)	(0.1)	–	–	0.1	–
	Redemption and cancellation of Redeemable Shares	–	–	–	–	0.1	0.1
Closing balance as at 30 June 2022		1,151,552,219	11.5	3,346.7	1,689.6	0.2	5,048.0

On 17 May 2023, the Company commenced a share buyback programme of up to \$50 million. During the period, the Group has so far repurchased 1,801,091 Ordinary Shares (30 June 2022: 5,143,810) as part of its buy-back program for a total consideration of \$3.5 million (30 June 2022: \$14.3 million). The Group also purchased and cancelled Nil (30 June 2022: 50,000) Redeemable Deferred Shares for a consideration of \$Nil (30 June 2022: \$68k).

As at 30 June 2023, the Company's issued share capital comprised 1,133,598,506 Ordinary Shares (31 December 2022: 1,135,399,597 Ordinary Shares) and Nil Redeemable Deferred Shares (31 December 2022: Nil Redeemable Deferred Shares) of £1 each. Ordinary Shareholders are entitled to all dividends paid by the Company.

The Company's shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its annual general meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 by His Majesty's High Court in England (the "Court"). Accordingly, the Reduction of Capital has become effective which has created additional distributable reserves of approximately US\$3,346.7 million. Accordingly, the amounts standing to the credit of the share premium account has been transferred to Retained earnings.

13. Retained earnings

	30 June 2023 \$m	31 December 2022 \$m
Opening balance	(328.7)	247.9
Profit / (Loss) and total comprehensive income/(expense) in the period	112.4	(452.9)
Dividends paid	(124.9)	(70.3)
Repurchase and cancellation of Ordinary Shares	(3.5)	(53.3)
Share premium cancellation	3,346.7	–
Transfer of cancelled Redeemable Shares to Capital redemption reserve	–	(0.1)
	3,002.0	(328.7)

14. Net assets per share

	30 June 2023 \$m	31 December 2022 \$m
Net Assets	4,703.3	4,719.3
Number of ordinary shares issued	1,133,598,506	1,135,399,597
Net assets per share (cents)	414.90	415.65

15. Dividends

Dividends on Ordinary shares were paid during the period to 30 June 2023 of \$124.9 million (30 June 2022: \$30.1 million) being 11.0 cents (USD) per share (30 June 2022: 2.6 cents (USD) per share). The dividends were paid on 13 June 2023.

16. Related party transactions

Board of Directors

Directors' fees for the six months ended 30 June 2023 amounted to \$0.8 million (30 June 2022: \$0.8 million), of which \$Nil was outstanding as at 30 June 2023 (31 December 2022: \$Nil).

The Board of Directors held beneficial interest in 1,094,999 Ordinary Shares in the Company as at 30 June 2023 (31 December 2022: 749,999 Ordinary Shares).

Money Market Funds

During the period, the Group held an investment of \$453.0 million (31 December 2022: \$483.4 million) in money market funds that are managed by affiliates of the Operator. The Group earned interest income of \$13.2 million (30 June 2022: \$0.8 million) from investments held in such money market funds managed by affiliates of the Operator.

Transactions with Petershill Funds

As at 30 June 2023 and 31 December 2022, the Petershill Funds, managed by wholly owned subsidiaries of the Goldman Sachs Group acting as the investment manager, owned approximately 76.2% and 76.1% respectively of the Company.

Liability to Petershill Funds

As discussed in Note 2(xvi) and Note 13 of the 2022 Annual Report, on 20 September 2022, the Transferred Interest valued at \$469.3 million held as collateral was released back to the Petershill Funds. Other assets amounting to \$22.9 million and cash of \$89.6 million held at the Issuer SPVs were also distributed to the Petershill Funds. During the period, the Group recorded an interest income of \$Nil (30 June 2022: \$34.0 million) in relation to its Liability to Petershill Funds. As of 30 June 2023, the Group does not have any liability to in relation to the issuer SPVs.

Tax Receivables Agreement

As discussed in note 2(v) of the 2022 Annual Report, the Group has entered into a Tax Receivables Agreement with Petershill Funds, an affiliate of the Operator and the Goldman Sachs Group, which will require the Group to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that the Group realises as a result of the tax benefits associated with this increase in tax basis. As of 30 June 2023, the carrying value of liability for the Tax Receivables Agreement was \$192.7 million (31 December 2022: \$185.7 million). During the period, a \$8.5 million payment was made in relation to the Tax Receivables Agreement liability.

Operator

The Operator is an affiliate and wholly owned subsidiary of the Goldman Sachs Group and provides advice to the Group on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to approval by the Board of Directors. For the provision of services under the Operator Agreement, the Operator earns a Profit-Sharing Charge, Recurring Operating Charges and Divestment Fee, as detailed in note 4.

The Operator may, in its discretion, pay certain of the Group's fees or expenses and the Group will reimburse the Operator for the payment of any such fee or expense. As at 30 June 2023 and 31 December 2022, the Group owed \$0.1 million to the Operator under this arrangement.

17. Subsequent events

The Group has evaluated activity through 8 September 2023, the date that the unaudited interim consolidated financial statements were available to be issued.

Between 1 July 2023 and 6 September 2023, the Company purchased 4,145,148 Ordinary Shares at a cost of \$8.9 million as part of the ongoing share buyback programme.

On 7 September 2023, the Board approved an interim dividend payment of 4.9 cents (USD) per share with respect to the six-month period ended 30 June 2023. The record date for the dividend is 29 September 2023 and the payment date is 27 October 2023.

The Group concluded that no other events took place that would require material adjustments to the amounts recognised in these unaudited interim consolidated financial statements.

GLOSSARY OF KEY OPERATING METRICS

This document contains certain key operating metrics that are not defined or recognised under IFRS.

The Operator and the Directors use these key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and re-investment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner-firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate Fee-paying AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and includes co-investment vehicles, GP commitments and other non fee-paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and reinvestment decisions.

Aggregate Fee-paying AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate Fee-paying AuM and Aggregate Partner-firm AuM is that Aggregate Fee-paying AuM typically excludes co-investment on which Partner-firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee-related performance of the Partner-firms and to inform operating, budgeting and re-investment decisions.

Aggregate Performance Fee Eligible Partner-firm AuM

The amount of Aggregate Partner-firm AuM that is eligible for performance fees.

AuM and Associated Data

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate Fee-paying Partner-firm AuM
- Average Aggregate Fee-paying Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Blended Net Management Fee Rate
- Implied Blended Partner-firm FRE Ownership
- Investment Capital

Issuer SPVs

Issuer SPVs comprise the following entities – PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer, PH Onshore IM Issuer

Intermediary Entities

Intermediary Entities comprise the following entities – PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator

Investment Capital

Investment Capital is defined as the sum of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting and reinvestment decisions.

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

Ownership weighted AuM

Ownership weighted AuM represents the Company's ownership stake of each Partner-firms' Aggregate Partner-firm AuM.

Partner Blended Net Management Fee Rate

Partner Blended Net Management Fee Rate is defined as Partner Net Management and Advisory Fees for the period, divided by the average Aggregate Fee-paying AuM weighted for the Company's ownership interests in each Partner-firm. The average Aggregate Fee-paying AuM is calculated as the mean of the Aggregate Fee-paying AuM at the start and the end of the reporting period and excludes new acquisitions where the Company has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner Blended Net Management Fee Rate to be a key metric in assessing the Company's overall management fee-related performance.

Implied Blended Partner-firm FRE Ownership

Implied Blended Partner-firm FRE Ownership is defined as the weighted average of the Company's ownership stake in the Partner-firms' management fee-related earnings and is calculated based on the contribution of average Aggregate Fee-paying AuM from Partner-firms in each period. It will therefore be expected to change to some degree from period to period based on the contribution to average Aggregate Fee-paying AuM of each Partner-firm, even if the actual ownership of each underlying Partner-firm does not change. Excludes new acquisitions where Petershill has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Implied Blended Partner-firm FRE Ownership to be a meaningful measure of the composition of the Company's investments.

Partner Net Management and Advisory Fees

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees and less any management fee offsets, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

Certain Partner-firms provide transaction and advisory services, as well as services to monitor ongoing operations of portfolio companies. Management fees paid to the Partner-firms may be subject to fee offsets, which are reductions to management fees and are based on a percentage of monitoring fees and transaction and advisory fees paid by portfolio companies to the Partner-firms.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and re-investment decisions.

Partner Fee Related Earnings (FRE) and Partner FRE Margin

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses, fixed and bonus compensation, net interest income/(expense) and taxes (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms. Partner FRE Margin is defined as Partner FRE divided by Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner FRE and Partner FRE Margin to be meaningful measures of the management fee-related earnings of the Partner-firms and key performance indicators of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Realised Performance Revenues

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Realised Investment Income

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses, or any distributed income, from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Distributable Earnings and Partner Distributable Earnings Margin

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other shareholders or partners of the Partner-firms.

Partner Revenues

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and re-investment decisions.

Partner Private Markets Accrued Carried Interest

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Company consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and re-investment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

Petershill Funds

The Petershill Funds refers to the following entities: – Petershill II L.P. and Petershill II Offshore L.P., Petershill Private Equity L.P., Petershill Private Equity Offshore L.P., Vintage VII L.P. and related entities and certain co-investment vehicles.

Weighted Average Capital Duration

Weighted Average Capital Duration is a key measure of the long term, locked-up capital of Aggregate Fee-paying Partner-firm AuM. It is defined as the average life of the underlying Partner-firm funds weighted based on Fee-Paying AuM.

ALTERNATIVE PERFORMANCE MEASURES (“APMS”)

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts (“Issuers”), which previously issued \$350m of long-term debt (“Notes”) with a 5% coupon and a maturity date of 2039. The Notes were secured by the rights to the cash flows of certain Partner-firm investments held by the Company and other investments held by the Petershill Funds.

For the period ended 30 June 2022, under IFRS, the Company was required to consolidate them, although the Company did not have rights to the cash flows of the collateral that were held by the Petershill Funds. This consolidation resulted in reflecting all of the assets and liabilities of these entities in the Condensed Interim Consolidated Statement of Financial Position and all of the income, investment gain and finance cost in the Condensed Interim Consolidated Statement of Comprehensive Income. However, shareholder returns were only affected by the interests that the Company owns.

During the second half of the year ended 31 December 2022, the Notes were repaid, and the collateral was released to the Petershill Funds and the Subsidiaries of the Company. Other assets comprised of income receivable and cash in the Issuer SPVs were distributed as well. The Issuer SPVs and the Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date.

Pursuant to the above, the Company has consolidated the accounts of the Issuer SPVs and the Intermediary Entities in preparing the comparative Condensed Interim Consolidated Financial Statements for the period of 1 January 2022 through 19 December 2022, the date these Issuer SPVs and the Intermediary Entities were dissolved. As at 31 December 2022, the Company no longer had any exposure to Petershill Funds on account of the Issuer SPVs and Intermediary Entities.

Pursuant to the above, for the six months ended 30 June 2023, no adjustments are required to be made between the IFRS basis and APMS.

The APM basis, which presents the financial information on a non IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect shareholder returns, aids shareholders in assessing their investment in the Company.

The IFRS and APM basis numbers discussed and presented below include significant ‘unrealised’ and non-cash items that include unrealised change in fair value of investments, and it should be noted that while permitted, it is not the Company’s core strategy to exit or realise these investments. Therefore, management results are also presented excluding the unrealised change in fair value of investments at fair value through profit and loss and related unrealised divestment fee.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company’s progress, and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME APM BASIS

For the six months ended 30 June 2023

	Period ended 30 June 2023			Period ended 30 June 2022		
	Alternative performance measurement basis (APMS) \$m	Adjustments \$m	IFRS basis \$m	Alternative performance measurement basis (APMS) \$m	Adjustments \$m	IFRS basis \$m
Income						
Income from Investments in Partner-firms derived from:						
Management fee income	99.1	–	99.1	110.4	–	110.4
Performance fee income	15.1	–	15.1	47.2	4.4	51.6
Investment income	10.6	–	10.6	12.2	4.3	16.5
	124.8	–	124.8	169.8	8.7	178.5
Interest income from investments in money market funds	13.2	–	13.2	0.8	–	0.8
	138.0	–	138.0	170.6	8.7	179.3
Movement in financial assets held at fair value						
Change in fair value of investments at fair value through profit or loss	48.3	–	48.3	(569.8)	(42.7)	(612.5)
	48.3	–	48.3	(569.8)	(42.7)	(612.5)
Expenses						
Board of Directors' fees and expenses	(0.8)	–	(0.8)	(0.8)	–	(0.8)
Operator charge	(9.4)	–	(9.4)	(13.3)	–	(13.3)
Other operating expenses	(7.0)	–	(7.0)	(5.0)	–	(5.0)
Unrealised divestment fee (expense) / credit	(5.7)	–	(5.7)	45.2	–	45.2
Total expenses	(22.9)	–	(22.9)	26.1	–	26.1
Operating profit / (loss) for the period	163.4	–	163.4	(373.1)	(34.0)	(407.1)
Finance income / (expense)						
Finance cost	(18.6)	–	(18.6)	(32.6)	–	(32.6)
Movement in liability to Petershill Funds	–	–	–	–	34.0	34.0
Change in liability for Tax Receivables Agreement	(15.5)	–	(15.5)	(14.4)	–	(14.4)
Total finance expense	(34.1)	–	(34.1)	(47.0)	34.0	(13.0)
Profit / (Loss) for the period before tax	129.3	–	129.3	(420.1)	–	(420.1)
Tax (expense) / credit	(16.9)	–	(16.9)	61.3	–	61.3
Profit / (Loss) for the period after tax	112.4	–	112.4	(358.8)	–	(358.8)
Profit / (Loss) and total comprehensive income / (expense) for the period	112.4	–	112.4	(358.8)	–	(358.8)
Profit / (Loss) and total comprehensive income / (expense) attributable to:						
Equity holders of the Company	112.4	–	112.4	(358.8)	–	(358.8)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION APM BASIS

As at 30 June 2023

	30-Jun-23			31-Dec-22		
	Alternative performance measurement basis (APM) \$m	Adjustments \$m	IFRS basis \$m	Alternative performance measurement basis (APM) \$m	Adjustments \$m	IFRS basis \$m
Balance Sheet						
Non-current assets						
Investments at fair value through profit or loss	5,040.8	–	5,040.8	4,958.9	–	4,958.9
Deferred tax asset	44.1	–	44.1	44.0	–	44.0
	5,084.9	–	5,084.9	5,002.9	–	5,002.9
Current assets						
Investments in money market funds at fair value through profit or loss	453.0	–	453.0	483.4	–	483.4
Cash and cash equivalents	25.1	–	25.1	97.6	–	97.6
Trade and other receivables	116.9	–	116.9	138.2	–	138.2
	595.0	–	595.0	719.2	–	719.2
Total assets	5,679.9	–	5,679.9	5,722.1	–	5,722.1
Non-current liabilities						
Unsecured Notes payable	493.5	–	493.5	493.2	–	493.2
Deferred payment obligations	49.0	–	49.0	50.0	–	50.0
Liability for Tax Receivables Agreement	161.4	–	161.4	150.6	–	150.6
Fee payable on divestment of investments	50.0	–	50.0	44.3	–	44.3
	753.9	–	753.9	738.1	–	738.1
Current liabilities						
Trade and other payables	28.3	–	28.3	29.7	–	29.7
Deferred payment obligations	153.1	–	153.1	189.9	–	189.9
Interest Payable	10.0	–	10.0	10.0	–	10.0
Liability for Tax Receivables Agreement	31.3	–	31.3	35.1	–	35.1
	222.7	–	222.7	264.7	–	264.7
Total liabilities	976.6	–	976.6	1,002.8	–	1,002.8
Net assets	4,703.3	–	4,703.3	4,719.3	–	4,719.3
Equity						
Share capital	11.3	–	11.3	11.4	–	11.4
Share premium	–	–	–	3,346.7	–	3,346.7
Other reserve	1,689.6	–	1,689.6	1,689.6	–	1,689.6
Capital redemption reserve	0.4	–	0.4	0.3	–	0.3
Retained earnings	3,002.0	–	3,002.0	(328.7)	–	(328.7)
Total shareholders' funds	4,703.3	–	4,703.3	4,719.3	–	4,719.3
Number of ordinary shares in issue at period / year end	1,133,598,506	–	1,133,598,506	1,135,399,597	–	1,135,399,597
Net assets per share (cents)	414.90	–	414.90	415.65	–	415.65

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS APM BASIS

For the six months ended 30 June 2023

	For the period ended 30 June 2023			For the period ended 30 June 2022		
	Alternative performance measurement basis (APM) \$m	Adjustments \$m	IFRS basis \$m	Alternative performance measurement basis (APM) \$m	Adjustments \$m	IFRS basis \$m
Cash flows from operating activities						
Profit / (Loss) for the period before tax	129.3	–	129.3	(420.1)	–	(420.1)
Adjustments to reconcile operating loss for the financial period to net cash used in operating activities:						
Finance expense	34.1	–	34.1	47.0	(34.0)	13.0
Sale / (Purchase) of investments in money market funds	(122.8)	–	(122.8)	(153.9)	–	(153.9)
(Purchase) / Sale of investments in money market funds	166.4	–	166.4	156.9	–	156.9
Reinvested interest income from investments in money market funds	(13.2)	–	(13.2)	–	–	–
Reinvestment of Income from investments in Partner-firms	(23.9)	–	(23.9)	(18.6)	(1.9)	(20.5)
Movement in financial assets and liabilities held at fair value through profit and loss	(48.3)	–	(48.3)	569.8	42.7	612.5
Movement in trade and other receivables	26.1	–	26.1	(16.3)	5.6	(10.7)
Movement in trade and other payables	(21.5)	–	(21.5)	15.7	–	15.7
Movement in fee payable on divestment of investments	5.7	–	5.7	(45.2)	–	(45.2)
Taxes paid	(8.2)	–	(8.2)	–	–	–
Net cash inflows from operating activities	123.7	–	123.7	135.3	12.4	147.7
Cash flows from investing activities						
Purchase of investments at fair value through profit or loss	(45.2)	–	(45.2)	(14.4)	–	(14.4)
Capital proceeds received	–	–	–	6.7	–	6.7
Net cash outflows from investing activities	(45.2)	–	(45.2)	(7.7)	–	(7.7)
Cash flows from financing activities						
Dividends paid	(124.9)	–	(124.9)	(30.1)	–	(30.1)
Interest expense payments	(14.1)	–	(14.1)	(4.8)	(4.0)	(8.8)
Payment of share issue costs	–	–	–	(5.7)	–	(5.7)
Repayment and cancellation of share capital	(3.5)	–	(3.5)	(13.0)	–	(13.0)
Extinguishment of liability to Petershill funds	–	–	–	–	(1.7)	(1.7)
Payment under Tax Receivables Agreement	(8.5)	–	(8.5)	–	–	–
Net cash outflows from financing activities	(151.0)	–	(151.0)	(53.6)	(5.7)	(59.3)
Net (decrease) / increase in cash and cash equivalents during the period	(72.5)	–	(72.5)	74.0	6.7	80.7
Cash and cash equivalents at the beginning of the period	97.6	–	97.6	68.7	56.1	124.8
Cash and cash equivalents at the end of the period	25.1	–	25.1	142.7	62.8	205.5

Net cash position at period end

Cash and cash equivalents ^{APM basis} plus investments in money markets less deferred payment obligations and long term debt.

	30 June 2023 \$m	31 December 2022 \$m
Cash and cash equivalents ^{APM basis}	25.1	97.6
Investments in money market funds at fair value through profit or loss	453.0	483.4
Unsecured Notes payable (gross)	(500.0)	(500.0)
Deferred payment obligations	(202.1)	(239.9)
Net cash position at period end	(224.0)	(158.9)

Free cash flow

The Net cash flows from operating activities ^{APM basis} less Purchase of investments in money market funds, Sale of investments in money market funds, Reinvestment of income from investments in Partner-firms ^{APM basis} and Taxes paid as a percent of the Adjusted EBIT. This amount can differ year over year as the timing of settlement of certain income from investments in Partner-firms may vary.

	For the six months ended 30 June 2023 \$m	For the six months ended 30 June 2022 \$m
Net cash inflows from operating activities ^{APM basis}	123.7	135.3
Purchase of investments in money market funds	122.8	153.9
Sale of investments in money market funds	(166.4)	(156.9)
Reinvestment of income from investments in Partner-firms ^{APM basis}	23.9	18.6
Reinvestment of interest income from investments in money market funds	13.2	–
Taxes paid	8.2	–
Adjusted net cash inflows from operating activities	125.4	150.9
Adjusted EBIT	119.6	152.7
Free cash flow	104.8%	98.8%

Book value

Total Shareholders' funds

	30 June 2023 \$m	31 December 2022 \$m
Total Shareholders' funds	4,703.3	4,719.3

Book value per share

Total Shareholders' funds divided by the Number of Ordinary Shares in issue at period/year end.

	30 June 2023 \$m	31 December 2022 \$m
Total Shareholders' funds (\$m)	4,703.3	4,719.3
Number of Shares in issue at period / year end	1,133,598,506	1,135,399,597
Book value per share (cents)	414.90	415.65

Adjusted Earnings before interest and tax (EBIT)

Sum of total income ^{APM basis} and expenses excluding non-recurring charges before net finance result and before income taxes, change in fair value of investments at fair value through profit or loss ^{APM basis} and unrealised divestment fee.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Total income ^{APM basis}	138.0	170.6
Board of Directors' fees and expenses	(0.8)	(0.8)
Operator charge	(9.4)	(13.3)
Other operating expenses	(7.0)	(5.0)
Non-recurring operating (credit) / expense	(1.2)	1.2
Adjusted Earnings before interest and tax (EBIT)	119.6	152.7

Adjusted EBIT margin

Adjusted EBIT divided by APM basis total income.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Total income APM basis	138.0	170.6
Adjusted EBIT	119.6	152.7
Adjusted EBIT margin	86.7%	89.5%

Adjusted Earnings Before Tax (EBT)

Sum of total income ^{APM basis} and expenses excluding deferred divestment fee, income taxes, change in liability for tax receivables agreement, movement in liability to Petershill Funds, change in fair value of investments at fair value through profit or loss ^{APM basis} and non-recurring charges.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Total income ^{APM basis}	138.0	170.6
Board of directors' fees and expenses	(0.8)	(0.8)
Operator charge	(9.4)	(13.3)
Other operating expenses	(7.0)	(5.0)
Finance cost	(18.6)	(32.6)
Non-recurring operating (credit) / expense	(1.2)	1.2
Non-recurring charges related to financing	–	21.1
Adjusted Earnings before tax (EBT)	101.0	141.2

Tax and tax related expenses

The current tax plus the expected payment under the tax receivables agreement for the current period.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Current tax	(16.9)	(0.7)
Expected payment under the tax receivables agreement	(15.7)	(5.6)
Tax and tax related expenses	(32.6)	(6.3)

Adjusted tax and tax related expense rate

The Tax and tax related expenses divided by the adjusted EBT.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Tax and related expenses	(32.6)	(6.3)
Adjusted Earnings before tax (EBT)	101.0	141.2
Adjusted tax and tax related expense rate	32.3%	4.4%

Adjusted Profit After Tax

Sum of total income ^{APM basis} and expense excluding unrealised divestment fee, income taxes, change in liability for tax receivables agreement, movement in liability to Petershill Funds, change in fair value of investments at fair value through profit or loss ^{APM basis} and non-recurring charges and including tax and related expenses under tax receivables agreement.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Total income ^{APM basis}	138.0	170.6
Board of Directors' fees and expenses	(0.8)	(0.8)
Operator charge	(9.4)	(13.3)
Other operating expenses	(7.0)	(5.0)
Finance cost	(18.6)	(32.6)
Non-recurring operating expenses	(1.2)	1.2
Tax and tax related expenses	(32.6)	(6.3)
Non-recurring charges related to financing	–	21.1
Adjusted profit after tax and tax related expenses	68.4	134.9

Adjusted Earnings Per Share (EPS)

Adjusted profit after tax divided by weighted average number of Ordinary Shares in issue.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	\$m	\$m
Adjusted profit after tax	68.4	134.9
Weighted average number of Ordinary Shares in issue	1,135,192,342	1,151,552,219
Adjusted Earnings per share (EPS) (cents)	6.03	11.71

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