

A high-angle, wide shot of a mountain range. The foreground shows a steep, rocky slope with sparse green vegetation and a few evergreen trees. The middle ground is a deep, narrow valley with a rocky floor. In the background, several jagged mountain peaks are visible, some with patches of snow or ice. The sky is filled with soft, white clouds, suggesting a bright but slightly overcast day. The overall color palette is dominated by greys, blues, and whites, with some green accents from the trees.

# Bridgepoint

# Financial highlights

Assets under management (AUM)

€39.5bn

(YE 2022: €38.0bn, HY 2022: €37.1bn)

APM KPI

Underlying profit before tax

£50.0m

(H2 2022: £68.1m, H1 2022: £51.9m)

APM KPI

Total operating income

£137.8m

(H2 2022: £167.3m, H1 2022: £140.1m)

IFRS

Underlying EBITDA

£55.6m

(H2 2022\*: £78.0m, H1 2022\*: £61.2m)

APM KPI

Underlying FRE

£42.9m

(H2 2022\*: £51.8m, H1 2022\*: £22.5m)

APM KPI

Reported profit before tax

£53.1m

(H2 2022: £79.1m, H1 2022: £48.3m)

IFRS KPI

Reported pro forma earnings per share

5.9p

(H2 2022: 9.3p, H1 2022: 5.5p)

APM

Underlying pro forma earnings per share

5.6p

(H2 2022: 8.0p, H1 2022: 6.0p)

APM

## Key

APM Alternative Performance Measure

KPI Key Performance Indicator

IFRS Measure defined by IFRS

\* 2022 EBITDA and FRE have been restated to exclude non-operating foreign exchange gains/losses

An explanation of the alternative performance measures (“APMs”) used by the Group, including underlying profit before tax, underlying EBITDA and reported and underlying pro forma earnings per share, is set out on pages 19 to 20 along with a reconciliation to statutory measures.



# Contents

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# Chairman's Statement

## William Jackson

### I'm pleased to report that Bridgepoint has enjoyed a strong first half of 2023.

During the first six months of the financial year the Company recorded strong fund performance, enjoyed attractive credit deployment conditions, made positive progress on fundraisings and committed fund capital in line with original expectations by exploiting attractive buying conditions in the European Middle Market.

Market conditions in H1 2023 saw extended transaction timelines with exits, fundraising and new investments all taking longer to complete as parties undertake robust and detailed diligence. As we move into H2, we are already seeing activity increase in the M&A market. In this context, Bridgepoint remains on track to deliver full year results in line with financial guidance albeit performance is weighted to the second half of the year with transactions across the business taking longer to complete.

Our confidence ahead reflects the strength of both our favourable middle market positioning and Bridgepoint's business model which provides multiple routes to deliver targeted financial performance.

In summary:

- In the first half of 2023, Bridgepoint generated management and other fees of £124.6 million (an increase of 24 per cent. from H1 2022), which included the recognition of only £2.6 million of late fees relating to BE VII, underlying FRE of £42.9 million (an increase of 91 per cent. from H1 2022) and profit before tax of £53.1 million (an increase of 10 per cent. from H1 2022);
- As normal we currently have several funds raising, or about to raise, new capital. The Bridgepoint Europe VII ("BE VII") fund raise is now well on the way to completion. It received capital commitments of some €0.5 billion over the last quarter and has now exceeded its predecessor fund in size with €6 billion of commitments received to date. In slower fundraising markets the fund will remain open for commitments until early 2024 to allow investors in process to participate in the fund using both 2023 and 2024 capital allocations. Importantly from a financial perspective, investors joining in Q1 2024 pay late fees backdated to the fund's first closing last year;

- In more favourable credit market conditions Bridgepoint Direct Lending III ("BDL III") and associated Separately Managed Accounts ("SMAs") held a final close in the first half of 2023 with investable capital of over €3.4 billion. This is materially larger than the predecessor vintage, underlining strong investor appetite for the Direct Lending product in the current market;
- Bridgepoint Credit Opportunities IV ("BCO IV") and Bridgepoint Growth II ("BG II") are currently in the market and due to close in the next 12 months. Bridgepoint Development Capital V ("BDC V"), Bridgepoint Direct Lending IV ("BDL IV") and Bridgepoint Credit Opportunities V ("BCO V") are all expected to begin fundraising in the next 12 months;
- Fund capital deployment remains on track across the Group with M&A markets starting to see renewed activity in the last quarter. BE VII has now committed 18 per cent. of its primary capital, as it builds a high quality portfolio of growth assets and Bridgepoint Development Capital IV ("BDC IV") has committed 69 per cent. of its primary capital. In credit, across the Direct Lending and Credit Opportunities strategies the team has deployed around €1.7 billion of capital over the last 12 months;
- Bridgepoint's equity funds also agreed a range of exits during the first half of the year which will return over €600 million to fund investors. These transactions have been weighted mainly to historic funds. The pipeline of exits on more recent Funds (Bridgepoint Development Capital III ("BDC III"), Bridgepoint Europe V and VI ("BE V" and "BE VI"), where the Company has a more material direct economic interest, continues to grow and a return of some €4 billion of capital is targeted over the next 18 months. We currently expect our targeted exits for 2023 will be delivered in the second half of the year, however, some of these exits may move into the 2024 financial year in current market conditions;
- Strong value creation has also continued across our fund portfolios, with all flagship funds enjoying trading either on or ahead of plan. Both credit and equity funds' performance continue to be strong reflecting their sector positioning, low exposure to companies dependent upon discretionary spend and the start of input price deflation which we are now seeing in certain sectors.



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**William Jackson**  
Chairman

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## Company financial performance

The positive performance of our credit and equity funds during the first half of 2023 and the associated Company financial performance is testament to Bridgepoint’s depth of business and cycle experience and the resilience and professionalism of our team against a backdrop of challenges in geopolitics, financial markets, and monetary policy responses to address inflation.

In H1 2023, AUM increased by 6.5 per cent. compared to H1 2022 to reach €39.5 billion. This represents growth of 48 per cent. since IPO when AUM (at FY 2020) was €26.6 billion.

Across our equity and credit funds, €3.3 billion was deployed in new and follow-on investments and €3.0 billion of capital was realised during this same period. With the extension to the BE VII fundraising period, late fees relating to future commitments will be charged from first close and recognised in H2 2023 or H1 2024 depending on the timing of those final commitments.

As noted above, we continue to be confident in our ability to deliver investment income in line with current expectations in 2023 and 2024 in aggregate.

Management fees and other fees and underlying FRE increased by 24 per cent. and 91 per cent. respectively compared to H1 2022 and profit before tax increased by 10 per cent. This performance was driven by income from recently raised funds in H1 2023 combined with carefully matching cost growth to progress in fundraising. We are well positioned to deliver performance in line with current expectations recognising volatility in the precise timing of completing exits in process which drives investment income splits between 2023 and early 2024.

## Commentary on fundraising markets

Long term tailwinds behind private markets remain very strong, but since March 2023 macro volatility has led to increased caution with a number of investors continuing to face allocation issues. The so-called denominator effect (falling stock market valuations mathematically increasing fund allocations to other asset classes) has been exacerbated by the relative outperformance of private assets over the last two years, whilst lower returns of capital from historic fund commitments have also constrained some LP’s new commitments.

With over 85 per cent. of the fund’s targeted capital of €7 billion now committed, the BE VII process is well on the way to completion and will round out in early 2024. Encouragingly, whilst some mature existing BE investors have faced allocation issues to date this has been compensated for by a range of investors with less mature programmes investing in BE VII including major new Limited Partners (“LPs”) from both Asia and EMEA. This significantly strengthens the firm’s investor base for the longer term.

The BE VII process will be followed shortly by the BDC V fundraising which has already received significant LP interest reflecting the outstanding performance of our BDC funds in recent years.

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**“Both credit and equity funds’ performance continue to be strong.”**

# Chairman's statement

## William Jackson *continued*

### Investing in current market conditions

Bridgepoint has been tested through previous cycles and called the autumn of this economic cycle early. As a result, the firm has constructed credit and equity portfolios accordingly, focusing on niche sectors with significant tailwinds behind them. Our investment thesis is focused on growth middle market companies and deploys leverage prudently. This is reflected in our robust underlying fund performance with all funds on or ahead of performance plan. In particular, BE VI and BDC III remain ahead of plan and top quartile in their latest respective benchmark vintages and are well positioned to deliver meaningful investment income for the Company in the medium term.

As we look forward, it is worth noting that the PE market is witnessing a new pricing paradigm with the end of low-cost debt in volume for the time being. As a result, the middle market, which does not typically use significant leverage, is currently the most active space with returns in 2023 driven by real growth and cash generation. Portfolio construction, pricing discipline and sector selection are critical in the current market, as is a hands-on approach to value creation to driving value in portfolio companies.

Bridgepoint continues to focus on sectors and niches identified by our thematic origination strategy doubling down on areas where we have real conviction and companies benefit from high quality of earnings and strong net cash conversion. Once in the portfolio, value creation continues to be driven by international expansion, buy-and-build programmes and driving operational excellence from a balanced portfolio with low exposure to cyclical sectors and discretionary spend.

Our Private Credit investment thesis for direct lending, also designed around the middle market, features first lien, secured, uni-tranche, floating rate credits. We are typically supporting European financial sponsors to make acquisitions in their private equity strategies where we are very often the sole lender. While our most recent fund, BDL III, was targeting 7 to 9 per cent. unlevered returns when launched, thanks to the increase in base rates since the beginning of last year, it is currently realising unlevered returns in low double digits with no realised losses in the strategy since inception. Importantly the credit quality of the portfolio provides significant comfort that this trend will continue despite the volatile macro environment.

### Private Equity

So far this year our Private Equity funds have committed €0.8 billion to six platform investments, and returned €0.2 billion to investors.

BE VII has made good progress with its new investment activity, acquiring Vivacy, a global personal healthcare company as well as agreeing to purchase Windar, a leading global specialist manufacturer of towers and foundations for onshore and offshore wind turbines. To date the fund has made >50 add on acquisitions of which 6 have been transformational.

BDC III has continued to perform well with multiple add-on acquisitions agreed in H1 2023 and continuing to rank as one of Europe's highest performing private equity funds for its vintage. BDC IV has now committed 69 per cent. of its primary fund capital, providing confidence that it is positioned to complete its investment period in 2024.

The outlook for portfolio exits presents both challenges and opportunities. The macro environment is complex and buyers are more cautious but the expectation gap between buyers and sellers is narrowing. Selling assets today remains more challenging than in previous periods, but the value of growth remains at a premium in the current market. Safe strategic assets remain highly sought after. Embedded and portable leverage, where available, is also highly attractive to buyers.

Middle market sized companies are also more attractive to large corporates who don't want to 'bet the farm' with large transactions in cautious times and 98 per cent. of Bridgepoint fund realisations over the last 20 years have been delivered via private transactions, so our funds are not reliant on the IPO market for returns. In that context, we have agreed two exits recently both from BE III, Diaverum, a leading operator of private kidney dialysis clinics and DMC, a leading designer and manufacturer of connector technology systems for high-voltage power infrastructure. In particular, DMC was exited at an attractive EBITDA multiple, delivering a money multiple of 21.7 times.

We expect to deliver further exits in the second half of the year with work on assets in BDC III, BE V and BE VI already underway. As a result, we have a good pipeline of potential exits in H2 2023 however in current market conditions there is the possibility of some movement in exits from 2023 into 2024.



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## Private Credit

Bridgepoint Credit enjoyed a strong first half of 2023. AUM reached €12.0 billion, an increase of 76 per cent. since Bridgepoint acquired EQT Credit. Bridgepoint Credit funds have now invested c. €8.6 billion in over 200 companies since the acquisition. It is worth noting that the mix of credit capital has moved towards SMAs and other bespoke vehicles over time. This reflects the strength of our origination and the sophistication of the platform enabling us to provide credit investors with vehicles to match their risk appetite and other investment criteria as an alternative to investing in our main funds.

Overall, during 2023 credit strategies benefitted from more volatile lending markets and higher base rates. Bridgepoint Credit is using its disciplined process to build well diversified funds that deliver attractive returns to investors whilst mitigating risks. Since inception our flagship Direct Lending funds have yet to record a loss on any lending exposure.

Across the Direct Lending and Credit Opportunities strategies the team deployed around €1.7 billion of capital over the last year compared to realisations of €0.6 billion. BDL III has now invested over €1.9 billion in 27 companies and with the fund 68 per cent. invested we have commenced preparations for BDL IV. BCO IV is now 67 per cent. deployed and fundraising for BCO V will commence within the next 12 months. CLO 4 closed in January 2023 and we expect to close CLO 5 in Q3 2023.

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“The BE VII fundraise is well on the way to completion.”

## Business Development

As set out at the time of our IPO in July 2021 Bridgepoint remains committed to continuing to deepen and broaden its middle market investment platform to accelerate current organic growth through selective acquisition activity. As noted in March, falling sector valuations have broadened the potential horizon for potential M&A opportunities and we are engaged in active discussions which we would expect to finalise positively or negatively by the year end.

Bridgepoint’s day job is making good acquisitions. Not surprisingly, therefore, any acquisition for the platform will have to meet the rigorous gatekeeping metrics which have been discussed in detail in prior company announcements. These include strong industrial logic, the ability to diversify the Group’s income base, the need for a strong cultural fit and the ability for an acquisition to be accretive to short and medium term shareholder returns.

Turning to our current platform, alongside a rigorous focus on efficiency and prudent cost control, the Company continues to invest in its operating resources in a controlled and focused manner. During the first half of the year we have strengthened further our operating resource which drives portfolio value creation. We have also continued to expand our investor relations and solutions presence on the ground globally. In this regard we have recently made senior Investor Relations hires in the United States (replacing retirees) and we will be opening new Singapore and Seoul offices dedicated to investor services in Asia.

By deepening our resource in the key area of Investor Relations and developing deeper regional coverage while deploying a number of software solutions to enable efficiency, the Company is well placed to support new products and further business development.



# Chairman's statement

## William Jackson *continued*

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### Dividend

I am pleased to confirm that the Company will be maintaining its progressive dividend policy this year and will pay an interim dividend of 4.4p per share in September. We expect our final dividend to be not less than 4.4p per share. When combined with the capital return of ca. 3.8 pence per share via share buyback in H1 2023, total capital return to shareholders in H1 2023 was more than double that in H1 2022, reflecting the Board's strong confidence in the prospects of the Company.

### Outlook

Bridgepoint is encouraged by the outlook for the full year and confirms full year guidance. Whilst some revenue recognition may be delayed by the revised BE VII timetable we expect this to be mitigated by careful cost control in the full year to December 2023. We also remain confident in completing our targeted exits for H2 2023 which drive part of the Company's investment income. However, we recognise that the precise timing of exit processes are not directly within our own control and inevitably have some unpredictability in current markets. As a result, both fundraising and exits will be subject to external market conditions not materially deteriorating from today.

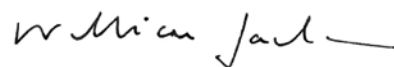
Looking ahead, Bridgepoint benefits from having multiple avenues for both organic and M&A growth. The Company remains asset light, with less than 1 per cent. of AUM as investments, excluding consolidated CLOs, and together with over £300 million of cash and discounted carried interest receivable represents around 38 per cent. of our current market capitalisation also providing material strength to reinforce our business growth strategy.

More widely the alternative investment market continues to enjoy the prospect of significant future tailwinds with portfolio rebalancing driving increased long-term allocations as new investors continue to enter the asset class. As a result, medium term market growth potential remains unchanged, offering a significant runway of future growth for our business.

BE VII is now already larger than its predecessor and has attracted strong support from both new and existing investors. In particular, we have seen a significant acceleration of our strategy for geographic expansion of the investor base which creates a strong foundation for future fund cycles.

With this market background driving organic growth and with our long duration capital, strong balance sheet, asset light model, high and stable margins, strong cash generation and attractive dividend yield, Bridgepoint's outlook remains attractive. This resilience was central to the Board's decision to commence a tactical share buyback programme earlier in the year which is now more than 65 per cent. complete.

Looking forward, we expect market volatility and inflation pressures to continue in the near term and have positioned our investment activity accordingly. Bridgepoint will obviously not be immune to macroeconomic events, but we are excited by the strategic growth prospects for the Group and the long term prospects for our sector as we continue to progress our business development plans and remain confident in the Company's ability to deliver attractive returns for both our fund investors and our shareholders alike.



**William Jackson**  
Chairman

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**“We are excited by the strategic growth prospects for the Group.”**



# KPIs: tracking our performance

**Total AUM**  
(€bn)

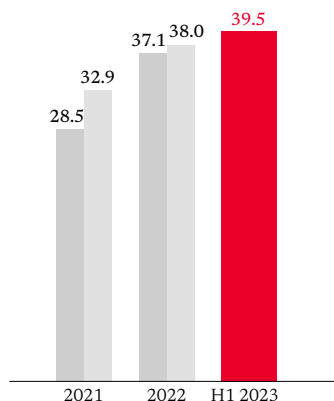
**€39.5bn**

**Description**

The total value of assets held in the Group’s funds plus the value of capital which has been committed but not yet drawn

**Definition**

See page 20 for a detailed definition



**Fee Paying AUM**  
(€bn)

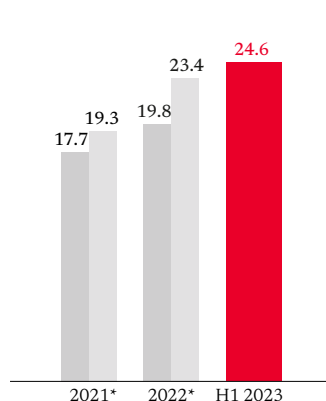
**€24.6bn**

**Description**

The amount of capital held in funds, including Collateralised Loan Obligations (CLOs), which the Group manages on behalf of investors and on which it charges fees

**Definition**

See page 20 for a detailed definition



\* 2021 and H1 2022 Fee Paying AUM has been restated to include CLO AUM

**EBITDA**  
(£m)

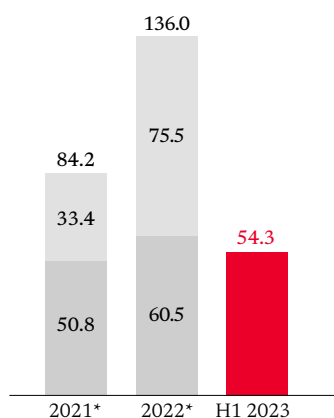
**£54.3m**

**Description**

A measure of profitability prior to depreciation of property leases, amortisation of intangible assets, the cost of financing and taxation

**Definition**

See page 19 for a detailed definition



\* 2021 and 2022 EBITDA has been restated to exclude non-operating foreign exchange gains/losses

**Underlying EBITDA**  
(£m)

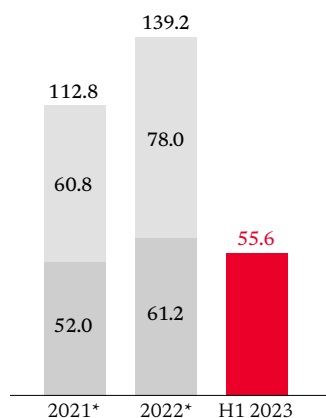
**£55.6m**

**Description**

EBITDA excluding expenses related to the IPO, the acquisition of the EQT Credit business and costs relating to strategic projects, including potential acquisitions, which were not incurred in the normal course of business

**Definition**

See page 19 for a detailed definition



\* 2021 and 2022 Underlying EBITDA has been restated to exclude foreign exchange gains/losses

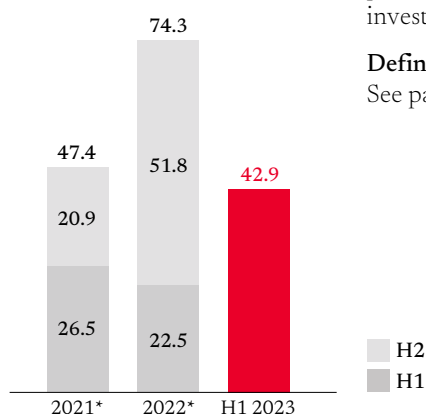
# KPIs: tracking our performance *continued*

## Underlying FRE (£m)

£42.9m

**Description**  
Fee Related Earnings (“FRE”) is a measure of underlying profitability, excluding investment income

**Definition**  
See page 19 for definition



\* 2021 and 2022 Underlying FRE has been restated to exclude non-operating foreign exchange gains/losses

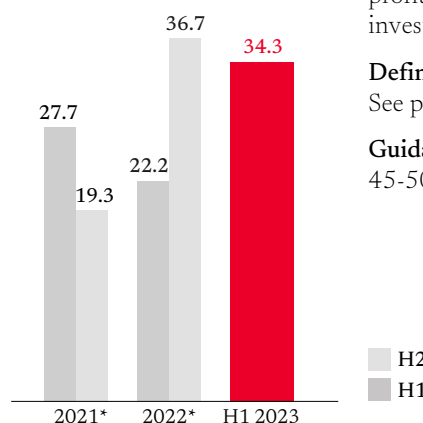
## Underlying FRE margin (%)

34.3%

**Description**  
Underlying FRE margin is a measure of underlying profitability, excluding investment income

**Definition**  
See page 19 for definition

**Guidance**  
45-50% in the longer term



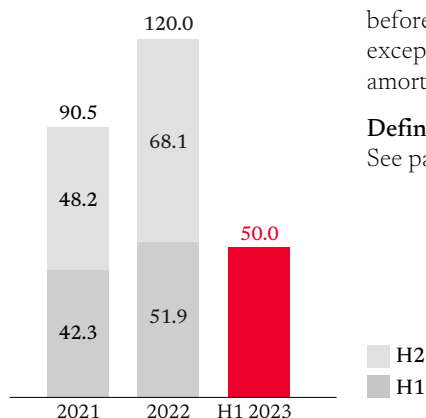
\* 2021 and 2022 Underlying FRE margin has been restated to exclude non-operating foreign exchange gains/losses

## Underlying profit before tax (£m)

£50.0m

**Description**  
A measure of profit after expenses, depreciation and amortisation, and financing, but before tax, and excluding exceptional items and amortisation of intangibles

**Definition**  
See page 19 for definition

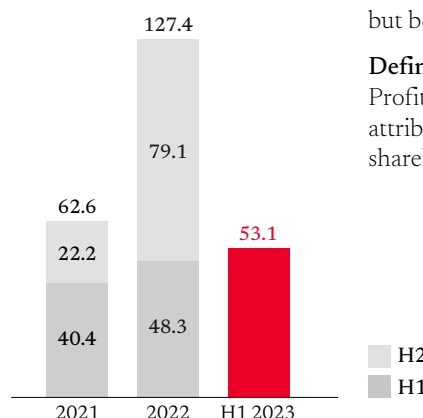


## Profit before tax (£m)

£53.1m

**Description**  
A statutory measure of profit after expenses, depreciation and amortisation and financing but before taxation

**Definition**  
Profit for the year attributable to equity shareholders before taxation



# CFO statement

## The Group's financial results to 30 June 2023 reflect the step up in profitability from the latest flagship equity fund BE VII and prudent cost control.

Underlying fee related earnings of £42.9 million compares to £22.5 million in the first half of 2022 which is driven by increased management fees of £124.6 million (including the recognition of only £2.6 million of late fees relating to BE VII) compared to £100.9 million in the first half of 2022. The increase of 24% reflects the start of fees from BE VII and growth of fee earning AUM in our Credit business with good momentum on deployment to take advantage of the higher interest rate environment. This step up in fees delivered an underlying FRE margin of 34%, in line with our short-term guidance.

Total operating income of £137.8 million, a reduction of £2.3 million compared to the comparative period, have been impacted by lower investment income of £12.7 million, due to modest changes to fund valuations and a comparatively slower period for exits. As previously advised, investment income in 2023 is expected to be heavily weighted towards the second half driven by exit activity.

In 2023, we now expect investment income to be c.15% of total income versus previous guidance of c.20%, with a corresponding catch up in 2024.

Costs (excluding exceptional expenses) of £82.2 million have increased modestly since the first half of 2022, largely reflecting higher premises costs of our new London office, but flat personnel expenses reflecting a deliberate phasing of investment team hires to match fundraising progress and timing of replacement hires for natural attrition.

In January, we announced a £50 million share buyback programme, to reflect the confidence we have in the resilience of our business. We are more than 65 per cent of the way through this programme at 30 June 2023.

The Group's balance sheet remains well capitalised. At 30 June 2023, the Group had a net cash position of £258.4 million (excluding cash within consolidated CLOs) and had a renewed and larger banking facility of £200 million, which is undrawn. Furthermore, the Group holds investments in funds of £356.8 million, including the Group's exposure to CLO notes, and carried interest at a discounted value of £47.1 million, which provides opportunity for further future profitability and conversion to cash in the medium-term.



**Adam Jones**  
Group Chief Financial Officer &  
Chief Operating Officer

## Guidance

- Fundraising: Continued progress on BE VII which is expected to hold its final close in early 2024. The target remains €7bn. BDC V, BDL IV and BCO V expected to begin fundraising within the next 12 months.
- Investment income: Continue to expect investment income to represent around 20% of total income in the short term. In 2023, we now expect investment income to be c.15%, with a catch up in 2024.
- Cost growth: Some inflationary pressures on costs in the near term and more modest growth in headcount and personnel costs over medium term. Actual cost growth in H1 was below high single digit guidance despite inflationary pressures being

evident. This reflects deliberate phasing of investment team hires to match fundraising progress.

- FRE margin: Short term guidance remains unchanged at 30-35%. 2024 expected to be slightly below the bottom of the short-term guidance, reflecting the usual margin profile of a PE cycle where continued successful divestments in 2023 and 2024 will, as expected, reduce fees recognised on invested capital ahead of BDC V generating fees from January 2025.
- Credit deployment: Expect to deploy at least €1bn of incremental FPAUM each year in Credit in the short term.
- Tax: Subject to any changes in the UK tax code, we expect our 2023 effective tax rate to be at the top end of the 5% - 10% long term range.

# CFO statement *continued*

## Summary

### Financial summary

	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Total AUM (€bn)	39.5	37.1	38.0	6.5%	3.9%
Fee Paying AUM (€bn)	24.6	19.8	23.4	24.2%	5.1%
Management fee margin on Fee Paying AUM (%)	1.16%	1.17%	1.16%	(0.0)ppt	(0.01)ppt
Management and other fees (£m)	124.6	100.9	140.6	23.5%	(11.4)%
Investment income (£m)	12.7	38.7	26.2	(67.2)%	(51.5)%
Total operating income (£m)	137.8	140.1	167.3	(1.6)%	(17.6)%
Total expenses (excluding exceptional items)* (£m)	(82.2)	(78.9)	(89.3)	4.2%	(8.0)%
Underlying EBITDA* (£m)	55.6	61.2	78.0	(9.2)%	(28.7)%
Underlying EBITDA margin* (%)	40.3%	43.7%	46.6%	(3.3)ppt	(6.3)ppt
Underlying FRE* (£m)	42.9	22.5	51.8	90.7%	(17.2)%
Underlying FRE margin* (%)	34.3%	22.2%	36.7%	12.1ppt	(2.4)ppt
Underlying profit before tax (£m)	50.0	51.9	68.1	(3.7)%	(26.6)%
Reported profit before tax (£m)	53.1	48.3	79.1	9.9%	(32.9)%
Reported profit after tax (£m)	48.2	44.9	75.7	7.3%	(36.3)%
Reported pro forma basic and diluted EPS (pence)	5.9	5.5	9.3	7.3%	(36.3)%
Underlying pro forma basic and diluted EPS (pence)	5.6	6.0	8.0	(6.6)%	(30.0)%

\* 2022 total expenses (excluding exceptional items), underlying EBITDA, underlying EBITDA margin, underlying FRE and underlying FRE margin has been restated to exclude non-operating foreign exchange gains/losses.

Throughout the course of this section reference is made to adjusted measures which the Company considers to be alternative performance measures (“APMs”) or key performance indicators (“KPIs”). These are not defined or recognised under International Financial Reporting Standards (“IFRS”) but are used by the Directors and management to analyse the business and financial performance, track the Group’s progress and help develop long-term strategic plans. Pages 19 and 20 set out definitions of each of the APMs used within the CFO Statement and how they can be reconciled back to the condensed consolidated financial statements.

The analysis below includes two periods for comparison. First, the six months ended 30 June 2022, which is required to be included within the condensed financial information. In addition, the six months ended 31 December 2022 has been included as it provides a helpful comparison to the performance in the six months to 30 June 2023 because of underlying drivers such as invested capital and headcount.





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**Adam Jones**  
Group Chief Financial Officer  
& Chief Operating Officer

## Fundraising

In 2023 to date, fundraising for BE VII continued steadily and now amounts to €6 billion of commitments (including associated vehicles) despite continued uncertainty in the fundraising market. We now expect the fund to admit final investors in early 2024.

BDL III concluded fundraising in May. In total, including separately managed accounts, the strategy has raised over €3.4 billion of investable capital since its launch in 2021.

Fundraising is also underway for BG II and BCO IV, with the latter expected to conclude fundraising in the second half of the year. CLO 5 is currently under construction and is expected to launch during the third quarter.

Fundraising for BDC V, BDL IV and BCO V is expected to commence within the next twelve months.

## Total AUM development during the period

€ billion	Private equity	Credit	Total
30 June 2022	26.7	10.4	37.1
31 December 2022	26.8	11.2	38.0
<b>30 June 2023</b>	<b>27.5</b>	<b>12.0</b>	<b>39.5</b>

Total AUM at 30 June 2023 was €39.5 billion compared to €38.0 billion at the end of the 2022, of which €27.5 billion is Private Equity and €12.0 billion in Credit. The 3.9% increase since 31 December 2022 is primarily due to additional commitments raised for BE VII.

## Total Fee Paying AUM development during the period

€ billion	Private equity	Credit	Total
30 June 2022	13.3	6.5	19.8
31 December 2022	16.4	7.0	23.4
<b>30 June 2023</b>	<b>16.9</b>	<b>7.7</b>	<b>24.6</b>

Fee Paying AUM at 30 June 2023 was €24.6 billion compared to €23.4 billion at the end of 2022, with the 5.1% increase due to additional commitments raised for BE VII becoming fee paying and an increase in invested capital in our Credit strategies. In aggregate our Credit business is expected to add at least €1 billion of Fee Paying AUM growth during 2023, including the launch of new CLOs.

CFO statement *continued*

## Abbreviated income statement

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Management and other fees	124.6	100.9	140.6	23.5%	(11.4)%
Investment income	12.7	38.7	26.2	(67.2)%	(51.5)%
<b>Total operating income</b>	<b>137.8</b>	<b>140.1</b>	<b>167.3</b>	<b>(1.6)%</b>	<b>(17.6)%</b>
Total expenses*	(83.5)	(79.6)	(91.8)	4.9%	(9.0)%
Total expenses (excluding exceptional expenses)*	(82.2)	(78.9)	(89.3)	4.2%	(8.0)%
<b>EBITDA*</b>	<b>54.3</b>	<b>60.5</b>	<b>75.5</b>	<b>(10.2)%</b>	<b>(28.1)%</b>
<b>Underlying EBITDA*</b>	<b>55.6</b>	<b>61.2</b>	<b>78.0</b>	<b>(9.2)%</b>	<b>(28.7)%</b>
<b>Underlying FRE*</b>	<b>42.9</b>	<b>22.5</b>	<b>51.8</b>	<b>90.7%</b>	<b>(17.2)%</b>
Depreciation and amortisation	(8.6)	(9.1)	(9.2)	(5.5)%	(6.5)%
Net other income/(expense)**	7.4	(3.1)	12.8	(338.7)%	(42.2)%
Net other income/(expense) (excluding exceptional net finance expense)**	1.5	(1.7)	(2.2)	(188.2)%	(168.2)%
<b>Underlying profit before tax</b>	<b>50.0</b>	<b>51.9</b>	<b>68.1</b>	<b>(3.7)%</b>	<b>(26.6)%</b>
Reported profit before tax	53.1	48.3	79.1	9.9%	(32.9)%
Tax	(4.9)	(3.4)	(3.4)	44.1%	44.1%
<b>Reported profit after tax</b>	<b>48.2</b>	<b>44.9</b>	<b>75.7</b>	<b>7.3%</b>	<b>(36.3)%</b>

\* 2022 total expenses, total expenses (excluding exceptional expenses), EBITDA, underlying EBITDA, underlying FRE, underlying operating profit and reported operating profit has been restated to exclude non-operating foreign exchange gains/losses.

\*\* 2022 net other income/(expense) and net other income/(expense) (excluding exceptional net finance expense) has been restated to include non-operating foreign exchange gains/losses.

The Group's consolidated income statement has two key components: the first is the income generated from management and other fees, which are from long-term fund management contracts. The second component is the variable income from investments in funds and carried interest. Management fee income plus other operating income less costs is expressed as Fee Related Earnings ("FRE"). Underlying FRE excludes exceptional expenses and bonuses linked to investment returns. Profits from co-investment and carried interest together with FRE form the EBITDA of the business.

Exceptional items are items of income or expense that are material by size or nature and are not considered to be incurred in the normal course of business. Exceptional items are classified as "exceptional" within the Group Consolidated Statement of Profit or Loss are disclosed separately to give a clearer presentation of the Group's results. In the six month periods ended 30 June 2023, 30 June 2022 and 31 December 2022, exceptional expenses were recognised relating to the personnel costs in relation to the acquisition of the EQT Credit business and costs incurred in relation to potential acquisitions.

Underlying profit before tax excludes the aforementioned expenses and also certain non-operating other income and expenses which have also been classified as exceptional. Exceptional net other income primarily includes the reduction in the estimated deferred contingent consideration payable to EQT AB in the six months ended 30 June 2023 and six months ended 31 December 2022 for the acquisition of the EQT Credit business, which is determined by the outcome of certain fundraising that falls within the definitions in the transaction documents (rather than total fundraising). Further explanation is included within note 6(a) of the interim financial statements (see page 32).

## Total operating income

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Management and other fees	124.6	100.9	140.6	23.5%	(11.4)%
Carried interest	6.4	14.0	10.2	(54.3)%	(37.3)%
Fair value remeasurement of investments	6.3	24.7	16.0	(74.5)%	(60.6)%
Other operating income	0.5	0.5	0.5	0.0%	0.0%
<b>Total operating income</b>	<b>137.8</b>	<b>140.1</b>	<b>167.3</b>	<b>(1.6)%</b>	<b>(17.6)%</b>

Total operating income was £137.8 million for the first six months ended 30 June 2023 compared with £140.1 million for the comparative period in 2022 and £167.3 million in the six months ended 31 December 2022.

Management and other fees increased by £23.7 million, or 24%, from £100.9 million for the six months ended 30 June 2022. Fees for the six months ended 30 June 2023 were £16.0 million lower than the six month period ended 31 December 2022. Management and other fees by reporting segment is split out below:

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Private equity	95.8	76.7	111.1	24.9%	(13.8)%
Credit	27.0	22.7	28.1	18.9%	(3.9)%
Central	1.8	1.5	1.4	20.0%	28.6%
<b>Management and other fees</b>	<b>124.6</b>	<b>100.9</b>	<b>140.6</b>	<b>23.5%</b>	<b>(11.4)%</b>

The increase in fees compared to the six month period to 30 June 2022 is principally due to the start of fees from BE VII plus fees on increased levels of invested capital in BDL III and BCO IV, and related separately managed accounts, in the Credit business. These increases are partially offset by reduced fees on older funds, which are in their divestment phase, where fees are based upon the remaining invested capital and reduce when investments are sold. Fees have reduced compared to the six months to 31 December 2022, due to the impact of late fees for BE VII for the stub period from May 2022 and the impact of a reduction of fees on older funds.

Taken together, investment returns from carried interest and co-investments was £12.7 million compared to £38.7 million in the six month period ended 30 June 2022 and £26.2 million in the six month period ended 31 December 2022 due to modest changes to fund valuations and a slower period for exits.

## Operating expenses

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Personnel expenses	(61.0)	(60.9)	(64.9)	0.2%	(6.0)%
Other operating expenses	(21.2)	(18.0)	(24.4)	17.8%	(13.1)%
<b>Total expenses before exceptional expenses</b>	<b>(82.2)</b>	<b>(78.9)</b>	<b>(89.3)</b>	<b>4.2%</b>	<b>(8.0)%</b>
Exceptional expenses	(1.3)	(0.7)	(2.5)	85.7%	(48.0)%
<b>Total expenses</b>	<b>(83.5)</b>	<b>(79.6)</b>	<b>(91.8)</b>	<b>4.9%</b>	<b>(9.0)%</b>

Personnel expenses (excluding exceptional expenses) of £61.0 million were flat compared to the period ended 30 June 2022, reflecting timing of replacement hires for natural attrition and a deliberate phasing of investment team hires to match fundraising progress.

Personnel expenses were £3.9 million lower than the six months ending 31 December 2022, reflecting a lower bonus accrual associated with lower investment income recognised in the period. The final annual bonus for 2023 will reflect the achievement of fundraising and exit targets.

Personnel expenses (excluding exceptional expenses) as a percentage of total operating income were 44% for the six month period ended 30 June 2023, compared to 43% for the six months ended 30 June 2022 and 39% for the six months ended 31 December 2022.

# CFO statement *continued*

Other operating expenses (excluding exceptional expenses) of £21.2 million are £3.2 million higher than the six months to 30 June 2022 due to the operating costs on the Group's new London headquarters, 5 Marble Arch, and fundraising costs associated with BE VII. In comparison to the six month period ended 31 December, other operating expenses have decreased by £3.2 million due to a fall in professional fees incurred, which related to amounts paid in relation to the expansion of the Group's regulatory footprint and higher than normal premises costs during the second half of 2022 on the transfer to 5 Marble Arch.

Other operating expenses (excluding exceptional expenses) as a percentage of total operating income are 15% which compares to 13% in the equivalent period in 2022 and 15% for the six months ended 31 December 2022.

Foreign exchange losses of £0.3 million have been included within other income/expenses on the basis that they relate predominantly to non-operating activity. The comparative periods have been restated accordingly (£0.6 million gain for the six months ended 30 June 2022 and £0.5 million gain for the six months ended 31 December 2022).

## EBITDA

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022*	Six months ended 31 December 2022*	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
<b>Underlying EBITDA</b>	<b>55.6</b>	61.2	78.0	(9.2)%	(28.7)%
Exceptional expenses within EBITDA	(1.3)	(0.7)	(2.5)	85.7%	(48.0)%
<b>EBITDA</b>	<b>54.3</b>	<b>60.5</b>	<b>75.5</b>	<b>(10.2)%</b>	<b>(28.1)%</b>

\* 2022 EBITDA and underlying EBITDA have been restated to exclude non-operating foreign exchange gains/(losses).

Underlying EBITDA reduced to £55.6 million in the six months ended 30 June 2023, excluding exceptional expenses. Whilst management and other fees were higher than the comparative period in 2022, investment returns were lower. Investment returns were also a feature of the lower underlying EBITDA compared to the six months ended 31 December 2022.

## Depreciation and amortisation

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H2 22 (%)	Change H1 23 vs H1 22 (%)
Depreciation	(7.1)	(7.6)	(7.7)	(6.6)%	(7.8)%
Amortisation of intangible assets	(1.5)	(1.5)	(1.5)	0.0%	0.0%
<b>Total depreciation and amortisation</b>	<b>(8.6)</b>	<b>(9.1)</b>	<b>(9.2)</b>	<b>(5.5)%</b>	<b>(6.5)%</b>

Depreciation and amortisation decreased from £9.1 million in the six months to 30 June 2022 to £8.6 million in the six months ended 30 June 2023. Compared to the six months ended 31 December 2022, the expense decreased by £0.6 million. This reduction is due to the cessation of legacy leases in London following the move to 5 Marble Arch.

The amortisation of intangibles acquired with the EQT Credit business (fund customer relationships) of £1.5 million have been excluded from the adjusted profitability measures for all periods in order to enable a clearer analysis of underlying profitability.



## Other income and expenses

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022*	Six months ended 31 December 2022*	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
<b>Net other income/(expense), excluding exceptional items</b>	<b>1.5</b>	(1.7)	(2.2)	(188.2)%	(168.2)%
Exceptional net other income/(expense)	5.9	(1.4)	15.0	(521.4)%	(60.7)%
<b>Net other income/(expense), including exceptional items</b>	<b>7.4</b>	(3.1)	12.8	(338.7)%	(42.2)%

\* 2022 net other income/(expense) has been restated to include non-operating foreign exchange gains/(losses).

Net other income/(expense), excluding exceptional items, was £1.5 million of income compared to an expense of £1.7 million for the six months ended 30 June 2022 and an expense of £2.2 million for the six months ended 31 December 2022. These movements are principally due to increased interest income from cash on deposit.

Exceptional net other income primarily includes the reduction in the estimated deferred contingent consideration payable to EQT AB for the acquisition of the EQT Credit business, which is determined by the outcome of certain fundraising that falls within the definitions in the transaction documents (rather than total fundraising for the Private Credit strategy). Further explanation is included within note 6(a) of the interim financial statements (see page 32). The income is partially offset by the unwind of the discount on the corresponding payable.

## Profit before tax

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
<b>Underlying profit before tax</b>	<b>50.0</b>	51.9	68.1	(3.7)%	(26.6)%
Exceptional expenses	(1.3)	(0.7)	(2.5)	85.7%	(48.0)%
Exceptional net other income/(expense)	5.9	(1.4)	15.0	(521.4)%	(60.7)%
Amortisation of intangible assets	(1.5)	(1.5)	(1.5)	0.0%	0.0%
<b>Reported profit before tax</b>	<b>53.1</b>	48.3	79.1	9.9%	(32.9)%
Underlying profit before tax margin	<b>36.3%</b>	37.0%	40.7%	(0.7)%	(3.7)%

Underlying profit before tax of £50.0 million represents a 36.3% margin, which compares 37.0% for the six months ended 30 June 2022 and 40.7% for the six months ended 31 December 2022.

Underlying profit before tax is £1.9 million lower than the six months ended 30 June 2022 and £18.1 million lower than the six months ended 31 December 2022 due to lower investment returns.

Reported profit before tax of £53.1 million increased by £4.8 million from £48.3 million in the six months ended 30 June 2022 and compares to £79.1 million in the six months ended 31 December 2022.

## Tax

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
<b>Tax</b>	<b>(4.9)</b>	(3.4)	(3.4)	44.1%	44.1%
<b>Profit after tax</b>	<b>48.2</b>	44.9	75.7	7.3%	(36.3)%

Tax of £4.9 million represents an effective rate of 9.2% compared to 7.0% in the six months ended 30 June 2022 and 5.4% for the full year ended 31 December 2022. The Group has a lower effective tax rate than the UK statutory rate. This is largely driven by timing differences on the taxation of management fee income and significant tax loss carry-forwards in the UK where certain forms of income are not subject to UK corporation tax.

Profit after tax for the six month period ended 30 June 2023 was £48.2 million, which compares to £44.9 million for the six month period to 30 June 2022 and £75.7 million for the six month period to 31 December 2022, reflecting the reduced EBITDA from investment income.

# CFO statement *continued*

## Earnings per share and dividend per share

£ pence	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 31 December 2022	Change H1 23 vs H1 22 (%)	Change H1 23 vs H2 22 (%)
Reported pro forma earnings per share	5.9	5.5	9.3	7.3%	(36.3)%
Underlying pro forma earnings per share	5.6	6.0	8.0	(6.6)%	(30.0)%
Pro forma interim dividend per share	4.4	4.0	4.0	9.0%	9.0%

Reported pro forma earnings per share increased by 0.4 pence to 5.9 pence per share compared with the six month period ended 30 June 2022, which is reflective of the higher statutory profit after tax, whereas underlying pro forma earnings per share fell share fell by 0.4 pence per share, reflecting the slight decline in underlying earnings, which excludes the exceptional net other income recognised in the six months ended 30 June 2023.

For the year ended 31 December 2022, the Directors proposed a final dividend of 4.0 pence per share. The cost of the dividend was £32.7 million. The Directors have announced an interim dividend of 4.4 pence per share, in respect of the first half of 2023 to be paid in September 2023. This equates to an estimated cost of £35.7 million based on the number of shares in issue at 30 June 2023, but the actual cost will depend upon the number of shares in issue when the dividend is paid.

## Consolidated balance sheet

Summarised consolidated balance sheet £ million	As at 30 June 2023	As at 31 December 2022	Change (%)
<b>Assets</b>			
Non-current assets	565.2	540.0	4.7%
Current assets	1,376.8	1,247.8	10.3%
<b>Total Assets</b>	<b>1,942.0</b>	<b>1,787.8</b>	<b>8.6%</b>
<b>Liabilities</b>			
Non-current liabilities	962.5	757.1	27.1%
Current liabilities	220.0	258.0	(14.7)%
<b>Total Liabilities</b>	<b>1,182.5</b>	<b>1,015.1</b>	<b>16.5%</b>
<b>Net Assets</b>	<b>759.5</b>	<b>772.7</b>	<b>(1.7)%</b>
<b>Equity</b>			
Share capital and premium	289.9	289.9	0.0%
Other reserves	10.8	9.1	18.7%
Retained earnings	458.8	473.7	(3.1)%
<b>Total Equity</b>	<b>759.5</b>	<b>772.7</b>	<b>(1.7)%</b>

Net assets principally comprise cash and term deposits, the fair value of investments and carried interest receivable from private equity and credit funds and goodwill arising from the acquisition of the EQT Credit business.

The Group's total assets and liabilities increased by £154.2 million and £167.4 million respectively due to an increase in CLO assets and liabilities consolidated as at 30 June 2023, which now includes CLO 4, following its format launch. This increase is offset by bonuses and dividends paid and the cash paid for the share buy backs in the period.

Non-current assets increased by 4.7% from £540.0 million at 31 December 2022 to £565.2 million at 30 June 2023. Current assets increased by 10.3% from £1,247.8 million at 31 December 2022 to £1,376.8 million. The changes in non-current and current assets are primarily due to the impact of the build up of the CLO 4 portfolio following its formal launch.

At 30 June 2023, the Group had cash of £258.4 million (including amounts in term deposits, but excluding cash belonging to consolidated CLOs). The Group had no debt, but has the use of a new Revolving Credit Facility for up to £200 million for a period of three years until May 2026.

Non-current liabilities increased from £757.1 million at 31 December 2022 to £962.5 million at 30 June 2023, primarily due to consolidation of the additional CLO vehicle. Current liabilities decreased by 14.7% from £258.0 million at 31 December 2022 to £220.0 million at 30 June 2023, primarily due to the payment of annual bonuses in March 2023. Excluding the impact of consolidated CLOs, non-current liabilities increased by 3% due to an increase in deferred tax liability.

Total equity reduced by 1.7% due to the impact of the final dividend for 2022 and the Share Buyback Programme, offset by profits.

The consolidated balance sheet includes the assets and liabilities of certain CLOs which are required under IFRS to be presented gross on the balance sheet. This could distort how a reader of the financial statements interprets the balance sheet of the Group. A summarised consolidated balance sheet, excluding third-party CLO assets and liabilities, is included below. The Group's maximum exposure to loss associated with its interest in the CLOs is limited to its investment in the relevant CLOs which at 30 June 2023 was £75.0 million and at 31 December 2022 was £60.3 million.

Summarised consolidated balance sheet (excluding third party CLO assets and liabilities) <sup>1</sup> £ million	As at 30 June 2023	As at 31 December 2022	Change (%)
Total Assets (excluding third-party CLO assets)	<b>1,023.3</b>	1,067.1	(4.1)%
Total Liabilities (excluding third-party CLO liabilities)	<b>263.8</b>	294.4	(10.4)%
Net Assets (excluding third-party CLO assets and liabilities)	<b>759.5</b>	772.7	(1.7)%

1. A full consolidated balance sheet excluding third-party CLO assets and liabilities is included on page 45.

CFO statement *continued*

## Consolidated cash flows

Summarised consolidated cash flow statement £ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Change (%)
Net cash flows from operating activities	74.9	(33.7)	(322.3)%
Net cash flows from investing activities	(133.8)	(65.5)	104.3%
Net cash flows from financing activities	129.0	(38.2)	(437.7)%
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>70.1</b>	<b>(137.4)</b>	<b>(151.0)%</b>
Total cash and cash equivalents at beginning of the period	220.6	327.3	15.6%
Effect of exchange rate changes	(1.6)	1.0	(260.0)%
<b>Total cash and cash equivalents at the end of the period</b>	<b>289.1</b>	<b>190.9</b>	<b>51.4%</b>
of which: cash and cash equivalents at the end of the period (for use within the Group)	258.4	139.3	85.5%
of which: CLO cash (restricted for use within relevant CLO)	30.7	51.6	(40.5)%
<b>Total cash and cash equivalents at the end of the period</b>	<b>289.1</b>	<b>190.9</b>	<b>51.4%</b>

Net cash flows from operating activities for the six months ended 30 June 2023 was an inflow of £74.9 million. The inflow was due to the receipt of deferred proceeds from the sale of the Group's investment in Bridgepoint Credit II, the conversion of FRE and positive net working capital movements offset against payment of annual bonuses in March 2023.

Net cash flows from investing activities, including carried interest and investment income proceeds, is driven by the timing of investments and divestments by the underlying Bridgepoint funds. Net outflows from investments in the six months ended 30 June 2023 included the impact of the launch of CLO 4, which is consolidated, and resulted in a cash outflow of £204.4 million. Net investment into Bridgepoint funds as a co-investor and other investors resulted in a cash outflow of £30.4 million. For the six months ended 30 June 2023 cash inflows from investing activities also include a receipt of £100m redeemed from cash held in term deposits with an original maturity of more than three months.

Net cash inflows from financing activities for the six months ended 30 June 2023 of £129.0 million primarily relate to net inflow of CLO cash from investors in CLO 4 (which is consolidated) of £185.2m, offset by dividends paid to shareholders, as well as payments to acquire shares as part of the Share Buyback Programme.

At 30 June 2023 the Group had £30.7 million of consolidated CLO cash which was held by the consolidated CLO vehicles, legally ringfenced and not available for use by the Group. The consolidated cash flow statement includes the gross cash inflows and outflows for the period to, and cash held at 30 June 2023 for those CLOs which are required to be consolidated. This could distort how a reader of the financial statements interprets the cash flows of the Group, therefore a cash flow statement without the consolidated CLO vehicles is presented below.

Summarised consolidated cash flow statement (excluding cash flows relating to consolidated CLOs) <sup>1</sup> £ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Change (%)
Net cash flows from operating activities (excluding consolidated CLOs)	74.9	(33.7)	(322.3)%
Net cash flows from investing activities (excluding consolidated CLOs)	54.9	(117.3)	(146.8)%
Net cash flows from financing activities (excluding consolidated CLOs)	(66.8)	(33.8)	97.6%
<b>Net increase in cash and cash equivalents (excluding consolidated CLOs)</b>	<b>63.0</b>	<b>(184.8)</b>	<b>(134.1)%</b>
Cash and cash equivalents at beginning of the period (excluding consolidated CLOs)	196.0	323.1	(39.3)%
Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs)	(0.6)	1.0	(160.0)%
<b>Cash and cash equivalents at the end of the period (excluding consolidated CLOs)</b>	<b>258.4</b>	<b>139.3</b>	<b>85.5%</b>
Add back: investment in term deposits with original maturities of more than three months	–	100.0	(100.0)%
<b>Net cash at the end of the period (excluding consolidated CLOs)</b>	<b>258.4</b>	<b>239.3</b>	<b>8.0%</b>

<sup>1</sup>A full condensed consolidated cash flow statement excluding third-party CLO assets and liabilities is included on page 46.



# Alternative Performance Measures (APMs)

## The use of APMs

This interim report includes several measures which are not defined or recognised under IFRS, including financial and operating measures relating to the Group which the Group considers to be APMs. These are reconciled to the IFRS results for the six month period in the table below.

**EBITDA** Earnings before interest, taxes, depreciation and amortisation. It is calculated by reference to total operating income and deducting from it, or adding to it, as applicable, personnel expenses and other expenses.

**Underlying EBITDA** Calculated by excluding exceptional items from EBITDA. Exceptional items are items of income or expense that are material by size and/or nature, are not considered to be incurred in the normal course of business and are not expected to reoccur. A breakdown is included within note 4 to the condensed consolidated financial statements.

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022*
EBITDA	54.3	60.5
Add back: exceptional items	1.3	0.7
<b>Underlying EBITDA</b>	<b>55.6</b>	<b>61.2</b>

**Underlying EBITDA margin** Underlying EBITDA as a percentage of total operating income.

**Underlying FRE** Underlying EBITDA less carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits.

£ million	Six months ended 30 June 2023	Six months ended 30 June 2022*
Underlying EBITDA	55.6	61.2
Less: carried interest and income from fair value of investments	(12.7)	(38.7)
Add back: investment linked bonuses	–	–
<b>Underlying FRE</b>	<b>42.9</b>	<b>22.5</b>

**Underlying FRE margin** Underlying FRE as a percentage of total operating income, excluding carried interest and income from the fair value remeasurement of investments.

**Underlying profit before tax** Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before tax.

Underlying profit before tax (£m)	Six months ended 30 June 2023	Six months ended 30 June 2022
Profit before tax	53.1	48.3
Add back: exceptional items within EBITDA	1.3	0.7
Add back: amortisation of intangible assets	1.5	1.5
Less/add-back: exceptional net other income/(expense)	(5.9)	1.4
<b>Total underlying profit before tax</b>	<b>50.0</b>	<b>51.9</b>

\* 2022 EBITDA and FRE have been restated to exclude non-operating foreign exchange gains/losses.

# Alternative Performance Measures (APMs) *continued*

<b>Underlying profit before tax margin</b>	Underlying profit before tax as a percentage of total operating income.																											
<b>Underlying profit after tax</b>	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before tax.																											
<b>Underlying profit after tax margin</b>	Underlying profit after tax as a percentage of total operating income.																											
<b>Underlying pro forma basic and diluted earnings per share</b>	Calculated by dividing underlying profit after tax by the number of shares in issue as at 30 June 2023 including the impact of the Share Buyback Programme.																											
	<table border="1"> <thead> <tr> <th>£ million</th> <th>Six months ended 30 June 2023</th> <th>Six months ended 30 June 2022</th> </tr> </thead> <tbody> <tr> <td>Profit after tax</td> <td>48.2</td> <td>44.9</td> </tr> <tr> <td>Add back: exceptional items within EBITDA</td> <td>1.3</td> <td>0.7</td> </tr> <tr> <td>Add back: amortisation of intangible assets</td> <td>1.5</td> <td>1.5</td> </tr> <tr> <td>Less/add back: exceptional net other income/(expense)</td> <td>(5.9)</td> <td>1.4</td> </tr> <tr> <td>Add back: tax</td> <td>0.2</td> <td>–</td> </tr> <tr> <td>Total underlying profit after tax</td> <td>45.3</td> <td>48.5</td> </tr> <tr> <td>Pro forma number of shares (m)</td> <td>810.3</td> <td>810.3</td> </tr> <tr> <td><b>Underlying pro forma basic and diluted EPS (pence)</b></td> <td><b>5.6</b></td> <td>6.0</td> </tr> </tbody> </table>	£ million	Six months ended 30 June 2023	Six months ended 30 June 2022	Profit after tax	48.2	44.9	Add back: exceptional items within EBITDA	1.3	0.7	Add back: amortisation of intangible assets	1.5	1.5	Less/add back: exceptional net other income/(expense)	(5.9)	1.4	Add back: tax	0.2	–	Total underlying profit after tax	45.3	48.5	Pro forma number of shares (m)	810.3	810.3	<b>Underlying pro forma basic and diluted EPS (pence)</b>	<b>5.6</b>	6.0
£ million	Six months ended 30 June 2023	Six months ended 30 June 2022																										
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<b>Underlying pro forma basic and diluted EPS (pence)</b>	<b>5.6</b>	6.0																										
<b>Fee Paying AUM</b>	<p>Assets under management upon which management fees are charged by the Group, including CLOs. For all funds with private equity strategies and the Bridgepoint Credit Opportunities funds I to III, Fee Paying AUM is either based on total commitments (during the commitment period) or on net invested capital (normally during the post-commitment period).</p> <p>For the Bridgepoint Direct Lending funds, Bridgepoint Syndicated Debt funds and Bridgepoint Credit Opportunities IV and expected future funds, Fee Paying AUM is based on net invested capital throughout the life of the fund.</p> <p>Credit fee paying AUM includes separately managed accounts (SMAs) relating to the direct lending and credit opportunities strategies.</p>																											
<b>Total AUM</b>	The total value of unrealised assets as of the relevant date (as determined pursuant to the latest quarterly or semi-annual valuation for each Bridgepoint Fund conducted by the Group) plus undrawn commitments managed by the Group, inclusive of SMAs and co-investment vehicles. The valuations for Total AUM come from the Group's valuations of the investments of the Bridgepoint funds.																											
<b>Management fee margin on Fee Paying AUM</b>	The underlying management fee rate in the Bridgepoint funds, excluding co-investment vehicles, calculated as the weighted average management fee rate for all Bridgepoint funds contributing to Fee Paying AUM as at the end of the accounting period.																											

# Required disclosures

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## Principal risks

The Group believes that risk management is a fundamental part of robust corporate governance and our ongoing success.

Details of the Group's response to risk management is set out within pages 78 to 83 of the 2022 Annual Report and Accounts, which is available in the shareholder section of the Bridgepoint Group plc website: [bridgepoint.eu](https://www.bridgepoint.eu)

The principal risks within the 2022 Annual Report and Accounts include: fundraising challenges, law and regulation, changes in macroeconomic environment, fund under-performance, decreased pace or size of investments made by Bridgepoint funds, personnel and key people, information technology and cyber security, and third-party service providers. The directors do not consider there to have been any material changes to the principal risks since the 2022 Annual Report and Accounts were published.

The principal risks and uncertainties to which the Group will be exposed in the second half of 2023 are expected to be substantially the same as those described in the 2022 Annual Report and Accounts.

## Directors

The directors of Bridgepoint Group plc at 25 July 2023 are:

- William Jackson
- Archie Norman
- Adam Jones
- Angeles Garcia-Poveda
- Carolyn McCall
- Tim Score
- Cyrus Taraporevala

## Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements:

- Have been prepared in accordance with UK-adopted International Accounting Standard 34 "Interim Financial Reporting", and give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- Include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7, namely important events that have occurred during the first six months of the financial period and their impact on the interim financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Include, as required by Disclosure Guidance and Transparency Rule 4.2.8, a fair review of material related party transactions that have taken place in the first six months of the financial period and any material changes to the related party transactions described in the last Annual Report and Accounts.

On behalf of the Board



**Adam Jones**

Group Chief Financial Officer & Chief Operating Officer

25 July 2023

# Independent Review Report to Bridgepoint Group plc

## Conclusion

We have been engaged by Bridgepoint Group plc (the “Company”) to review the financial information for the six months ended 30 June 2023 which comprises the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 14.

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

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

## Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 (Revised), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued for use in the United Kingdom. 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.

As disclosed in note 1, the annual financial statements are prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

## 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 of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management 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 (Revised), however future events or conditions may cause the entity to cease to continue as a going concern.

## Responsibilities of directors

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority, which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the Company’s annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the interim financial report, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Our responsibilities for the review of the financial information

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

## Use of the review report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter dated 13 July 2023. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

## Mazars LLP

Chartered Accountants

30 Old Bailey

London

EC4M 7AU

25 July 2023

Notes:

1. The maintenance and integrity of the Bridgepoint Group plc web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

# Condensed Consolidated Statement of Profit or Loss

for the six months ended 30 June

	Note	2023 £m	(Restated) 2022 £m
Management and other fees		124.6	100.9
Carried interest		6.4	14.0
Fair value remeasurement of investments		6.3	24.7
Other operating income		0.5	0.5
<b>Total operating income</b>		<b>137.8</b>	<b>140.1</b>
Personnel expenses	3	(61.3)	(61.5)
Other operating expenses		(22.2)	(18.1)
<b>EBITDA*</b>		<b>54.3</b>	<b>60.5</b>
Depreciation and amortisation	5	(8.6)	(9.1)
Other income	6	10.9	1.1
Other expenses	6	(3.5)	(4.2)
<b>Profit before tax*</b>		<b>53.1</b>	<b>48.3</b>
Tax	7	(4.9)	(3.4)
<b>Profit after tax</b>		<b>48.2</b>	<b>44.9</b>
<b>Attributable to:</b>			
Equity holders of the parent		48.2	44.9
		£	£
Basic and diluted earnings per share	8	0.06	0.05

\* Exceptional expenses of £1.3m (2022: £0.7m) are included in EBITDA. Profit before tax includes exceptional expenses of £1.3m (2022: £2.1m) and exceptional income of £5.9m (2022: nil). Details of exceptional items are included in note 4 on page 31.

\*\* The Group has changed the presentation of the Condensed Consolidated Statement of Profit or Loss for the six months ended 30 June 2022 to reclassify foreign exchange gains/losses from EBITDA to other income/expenses with nil impact in profit before tax or profit after tax. Further details are provided in note 1 on page 28.

The notes to the accounts form an integral part of these interim financial statements.

# Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June

	Note	2023 £m	2022 £m
<b>Profit after tax</b>		<b>48.2</b>	44.9
<b>Items that may be reclassified to the statement of profit or loss in subsequent periods:</b>			
Exchange differences on translation of foreign operations		(8.7)	6.2
Change in the fair value of hedging instruments		8.8	(11.3)
Reclassifications to the Condensed Consolidated Statement of Profit or Loss		2.2	2.2
Total tax on components of other comprehensive income		(2.5)	2.1
Other comprehensive expense net of tax		(0.2)	(0.8)
<b>Total comprehensive income net of tax</b>		<b>48.0</b>	44.1
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		48.0	44.1

The notes to the accounts form an integral part of these interim financial statements.



# Condensed Consolidated Statement of Financial Position

	Note	30 June 2023 £m	31 December 2022 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		84.5	85.5
Goodwill and intangible assets		118.1	119.6
Carried interest receivable	9	47.1	42.0
Fair value of fund investments	10 (a)	296.8	273.0
Trade and other receivables	10 (a)	18.7	19.9
<b>Total non-current assets</b>		<b>565.2</b>	<b>540.0</b>
<b>Current assets</b>			
Consolidated CLO assets*	10 (a)	948.0	741.3
Trade and other receivables	10 (a)	120.0	184.9
Derivative financial assets	10 (a)	3.7	1.0
Other investments, at fair value	10 (a)	16.0	–
Cash and cash equivalents	10 (a)	258.4	196.0
Term deposits with original maturities of more than three months	10 (a)	–	100.0
Consolidated CLO cash*	10 (a)	30.7	24.6
<b>Total current assets</b>		<b>1,376.8</b>	<b>1,247.8</b>
<b>Total assets</b>		<b>1,942.0</b>	<b>1,787.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	10 (b)	13.7	13.6
Other financial liabilities	10 (b)	50.3	49.5
Fair value of consolidated CLO liabilities*	10 (b)	797.4	597.5
Lease liabilities	10 (b)	75.3	77.1
Deferred tax liabilities		25.8	19.4
<b>Total non-current liabilities</b>		<b>962.5</b>	<b>757.1</b>
<b>Current liabilities</b>			
Trade and other payables	10 (b)	83.0	115.5
Lease liabilities	10 (b)	11.3	6.1
Derivative financial liabilities	10 (b)	4.4	13.2
Consolidated CLO liabilities*	10 (b)	5.9	2.6
Consolidated CLO purchases awaiting settlement*	10 (b)	115.4	120.6
<b>Total current liabilities</b>		<b>220.0</b>	<b>258.0</b>
<b>Total liabilities</b>		<b>1,182.5</b>	<b>1,015.1</b>
<b>Net assets</b>		<b>759.5</b>	<b>772.7</b>
<b>Equity</b>			
Share capital	13 (a)	0.1	0.1
Share premium	13 (a)	289.8	289.8
Capital redemption reserve	13 (f)	–	–
Share-based payment reserve	13 (e)	3.0	3.6
Cash flow hedge reserve	13 (c)	2.1	(8.9)
Net exchange differences reserve	13 (d)	5.7	14.4
Retained earnings		458.8	473.7
<b>Total equity</b>		<b>759.5</b>	<b>772.7</b>

\* Detail of the Group's interest in consolidated CLOs are included in note 10. The equity holders' exposure in the consolidated CLOs is £60.0m at 30 June 2023 (31 December 2022: £45.2m). The Group's investment in CLOs which are not consolidated is £15.0m (31 December 2022: £15.1m) and are included within fair value of fund investments. A Condensed Consolidated Statement of Financial Position, excluding consolidated CLOs is presented on page 45.

The notes to the accounts form an integral part of these interim financial statements.

# Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Cash flow hedge reserve £m	Net exchange differences reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		0.1	289.8	–	3.6	(8.9)	14.4	473.7	772.7
Profit for the period		–	–	–	–	–	–	48.2	48.2
Other comprehensive income		–	–	–	–	11.0	(8.7)	(2.5)	(0.2)
<b>Total comprehensive income</b>		–	–	–	–	11.0	(8.7)	45.7	48.0
Share-based payments	3	–	–	–	2.2	–	–	–	2.2
Transfer of share-based payment reserve into retained earnings	13 (e)	–	–	–	(2.8)	–	–	2.8	–
Share buyback programme	13 (f)	–	–	–	–	–	–	(30.7)	(30.7)
Dividends	11	–	–	–	–	–	–	(32.7)	(32.7)
<b>At 30 June 2023</b>		<b>0.1</b>	<b>289.8</b>	<b>0.0</b>	<b>3.0</b>	<b>2.1</b>	<b>5.7</b>	<b>458.8</b>	<b>759.5</b>

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Cash flow hedge reserve £m	Net exchange differences reserve £m	Retained earnings £m	Total equity £m
At 1 January 2022		0.1	289.8	–	3.2	7.5	3.1	412.6	716.3
Profit for the period		–	–	–	–	–	–	44.9	44.9
Other comprehensive income		–	–	–	–	(9.1)	6.2	2.1	(0.8)
Total comprehensive income		–	–	–	–	(9.1)	6.2	47.0	44.1
Share-based payments	3	–	–	–	0.4	–	–	–	0.4
Dividends	11	–	–	–	–	–	–	(30.0)	(30.0)
At 30 June 2022		0.1	289.8	–	3.6	(1.6)	9.3	429.6	730.8

The notes to the accounts form an integral part of these interim financial statements.

# Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June

	Note	2023 £m	2022 £m
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	77.4	(32.6)
Tax paid		(2.5)	(1.1)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>74.9</b>	<b>(33.7)</b>
<b>Cash flows from investing activities</b>			
Investment in term deposits with original maturities of more than three months	10 (a)	100.0	(100.0)
Receipts from investments (non-CLO)		6.4	28.3
Purchase of investments (non-CLO)		(21.3)	(22.7)
Purchase of other investments (non-CLO)		(14.3)	–
Interest received (non-CLO)		1.6	0.5
Payments for property, plant and equipment		(2.0)	(12.0)
Acquisition of CLOs		(15.5)	(11.4)
Receipts from investments (consolidated CLOs)		117.5	76.0
Purchase of investments (consolidated CLOs)		(306.2)	(81.0)
Cash movements from the consolidation of CLOs		–	56.8
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(133.8)</b>	<b>(65.5)</b>
<b>Cash flows from financing activities</b>			
Exceptional transaction costs		–	(2.2)
Dividends paid to shareholders of the Company	11	(32.7)	(30.0)
Share buyback		(30.7)	–
Drawings from related party investors in intermediate fund holding entities		–	3.5
Principal elements of lease payments		(1.0)	(2.8)
Drawn funding (consolidated CLOs)		26.1	–
Repayment of CLO borrowings (consolidated CLOs)		(101.7)	(4.4)
Cash from CLO investors (consolidated CLOs)		271.4	–
Interest paid (non-CLO)		(2.4)	(2.3)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>129.0</b>	<b>(38.2)</b>
Net increase/(decrease) in cash and cash equivalents		<b>70.1</b>	<b>(137.4)</b>
Total cash and cash equivalents at the beginning of the period		<b>220.6</b>	<b>327.3</b>
Effect of exchange rate changes on cash and cash equivalents		<b>(1.6)</b>	<b>1.0</b>
<b>Total cash and cash equivalents at the end of period</b>		<b>289.1</b>	<b>190.9</b>
Cash and cash equivalents (for use within the Group)	10 (a)	258.4	139.3
Consolidated CLO cash (restricted for use within relevant CLO)	10 (a)	30.7	51.6
<b>Total cash and cash equivalents at the end of period</b>		<b>289.1</b>	<b>190.9</b>

1. The Condensed Consolidated Statement of Cash Flows includes the cash flows of consolidated CLOs. A Condensed Consolidated Statement of Cash Flows excluding the impact of consolidating CLOs is included on page 46.

The notes to the accounts form an integral part of these interim financial statements.

# Notes to the condensed consolidated interim financial statements

## 1 General information and basis of preparation

### General information

Bridgepoint Group plc (the “Company”) is a public company limited by shares, incorporated, domiciled and registered in England and Wales. The Company’s registration number is 11443992 and the address of its registered office is 5 Marble Arch, London, W1H 7EJ.

The principal activity of the Company and entities controlled by the Company (collectively, the “Group”) is to act as a private equity and credit fund manager.

### Basis of preparation

The condensed consolidated interim financial statements (“interim financial statements”) for the six months ended 30 June 2023 have been prepared in accordance with UK-adopted IAS 34 “Interim Financial Reporting” and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

The interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2022 including the statutory accounts for the year to 31 December 2022 (the “2022 financial statements”). The Group’s accounting policies, areas of significant judgement and the key sources of estimation uncertainty are consistent with those applied to the 2022 financial statements.

The financial information contained within this half year financial report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The 2022 financial statements have been reported on by Mazars 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. Financial information dated 30 June 2023 and comparative financial information dated 30 June 2022 has not been audited, while comparative financial information dated 31 December 2022 has been audited as part of the 2022 financial statements unless noted.

The consolidated financial statements of Bridgepoint Group plc and entities controlled by the Company for the year ended 31 December 2022 were prepared in accordance with UK-adopted International Accounting Standards (“IAS”) and the legal requirements of the Companies Act 2006 and have been prepared under the historical cost convention, except for financial instruments measured at fair value and are available on the Group’s website: [www.bridgepoint.eu](http://www.bridgepoint.eu). The 2023 financial statements will be prepared in a consistent manner.

### Future accounting developments

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. No other standards or interpretations have been issued that are expected to have a material impact on the Group’s interim financial statements.

### Change to comparative period financial information

The following change has been made to the comparative period presented within these financial statements:

- The presentation of foreign exchange gains has been changed in the Condensed Consolidated Statement of Profit or Loss as it primarily relates to non-operating activities. As a result the comparative information for the affected line items for the six months ended 30 June 2022 has been restated to reclassify foreign exchange gains of £0.6m into other income. The restatement will also impact the prior period EBITDA and FRE subtotals throughout the report but there is no impact on net profit in either period.

### Related party transactions

All related party transactions that took place in the six months ended 30 June 2023 are consistent in nature with the disclosures in note 25 to the 2022 financial statements. There have been no material changes to the nature or size of related party transactions since 31 December 2022.

## 2 Operating segments

Operating segments are the components of the Group whose results are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Executive Directors are considered to be the chief operating decision maker of the Group, which is divided into operating segments based on how key management reviews and evaluates the operation and performance of the business.

The Group's operations are divided into two groups, the core business, consisting of the Private Equity and Private Credit fund management and associated Central support, and Other. Other includes the Group's procurement consulting business, PEPCO Services LLP, and costs relating to strategic projects.

The Group's core operations are divided into two business segments: Private Equity and Private Credit. The operations of both business segments consist of providing investment management services to the underlying funds and their investors. The investment management services comprise of identification and structuring of new investments, the monitoring of investments and the sale and exit from investments. The two business segments are supported by the Central support functions which include investor relations, head office, finance, human resources, IT and marketing.

In 2022 certain investor relations and legal related costs were reclassified to Central from Credit reflecting team restructuring.

### Segmental income and profit before tax analysis

The Executive Directors assess the operating segments based on the line items below, primarily on operating income and underlying EBITDA. The EBITDA for each segment, together with depreciation and amortisation and net other income or expenses forms profit before tax. Depreciation and amortisation, net other income or expense and exceptional expenses are not allocated to operating segments and are included in the Group total.

Six months ended 30 June 2023	Private Equity £m	Private Credit £m	Central £m	Total Core £m	Total Other £m	Total Group £m
Management and other fees	95.8	27.0	1.8	124.6	–	124.6
Carried interest	6.4	–	–	6.4	–	6.4
Fair value remeasurement of investments	4.9	1.4	–	6.3	–	6.3
Other operating income	–	–	–	–	0.5	0.5
<b>Total operating income</b>	<b>107.1</b>	<b>28.4</b>	<b>1.8</b>	<b>137.3</b>	<b>0.5</b>	<b>137.8</b>
Personnel expenses	(34.1)	(10.7)	(15.7)	(60.5)	(0.5)	(61.0)
Other operating expenses	(8.1)	(4.1)	(8.9)	(21.1)	(0.1)	(21.2)
<b>Underlying EBITDA (excluding exceptional expenses)</b>	<b>64.9</b>	<b>13.6</b>	<b>(22.8)</b>	<b>55.7</b>	<b>(0.1)</b>	<b>55.6</b>
Exceptional expenses						(1.3)
<b>EBITDA (including exceptional expenses)</b>						<b>54.3</b>
Depreciation and amortisation						(8.6)
Other income and expenses						7.4
<b>Profit before tax</b>						<b>53.1</b>
Six months ended 30 June 2022 (Restated)	Private Equity £m	Private Credit £m	Central £m	Total Core £m	Total Other £m	Total Group £m
Management and other fees	76.6	22.8	1.5	100.9	–	100.9
Carried interest	14.0	–	–	14.0	–	14.0
Fair value remeasurement of investments	22.8	1.9	–	24.7	–	24.7
Other operating income	–	–	–	–	0.5	0.5
<b>Total operating income</b>	<b>113.4</b>	<b>24.7</b>	<b>1.5</b>	<b>139.6</b>	<b>0.5</b>	<b>140.1</b>
Personnel expenses	(30.6)	(11.5)	(18.3)	(60.4)	(0.5)	(60.9)
Other operating expenses	(5.5)	(3.8)	(8.6)	(17.9)	(0.1)	(18.0)
<b>Underlying EBITDA (excluding exceptional expenses)</b>	<b>77.3</b>	<b>9.4</b>	<b>(25.4)</b>	<b>61.3</b>	<b>(0.1)</b>	<b>61.2</b>
Exceptional expenses						(0.7)
<b>EBITDA (including exceptional expenses)</b>						<b>60.5</b>
Depreciation and amortisation						(9.1)
Other income and expenses						(3.1)
<b>Profit before tax</b>						<b>48.3</b>

# Notes to the condensed consolidated interim financial statements *continued*

## Assets and liabilities analysis

The Group's Condensed Consolidated Statement of Financial Position is managed as a single unit rather than by segment. The only distinction for the business segments relates to the Group's investments in funds, carried interest receivable and other investments, which can be split between Private Equity and Private Credit (split between that attributable to the Group and to third party investors).

	30 June 2023 £m	31 December 2022 £m
<b>Investments</b>		
Private equity	256.6	241.3
Private equity - other investments	16.0	–
Private credit (assets attributable to the Group)	100.2	76.9
Private credit (CLO assets attributable to third party investors)	888.0	696.1
<b>Total investments</b>	<b>1,260.8</b>	<b>1,014.3</b>
<b>Carried interest receivable</b>		
Private equity	44.5	39.4
Private credit	2.6	2.6
<b>Total carried interest receivable</b>	<b>47.1</b>	<b>42.0</b>

## 3 Operating expenses

Operating expenses include:

Six months ended 30 June	2023 £m	2022 £m
Wages and bonuses	(44.9)	(47.7)
Social security costs	(8.9)	(7.9)
Pensions	(1.0)	(1.0)
Share-based payments	(2.2)	(0.4)
Other employee expenses	(4.3)	(4.5)
<b>Personnel expenses</b>	<b>(61.3)</b>	<b>(61.5)</b>

Total personnel expenses include £0.3m (2022: £0.6m) of exceptional expenses, and accordingly are excluded from the calculation of underlying profitability measures (see note 4 for further details).

### a) Long-term incentive plans

A new long-term incentive plan ("LTIP") was granted to qualifying employees on 31 March 2023, of total value of the awards of £5.6m on grant date. The Group will settle the awards, vesting over the period 30 June 2023 to 31 March 2025 either in Bridgepoint Group plc shares or an equivalent cash payment, with no consideration paid by the participants. As the LTIP awards vest subject to the achievement of certain service conditions, namely the continued employment in the Group, they are accounted for as either equity-settled or cash-settled share-based payment transactions under the Group's accounting policy in line with IFRS 2 "Share-based Payment". This requires each award to be measured at fair value on its grant date, and in the case of the cash-settled share-based payments revalued at each reporting date. The fair value is calculated based on the market value of the shares at the grant date, adjusted for any market or non-vesting conditions of the shares.

A share-based payment is recognised over the applicable vesting period as a personnel expense, with a corresponding entry in the share-based payment reserve within equity for equity-settled awards or as a liability for cash-settled awards, along with any employment taxes to be incurred by the Group.



	Number of shares		Weighted average fair value per share granted (£)	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Rights outstanding at beginning of the period	–	–	–	–
Granted	2,777,453	–	2.15	–
Forfeited	(28,506)	–	2.17	–
Vested	(743,473)	–	2.17	–
Rights outstanding (unvested) at end of the period	2,005,474	–	2.14	–

### b) Restricted share plan

On 31 March 2023, a director of the Company was granted a conditional share award of 114,953 shares at a value of £2.17 per share, with total value £250,000, vesting on 31 March 2026.

As of 30 June 2023, the Group recognised £2.1m in personnel expenses related to these new awards and a further £0.1m relating to previous awards for which there have been no changes in the period.

## 4 Exceptional items

Exceptional items are material items of income or expenditure that are not considered to be incurred in the normal course of business and without separate disclosure could distort an understanding of the financial statements. Accordingly, exceptional items are excluded from the calculation of underlying profitability measures.

Six months ended 30 June	2023 £m	2022 £m
Personnel expenses	(0.3)	(0.6)
Other operating expenses	(1.0)	(0.1)
Total exceptional expenses within EBITDA	(1.3)	(0.7)
Other expenses	-	(1.4)
<b>Total exceptional expenses</b>	<b>(1.3)</b>	<b>(2.1)</b>
Six months ended 30 June	2023 £m	2022 £m
Other income	5.9	–
<b>Total exceptional income</b>	<b>5.9</b>	<b>–</b>

### a) Exceptional personnel expenses

In 2023 and 2022, exceptional personnel expenses include deferred transaction related bonuses and associated social security costs from the acquisition of EQT Credit in 2020. Specific bonus payments payable to employees in relation to the EQT acquisition are exceptional as similar awards were only granted once. The awards incentivise employees to align their goals with those of the business through being awarded over multiple periods, hence such expenses will continue to be recognised until 2025.

### b) Exceptional other operating expenses

In 2022 and 2023, exceptional other operating expenses include costs incurred in relation to strategic projects, including potential acquisitions.

### c) Exceptional other income

Exceptional other income of £5.9m (2022: nil) relates to remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB in relation to the acquisition of EQT Credit in 2020. The deferred consideration payable to EQT AB was recognised upon acquisition and is considered exceptional as there are no similar contractual liabilities with EQT AB. Due to the contractual arrangement underlying the deferred consideration, which is a payable in a future accounting period, there have been exceptional items related to the valuation in multiple periods.

# Notes to the condensed consolidated interim financial statements *continued*

## 5 Depreciation and amortisation

The following table summarises the depreciation and amortisation charge during the period.

Six months ended 30 June	2023 £m	2022 £m
Depreciation on property, plant and equipment	(7.1)	(7.6)
Amortisation of intangible assets	(1.5)	(1.5)
<b>Total depreciation and amortisation</b>	<b>(8.6)</b>	<b>(9.1)</b>

The amortisation of intangible assets is excluded from the calculation of underlying profitability measures in order to enhance the understanding of the underlying performance.

## 6 Other income and expenses

Six months ended 30 June	2023 £m	(Restated) 2022 £m
Interest income on term deposits	4.4	–
Finance income on subleases	0.3	0.5
Foreign exchange gains	–	0.6
Finance income on amounts receivable from related party investors	0.3	–
Other income	5.9	–
<b>Total other income</b>	<b>10.9</b>	<b>1.1</b>
Interest expense on bank overdrafts and borrowings	(0.7)	(0.7)
Interest expense on lease liabilities	(2.0)	(1.7)
Other expenses	(0.4)	(1.7)
Finance expense on amounts payable to related party investors	(0.1)	(0.1)
Foreign exchange losses	(0.3)	–
<b>Total other expenses</b>	<b>(3.5)</b>	<b>(4.2)</b>
<b>Net other income/(expense), including exceptional items</b>	<b>7.4</b>	<b>(3.1)</b>

### a) Other income

Other income in 2023 primarily relates to the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB of £5.9m (2022: nil). The deferred contingent consideration is payable to EQT AB and relates to the outcome of certain fundraising for the Bridgepoint Direct Lending III and Bridgepoint Credit Opportunities IV funds that falls within the definitions applying to deferred consideration in the transaction documents. These fundraises have either completed or are expected to complete during 2023. At 30 June 2023, the Group remeasured the expected liability at that point, which equated to £10.4m (2022: £16.7m), through the profit and loss.

This income is considered exceptional income, and accordingly is excluded from the calculation of underlying profitability measures.

### b) Other expenses

Other expenses of £0.4m (2022: £0.2m) include borrowing facility fees which are being amortised over the term of a new £200m facility with a duration of three years and the accelerated amortisation of a previous capitalised borrowing facility fee, which related to the pre-existing facility, which was terminated on the commencement of the new facility. Further detail is included in note 10 (b).

In the six months ended 30 June 2022, other expenses of £1.5m related to the unwind of discounting of the deferred contingent payable to EQT AB and is considered an exceptional expense, and accordingly excluded from the calculation of underlying profitability measures.

### c) Finance income and expense on amounts with related party investors

Finance income and expense represent amounts due to or from related party investors in Opal Investments LP, BE VI (French) Co-Invest LP, BDC IV (French) Co-Investment LP and Maple Tree VII LP under the limited partnership agreements.

## 7 Tax expense

Analysis of tax expense reported in the income statement:

Six months ended 30 June	2023 £m	2022 £m
Current tax	(1.1)	(1.0)
Deferred tax	(3.8)	(2.4)
<b>Total tax expense</b>	<b>(4.9)</b>	<b>(3.4)</b>

The tax expense for the half year to 30 June 2023 is calculated based on a forecast full year effective tax rate for the Group which is then applied to the actual profit before tax for the half year.

## 8 Earnings per share

Six months ended 30 June	2023	2022
Profit attributable to equity holders of the Company (£m)	48.2	44.9
Weighted average number of ordinary shares for purposes of basic and diluted EPS (m)	816.8	823.3
<b>Basic and diluted earnings per share (£)</b>	<b>0.06</b>	<b>0.05</b>

The adjusted earnings per share on underlying profit after tax of £45.3m (2022: £48.5m) based on the number of shares in issue at 30 June 2023 is £0.06 (2022: £0.06 on underlying profit after tax of £48.5m based on the number of shares in issue at 30 June 2022).

The underlying profit after tax is calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax.

The number of ordinary shares used in the calculation of earnings per share excludes shares held by the Group itself and those subject to the Share Buyback Programme. Further detail is included in note 13 (f).

## 9 Carried interest receivable

The carried interest receivable relates to revenue which has been recognised by the Group relating to its share of fund profits through its holdings in Carried Interest Partnerships (“CIPs”).

Revenue is only recognised to the extent it is highly probable that the revenue recognised would not result in significant revenue reversal of any accumulated revenue recognised on the completion of a fund. The reversal risk is mitigated through the application of discounts. If adjustments to the carried interest receivable recognised in previous periods are required, they are adjusted through revenue.

As at 30 June 2023, the undiscounted carried interest asset is £113.8m (2022: £103.5m).

	30 June 2023 £m	31 December 2022 £m
<b>Opening balance</b>	<b>42.0</b>	38.9
Income recognised in the period/year	5.7	23.1
Foreign exchange movements recognised as profit or loss	(0.5)	1.1
Foreign exchange movements recognised as other comprehensive income	(0.1)	0.1
Receipts of carried interest	–	(21.2)
<b>Closing balance</b>	<b>47.1</b>	42.0

# Notes to the condensed consolidated interim financial statements *continued*

## 10 Financial assets and liabilities

### (a) Classification of financial assets

The following tables analyse the Group's assets in accordance with the categories of financial instruments in IFRS 9 "Financial Instruments" ("IFRS 9"). Assets which are not considered as financial assets, for example prepayments and lease receivables, under IFRS 9 are also shown in the table in a separate column in order to reconcile to the face of the Condensed Consolidated Statement of Financial Position.

	Fair value through profit or loss £m	Hedging derivatives £m	Financial assets at amortised cost £m	Assets which are not financial assets £m	Total £m
<b>As at 30 June 2023</b>					
Fair value of fund investments	296.8	–	–	–	296.8
Consolidated CLO assets	925.1	–	22.9	–	948.0
Trade and other receivables	–	–	107.9	30.8	138.7
Derivative financial instruments	–	3.7	–	–	3.7
Other investments, at fair value*	16.0	–	–	–	16.0
Cash and cash equivalents	–	–	258.4	–	258.4
Term deposits with original maturities of more than three months	–	–	–	–	–
Consolidated CLO cash	–	–	30.7	–	30.7
<b>Total</b>	<b>1,237.9</b>	<b>3.7</b>	<b>419.9</b>	<b>30.8</b>	<b>1,692.3</b>

	Fair value through profit or loss £m	Hedging derivatives £m	Financial assets at amortised cost £m	Assets which are not financial assets £m	Total £m
<b>As at 31 December 2022</b>					
Fair value of fund investments	273.0	–	–	–	273.0
Consolidated CLO assets	726.3	–	15.0	–	741.3
Trade and other receivables	–	–	181.6	23.2	204.8
Derivative financial instruments	–	1.0	–	–	1.0
Cash and cash equivalents	–	–	196.0	–	196.0
Term deposits with original maturities of more than three months	–	–	100.0	–	100.0
Consolidated CLO cash	–	–	24.6	–	24.6
<b>Total</b>	<b>999.3</b>	<b>1.0</b>	<b>517.2</b>	<b>23.2</b>	<b>1,540.7</b>

\* Other investments have been designated as financial assets at fair value through profit or loss upon initial recognition.

There are no material differences between the above amounts for trade and other receivables and their fair value.

### i) Fair value of fund investments

Investments representing the Group's interests in private equity and credit funds are initially recognised at fair value and subsequently remeasured at fair value through profit or loss within operating income.

The investments primarily consist of loans or commitments made in relation to the Bridgepoint Europe VI, V and III, Bridgepoint Development Capital IV and III private equity funds, the Bridgepoint Credit I, Direct Lending II and I, and Credit Opportunities IV and III credit funds.

The fund investments are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

## ii) Other investments, at fair value

Other investments include, but is not limited to, loans made to a Group portfolio company. The Group elected the fair value option on these loans. Interest income is accrued on the principal amount of the loans based on its contractual interest rate. Other income is reported in other operating income within the Condensed Consolidated Statements of Profit or Loss. Changes in the value of other investments are measured at fair value through profit and loss.

## iii) CLO assets

The balance shown includes the gross value of the assets held by CLO 1, CLO 3, CLO 4 and CLO 5 (2022: CLO 1, CLO3 and CLO 4), which are consolidated by the Group, but of which the Group only holds the rights and liabilities in relation to a small portion. The CLO assets are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

	30 June 2023 £m	31 December 2022 £m
Consolidated CLO assets consolidated by the Group	948.0	741.3
Consolidated CLO assets attributable to third party investors	(888.0)	(696.1)
<b>Group's exposure to consolidated CLO assets</b>	<b>60.0</b>	<b>45.2</b>

## iv) Cash and term deposits

	30 June 2023 £m	31 December 2022 £m
Cash at bank and in hand	41.8	78.3
Money market funds	116.6	17.7
Term deposits with original maturities of less than three months	100.0	100.0
<b>Total cash and cash equivalents</b>	<b>258.4</b>	<b>196.0</b>
Term deposits with original maturities of more than three months	–	100.0
Consolidated CLO cash	30.7	24.6
<b>Total cash and term deposits</b>	<b>289.1</b>	<b>320.6</b>

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments including term deposits with original maturities of three months or less and money market funds, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Term deposits represent fixed term deposits placed with banks and financial institutions.

Consolidated CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's operating activities.

There are no material differences between the carrying amounts and fair values of cash and cash equivalents, term deposits with original maturities of more than three months and consolidated CLO cash.

Credit risk exposure on cash and term deposits is managed in accordance with the Group's Treasury & Risk Management Policy which provides limits on exposures with any single financial institution. The Group's surplus cash is held with financial institutions or money market funds which are rated as investment grade by third party rating agencies. As at 30 June 2023, 100% of cash and term deposits were held with institutions or funds that are rated investment grade or above and all money market funds are AAA rated.

# Notes to the condensed consolidated interim financial statements *continued*

## (b) Classification of financial liabilities

The following tables analyse the Group and Company's financial liabilities in accordance with the categories of financial instruments defined in IFRS 9. Liabilities such as deferred income, long-term employee benefits, social security and other taxes are excluded as they do not constitute a financial liability and are shown in the table in a separate column in order to reconcile to the face of the Condensed Consolidated Statement of Financial Position.

	Fair value through profit or loss £m	Hedging derivatives £m	Financial liabilities at amortised cost £m	Liabilities which are not financial liabilities £m	Total £m
<b>As at 30 June 2023</b>					
Trade and other payables	10.4	–	25.4	60.9	96.7
Other financial liabilities	50.3	–	–	–	50.3
Lease liabilities	–	–	86.6	–	86.6
Derivative financial instruments	–	4.4	–	–	4.4
Consolidated CLO liabilities	797.4	–	5.9	–	803.3
Consolidated CLO purchases awaiting settlement	–	–	115.4	–	115.4
<b>Total</b>	<b>858.1</b>	<b>4.4</b>	<b>233.3</b>	<b>60.9</b>	<b>1,156.7</b>

	Fair value through profit or loss £m	Hedging derivatives £m	Financial liabilities at amortised cost £m	Liabilities which are not financial liabilities £m	Total £m
<b>As at 31 December 2022</b>					
Trade and other payables	16.7	–	51.8	60.6	129.1
Other financial liabilities	49.5	–	–	–	49.5
Lease liabilities	–	–	83.2	–	83.2
Derivative financial instruments	–	13.2	–	–	13.2
Consolidated CLO liabilities	597.5	–	2.6	–	600.1
Consolidated CLO purchases awaiting settlement	–	–	120.6	–	120.6
<b>Total</b>	<b>663.7</b>	<b>13.2</b>	<b>258.2</b>	<b>60.6</b>	<b>995.7</b>

The carrying amount of financial liabilities carried at amortised cost approximates their fair value, and therefore have not been included in the disclosure within this section.

## i) Borrowing

On 1 June 2023, the Company entered into a new Revolving Facility Agreement for £200m for a period of three years. At 30 June 2023, there were no drawn amounts on the facility. This new borrowing arrangement replaced a £125m facility held by another Group entity, which was terminated on the same date.

## (c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access to at that date. The fair value of a liability reflects its non-performance risk.

The Group discloses fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets (level 1);
- Inputs – other than quoted prices included within level 1 – that are observable for assets or liabilities, either directly (as prices) or indirectly (derived from prices) (level 2);
- Inputs for assets or liabilities that are not based on observable market data (level 3).



Investments in funds, which hold portfolios of private equity and credit assets are valued in line with the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines using a variety of methodologies. These investments are classified as level 3 financial assets due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund and the lack of an observable price for each investment in a fund.

The assets of the CLO vehicles, which are fully consolidated by the Group, are classified as level 2 fair values as they are priced using independent loan pricing sources. These sources consolidate broker quotes where depth represents the number of quotes supporting the price provided.

Further details of the valuation methodologies, process and governance for investments in funds and investments held by consolidated CLOs is set out within the notes to the 2022 financial statements.

Derivatives used for hedging, which are fair valued, are classified as level 2 fair values as the inputs are observable.

	Financial Assets		Financial Liabilities	
	30 June 2023 £m	31 December 2022 £m	30 June 2023 £m	31 December 2022 £m
<b>Financial assets and liabilities at fair value through profit or loss</b>				
Level 1	–	–	–	–
Level 2	953.6	727.3	4.4	13.2
Level 3	288.0	273.0	858.1	663.7
<b>Total</b>	<b>1,241.6</b>	<b>1,000.3</b>	<b>862.5</b>	<b>676.9</b>

#### i) Reconciliation of level 3 fair value measurements of financial assets

A reconciliation of level 3 fair values for financial assets which represent the Group’s interest in private equity and credit funds, including the Group’s investment in CLOs which are not consolidated, is set out in the table below:

	30 June 2023 £m	31 December 2022 £m
<b>Level 3 financial assets at fair value through profit or loss</b>		
Opening balance	273.0	313.7
Additions	21.3	38.5
Change in fair value	5.1	32.9
Foreign exchange movements recognised as profit or loss	(1.9)	5.8
Foreign exchange movements recognised as other comprehensive income	(6.3)	8.2
Disposals	(3.2)	(126.1)
Transfers (to)/from Level 1 or 2	–	–
<b>Closing balance</b>	<b>288.0</b>	<b>273.0</b>

The underlying assets in each fund consist of portfolios of investments in controlling or minority stakes, typically in private companies, and their debt. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and no observable price for each investment, such investments are classified as level 3 financial assets under IFRS 13 “Fair Value Measurement”.

A sensitivity analysis of a change in the value of investments at fair value through profit or loss is set out in note 10 (d).

# Notes to the condensed consolidated interim financial statements *continued*

## ii) Reconciliation of level 3 fair value measurements of financial liabilities

The valuation methodology for valuing and subordinated debt liabilities of the consolidated CLOs is valued based upon internal discounted cash flow models with unobservable market data inputs, such as asset coupons, constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and are therefore considered level 3 financial liabilities.

Financial liabilities classified as level 3 under the fair value hierarchy consist of the deferred contingent consideration, liabilities of CLOs consolidated by the Group and other financial liabilities, which represent CLO repurchase agreements, and payables to related party investors other intermediate fund holding entities. The valuation of these liabilities is based on unobservable market data and therefore classified as level 3.

	30 June 2023 £m	31 December 2022 £m
<b>Level 3 financial liabilities at fair value through profit or loss</b>		
Deferred contingent consideration	10.4	16.7
Consolidated CLO liabilities	797.4	597.5
Other financial liabilities	50.3	49.5
<b>Total</b>	<b>858.1</b>	<b>663.7</b>

A reconciliation of level 3 fair values for CLO liabilities at fair value through profit or loss is set out in the table below.

A reconciliation is not provided for the deferred contingent consideration and other financial liabilities on the basis that the movements between 30 June 2022 and 31 December 2022 relate to the remeasurement and revaluation of the payable.

	30 June 2023 £m	31 December 2022 £m
<b>Movement in CLO liabilities at fair value through profit or loss which are level 3</b>		
Opening balance	597.5	29.7
On acquisition	–	287.9
Repayment	(52.1)	–
Drawn	247.1	52.8
Foreign exchange movements	(19.6)	24.2
Change in fair value	24.5	(9.0)
Transfers (to)/from Level 1 or 2	–	211.9
<b>Closing balance</b>	<b>797.4</b>	<b>597.5</b>

The impact of a 1% change in the value of the CLO liabilities is included in the table below.

	30 June 2023 £m	31 December 2022 £m
Increase or decrease of 1%	8.0	6.0

## (d) Valuation inputs and sensitivity analysis

The number of unique investments that the Group indirectly invests into through its investments in private equity and credit funds is numerous, and it is not practical to provide a summary of the principal inputs into each investment. The table below summarises the valuation methodologies used to fair value investments in private equity and credit funds which are classified as level 3 financial assets. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and the lack of an observable price for each investment in a fund, fund investments at fair value are classified as level 3. Whilst some assets held by the funds may be classified as level 2 instruments, the Group does not consolidate the funds and treats the unit of account as the fund rather than the individual asset.

Nature of asset/ liability	Fair value at 30 June 2023 (£m)	Fair value at 31 December 2022 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Private equity fund investments	<b>256.6</b>	241.3	72	Earnings	Where a portfolio company is profitable and for which a set of listed companies and precedent transactions are available. This is the most commonly used private equity valuation methodology.	<p>Earnings multiples are applied to the earnings of each portfolio company to determine the enterprise value. The most common measure of earnings is EBITDA. Earnings are adjusted for non-recurring items and run-rate adjustments to arrive at maintainable earnings. Earnings are usually obtained from portfolio company management accounts or forecast/ budgeted earnings, as considered appropriate. When selecting earning multiples consideration is given to:</p> <ul style="list-style-type: none"> <li>- The original transaction price/entry multiple;</li> <li>- Recent transactions in the same or similar instruments;</li> <li>- Relevant comparable listed company multiples;</li> <li>- Exit expectations and other company specific factors.</li> </ul> <p>The resulting enterprise value is then adjusted to take into account the capital structure of the portfolio company, including any assets or liabilities such as cash or debt that should be included. The fund's share of the value is calculated by calculating its holding.</p> <p>At 30 June 2023, 97% (2022: 97%) of private equity fund investments were valued using the earnings multiple approach.</p>
				Listed price	Where a portfolio company has instruments traded on a recognised exchange the traded price is used to value the investment.	<p>The traded price is applied to the number of shares held by the fund in the portfolio company. The value is then adjusted to take into account any assets or liabilities in holding entities outside of the listed company.</p> <p>As at 30 June 2023, there were two listed portfolio companies (3%) (2022: 3%) which were priced using the prevailing share price.</p>

# Notes to the condensed consolidated interim financial statements *continued*

Nature of asset/ liability	Fair value at 30 June 2023 (£m)	Fair value at 31 December 2022 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Credit funds	100.2	76.9	125	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	Market prices can be obtained from third-party market price aggregation services or broker quotes where there is an active market. The extent to how active the market is depends upon the 'depth' of the pricing, (being the number of distinct price quotations available from different sources). Before the use of market pricing, consideration is given to identify anomalies or other inaccuracies in market pricing or whether there are other factors that should be considered, for example, recent transactions. As at 30 June 2023, 9% (2022: 8%) of the Credit fund assets were priced using market prices.
Earnings					Where a loan may be impaired an earnings basis is typically used to determine the enterprise value of the borrower, following which a waterfall approach is used to determine the value of the loan.	Where there are circumstances which indicate there is risk of non-performance of the borrower, the enterprise value of the borrower will typically be determined in accordance with an earnings methodology (as described above), following which a waterfall approach is used to determine the value of the loan. As at 30 June 2023, 1% (2022: 4%) of the Credit fund assets were priced using earnings basis.
Amortising to par method					Where a performing loan that has been originated is valued based upon its amortised cost.	Provided that there are no circumstances which indicate a material underperformance or inability of the borrower to pay interest or repay the principal, the valuation of loans that have been originated is determined by apportioning any arrangement fees, similar fees or discount on a linear basis over the anticipated holding period (which is typically three years). As at 30 June 2023, 80% (2022: 80%) of the Credit fund assets were priced using the amortising to par method.
Discounted cash flows					Where the Group holds an interest in the note of a CLO, a discounted cash flow analysis is used to determine the valuation.	Inputs used in the discounted cash flow analysis include discount rates and those used to project the expected cash flows relating to the CLO's underlying asset portfolio including annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads. As at 30 June 2023, 100% (2022: 100%) of the investments in CLO notes were priced using discounted cash flow method.
Other					Other valuation techniques may be utilised where the above methodologies are not deemed appropriate.	Considering the broad array of debt instruments that may be held by the funds, it may be deemed appropriate for other valuation techniques to be utilised in certain cases. As at 30 June 2023, 10% (2022: 8%) of the Credit fund assets were priced using other valuation techniques.

Nature of asset/ liability	Fair value at 30 June 2023 (£ m)	Fair value at 31 December 2022 (£ m)	Number of unique investments	Valuation methodology	Description	Inputs
Consolidated CLO assets	<b>865.1</b>	681.1	179	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	Market price aggregation services or broker quotes where there is an active market. The extent to how active the market is depends upon the 'depth' of the pricing, (being the number of distinct price quotations available from different sources). Before the use of market pricing, consideration is given to identify anomalies or other inaccuracies in market pricing or whether there are other factors that should be considered, for example, recent transactions.  As at 30 June 2023, 100% (2022: 100%) of the CLO fund assets were priced using market prices.
Other investments, at fair value	<b>16.0</b>	–	1	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	Market price aggregation services or broker quotes where there is an active market.
<b>Total assets</b>	<b>1,237.9</b>	999.3				

# Notes to the condensed consolidated interim financial statements *continued*

Nature of asset/ liability	Fair value at 30 June 2023 (£ m)	Fair value at 31 December 2022 (£ m)	Number of unique investments	Valuation methodology	Description	Inputs
Non- investment grade and subordinated debt liabilities of the consolidated CLOs	<b>797.4</b>	597.5	22	Net asset value	Where the Group is required to consolidate the liabilities of a CLO, a net asset approach is used where the value of the liabilities is driven by the value of the consolidated loan asset portfolio and any residual cash, accrued interest and expenses contained within the vehicle.	The inputs to the valuation are the quotes obtained from Markit and Bloomberg of the CLO assets.  The cash, accrued interest and expenses are at their book value.
Deferred contingent consid- eration	<b>10.4</b>	16.7	N/A	Discounted cash flows	Future consideration to be paid to EQT AB in relation to the acquisition of EQT Credit business and relates to the outcome of fundraising for certain funds.	Inputs used in the calculation of the deferred consideration calculation include estimated outcome of certain fundraising, minimum and maximum thresholds and payout ratio set out in the sales and purchase agreement and discount rate.
CLO repurchase agreements	<b>28.1</b>	28.1	N/A	Discounted cash flows	Where the Group is subject to a sale and repurchase agreement relating to CLOs, a discounted cash flow analysis is used to determine the valuation	Inputs used in the discounted cash flow analysis include discount rates and forecast cash flows relating to the CLO's underlying asset portfolio including assumptions for annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads.
Other financial liabilities	<b>22.2</b>	21.4	N/A	Other	Where the Group enters a limited partnership agreement with related party investors to contractually share profits from those partnerships, other valuation techniques may be utilised where the above methodologies are not deemed appropriate.	N/A
<b>Total liabilities</b>	<b>858.1</b>	663.7				



A reasonably possible change in the values of investments at fair value through profit or loss is shown in the table below. This is modelled as 10% of private equity fund investments and 1% of credit fund investments. As above, investments in private equity inherently have greater potential for larger changes in their valuation as the upside is not capped. The downside is limited to the amount invested in the funds. For credit investments, the upside is capped to the maximum of the principal and interest receipts and the downside is limited to the amount invested in the funds, but due to the investment strategy of the fund, losses are expected to be very small.

The sensitivity analysis considers only the net impact on the Group from changes in the consolidated CLO portfolio, as the Group's exposure to price risk is limited to its interest within the CLO and not the gross assets and liabilities.

	30 June 2023 £m (+/-)	31 December 2022 £m (+/-)
<b>Fair value sensitivity</b>		
10% private equity fund investments	25.7	24.1
1% credit fund investments	1.0	0.8

## 11 Dividends

The Company paid a final dividend of 4.0 pence per share, which equates to £32.7m, in May 2023 in respect of the second half of 2022.

The directors have announced an interim dividend of 4.4 pence per share, which equates to £35.7m based on the number of shares at 30 June 2023, but may change due to the Share Buyback Programme. This will be paid to be paid in September 2023 to shareholders on the register as at 18 August 2023.

	Six months ended 30 June 2023		Six months ended 30 June 2022	
	£m	Pence per share	£m	Pence per share
Ordinary dividends paid:				
Prior period final dividend paid	32.7	4.0	30.0	3.6

## 12 Cash flow generated from operations

Six months ended 30 June	2023 £m	(Restated) 2022 £m
Profit before tax	53.1	48.3
<b>Adjustments for</b>		
Exceptional expenses	–	0.7
Share-based payments	1.8	0.4
Depreciation and amortisation	8.6	9.1
Net other (income)/expense	(7.4)	3.1
Carried interest	(6.4)	(14.0)
Fair value remeasurement of investments	(6.3)	(24.7)
Decrease/(increase) in trade and other receivables	56.0	(17.1)
(Decrease) in trade and other payables	(22.0)	(38.4)
<b>Cash generated from operations</b>	<b>77.4</b>	<b>(32.6)</b>

# Notes to the condensed consolidated interim financial statements *continued*

## 13 Equity

### (a) Share capital and premium

Allotted, called up and fully paid shares

	Company			
	30 June 2023		31 December 2022	
	No.	£	No.	£
Ordinary of £0.00005 each	810,303,505	40,515	823,268,774	41,163
Deferred of £81 each	500	40,500	500	40,500
Deferred of £1 each	1	1	1	1
Deferred of £0.01 each	1	0.01	1	0.01
<b>Total</b>	<b>810,304,007</b>	<b>81,016</b>	<b>823,269,276</b>	<b>81,664</b>

Share capital represents the number of ordinary shares issued in the Company multiplied by their nominal value of £0.00005 each. Share premium substantially represents the aggregate of all amounts that have ever been paid above nominal value to the Company when it has issued ordinary shares.

The holders of the ordinary shares have the right to receive notice of and to attend and vote at any general meeting of the Company. The shares have one vote per share on a resolution.

Each ordinary share is eligible for ordinary course dividends and distributions on a liquidation, and is generally entitled to participate in a return of capital, in each case subject to the provisions set out in the Articles of the Company.

Deferred shares have no rights other than the right to receive their nominal value in a liquidation after all other shares have received £1.0m per share.

### (b) Own shares

Own shares are recorded by the Group when ordinary shares are acquired by the Company and they are deducted from shareholders' equity. The Company held 886,484 ordinary shares and 501 deferred shares (2022: 886,484 ordinary shares; 501 deferred shares) within retained earnings as at 30 June 2023 at a cost of nil (2022: nil).

### (c) Cash flow hedge reserve

Hedge reserves consist of the cash flow hedge reserve and the costs of hedging reserve, such as the change in fair value related to forward points basis adjustment.

### (d) Net exchange differences reserve

Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange gain/(loss) on the translation of foreign operations.

### (e) Share-based payment reserve

The share-based payment reserve relates to the accumulated expense from the recognition of equity-settled share-based payments to employees.

In the six months ended 30 June 2023, a £2.8m transfer was made between share-based payment reserve and retained earnings which related to the full vesting of the IPO Share Award.

### (f) Capital redemption reserve

On 24 January 2023, the Company announced an on-market Share Buyback Programme of up to £50.0m ("Share Buyback Programme"). The sole purpose of the Share Buyback Programme is to reduce the Company's share capital. The Share Buyback Programme commenced on 24 January 2023 and is expected to be completed on or before 30 September 2023.

As at 30 June 2023, in aggregate 13,511,869 ordinary shares have been bought back for £30.7m pursuant to the Share Buyback Programme. Of these shares, in aggregate 12,965,269 ordinary shares have been cancelled at period end.

## 14 Events after the reporting period

Between 30 June 2023 and 23 July 2023, being the latest practicable date before the publication of these interim financial statements, a further 2,012,541 ordinary shares have been bought back in aggregate for £4.0m pursuant to the Share Buyback Programme. Of these shares, in aggregate 1,227,464 have been cancelled as at 23 July 2023.

There have been no other material subsequent events since 30 June 2023.

# Supplementary Information: Condensed Consolidated Statement of Financial Position, excluding CLOs

	30 June 2023 £m	(Unaudited) 31 December 2022 £m
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	84.5	85.5
Goodwill and intangible assets	118.1	119.6
Carried interest receivable	47.1	42.0
Fair value of fund investments*	356.8	318.2
Trade and other receivables	18.7	19.9
<b>Total non-current assets</b>	<b>625.2</b>	<b>585.2</b>
<b>Current assets</b>		
Trade and other receivables	120.0	184.9
Derivative financial assets	3.7	1.0
Other investments, at fair value	16.0	–
Cash and cash equivalents	258.4	196.0
Term deposits with original maturities of more than three months	–	100.0
<b>Total current assets</b>	<b>398.1</b>	<b>481.9</b>
<b>Total assets</b>	<b>1,023.3</b>	<b>1,067.1</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Trade and other payables	13.7	13.6
Other financial liabilities	50.3	49.5
Lease liabilities	75.3	77.1
Deferred tax liabilities	25.8	19.4
<b>Total non-current liabilities</b>	<b>165.1</b>	<b>159.6</b>
<b>Current liabilities</b>		
Trade and other payables	83.0	115.5
Lease liabilities	11.3	6.1
Derivative financial liabilities	4.4	13.2
<b>Total current liabilities</b>	<b>98.7</b>	<b>134.8</b>
<b>Total liabilities</b>	<b>263.8</b>	<b>294.4</b>
<b>Net assets</b>	<b>759.5</b>	<b>772.7</b>
<b>Equity</b>		
Share capital	0.1	0.1
Share premium	289.8	289.8
Capital redemption reserve	–	–
Share-based payment reserve	3.0	3.6
Cash flow hedge reserve	2.1	(8.9)
Net exchange differences reserve	5.7	14.4
Retained earnings	458.8	473.7
<b>Total equity</b>	<b>759.5</b>	<b>772.7</b>

\* The fair value of fund investments includes the Group's own exposures in consolidated CLOs 1, 3, 4 and 5 of £60.0m (2022: CLOs 1, 3 and 4 of £45.2m) as at 30 June 2023.

This condensed consolidated statement of financial position applies all of the measurement and recognition requirements of UK-adopted IAS and the accounting policies of the Group, except for the requirement to consolidate CLOs. CLOs are presented as an investment held at fair value in line with how they are managed by the Group, rather than being consolidated in accordance with IFRS 10 “Consolidated Financial Statements”.

# Supplementary Information: Condensed Consolidated Statement of Cash Flows, excluding CLOs

for the six months ended 30 June

	2023 £m	2022 £m
<b>Cash flows from operating activities</b>		
Cash generated from operations	77.4	(32.6)
Tax paid	(2.5)	(1.1)
<b>Net cash flows from operating activities</b>	<b>74.9</b>	<b>(33.7)</b>
<b>Cash flows from investing activities</b>		
Investment in term deposits with original maturities of more than three months	100.0	(100.0)
Receipts from investments	6.4	28.3
Purchase of investments	(21.3)	(22.7)
Purchase of other investments	(14.3)	–
Interest received	1.6	0.5
Acquisition of CLOs	(15.5)	(11.4)
Payments for property, plant and equipment	(2.0)	(12.0)
<b>Net cash flows from investing activities</b>	<b>54.9</b>	<b>(117.3)</b>
<b>Cash flows from financing activities</b>		
Exceptional transaction costs	–	(2.2)
Dividends paid to shareholders of the Company	(32.7)	(30.0)
Share buyback	(30.7)	–
Drawings from related party investors in intermediate fund holding entities	–	3.5
Principal elements of lease payments	(1.0)	(2.8)
Interest paid	(2.4)	(2.3)
<b>Net cash flows from financing activities</b>	<b>(66.8)</b>	<b>(33.8)</b>
Net (decrease)/increase in cash and cash equivalents	63.0	(184.8)
Cash and cash equivalents at the beginning of the period	196.0	323.1
Effect of exchange rate changes on cash and cash equivalents	(0.6)	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>258.4</b>	<b>139.3</b>

This condensed consolidated statement of cash flows applies all of the measurement and recognition requirements of UK-adopted IAS and the accounting policies of the Group, except for the requirement to consolidate CLOs. Consolidated CLO cash is not presented in the opening or closing cash positions in this statement and all cash flows relate to the non-CLO activities of the Group.

