

INVESTCORP CAPITAL PLC
(formerly known as INVESTCORP CAPITAL LIMITED)

**INTERIM CONDENSED
CONSOLIDATED**

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JULY 1, 2023 TO DECEMBER 31, 2023



**Ernst & Young – Middle East
(ADGM Branch)**
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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INVESTCORP CAPITAL PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Investcorp Capital Plc, formerly known as Investcorp Capital Limited (the "Company") as at 31 December 2023, comprising the interim condensed consolidated statement of financial position as at 31 December 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting (IAS 34)*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, 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. Consequently, it 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other matter

The comparative amounts disclosed in the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 31 December 2022, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period ended 31 December 2022 and the related notes were neither reviewed nor audited by us or any other auditor and accordingly, we do not express a conclusion, opinion or any other form of assurance on them.

Signed by
Ahmad Al Dali
Partner
Ernst & Young

11 February 2024
Abu Dhabi

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 FOR THE PERIOD FROM JULY 1, 2023 TO DECEMBER 31, 2023**

<i>\$millions</i>	3 months ended		6 months ended		Notes
	December 2023	December 2022 (not reviewed)	December 2023	December 2022 (not reviewed)	
Revenue from capital financing services	14	12	22	15	
Revenue from capital deployment	10	24	19	32	
Interest income	1	-	3	1	15
Gross operating income	25	36	44	48	3
Operating expenses	(1)	(3)	(4)	(6)	
Interest expense	(3)	(1)	(6)	(1)	
NET PROFIT FOR THE PERIOD	21	32	34	41	
Basic and diluted earnings per share (cents)	1.05	1.69	1.74	2.19	12

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE PERIOD FROM JULY 1, 2023 TO DECEMBER 31, 2023**

<i>\$millions</i>	3 months ended		6 months ended		Notes
	December 2023	December 2022 (not reviewed)	December 2023	December 2022 (not reviewed)	
NET PROFIT FOR THE PERIOD	21	32	34	41	
Other comprehensive income that will not be recycled to statement of profit or loss					
Movements - Fair value through other comprehensive income investments	-	(5)	(0)	(7)	
<i>Other comprehensive loss</i>	-	(5)	(0)	(7)	
TOTAL COMPREHENSIVE INCOME	21	27	34	34	



.....
 Mohammed Mahfoodh Saad Al Ardhi
 Chairman



.....
 Jan Erik Back
 Director



.....
 Timothy Mattar
 Chief Executive Officer

The attached Notes 1 to 16 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

<i>\$millions</i>	<i>December 31, 2023</i>	<i>June 30, 2023 (audited)</i>	<i>Notes</i>
ASSETS			
Due from a related party	119	150	15
Receivables and other assets	129	83	4
Capital financing services	575	418	5
Corporate investments	357	335	6
Global credit	246	252	7
Real estate	150	155	8
Strategic capital	41	33	
TOTAL ASSETS	<u>1,617</u>	<u>1,426</u>	
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and accrued expenses	160	150	9
Financing	-	41	10
TOTAL LIABILITIES	<u>160</u>	<u>191</u>	
EQUITY			
Net invested capital	-	1,235	
Share capital	1,096	-	11
Retained earnings and reserves	361	-	
TOTAL EQUITY	<u>1,457</u>	<u>1,235</u>	
TOTAL LIABILITIES AND EQUITY	<u>1,617</u>	<u>1,426</u>	

.....
Mohammed Mahfoodh Saad Al Ardhi
Chairman

.....
Jan Erik Back
Director

.....
Timothy Mattar
Chief Executive Officer

The attached Notes 1 to 16 are an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 1, 2023 TO DECEMBER 31, 2023

\$millions	Invested capital	Share capital	Retained earning and reserves			Proposed appropriations	Total
			Share premium	Retained earnings	Fair value reserve		
Balance at July 1, 2022 (audited)	1,107	-	-	-	-	-	1,107
Total comprehensive income	34	-	-	-	-	-	34
Balance at December 31, 2022 (not reviewed)	1,141	-	-	-	-	-	1,141
Balance at July 1, 2023 (audited)	1,235	-	-	-	-	-	1,235
Restructure / capitalisation during the period	(1,235)	935	-	306	(6)	-	-
Issuance of shares	-	161	40	-	-	-	201
IPO transaction cost	-	-	(13)	-	-	-	(13)
Total comprehensive income	-	-	-	34	(0)	-	34
FY24 proposed appropriations	-	-	-	(60)	-	60	-
Balance at December 31, 2023	-	1,096	27	280	(6)	60	1,457

The attached Notes 1 to 16 are an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD FROM JULY 1, 2023 TO DECEMBER 31, 2023**

\$millions	December 2023	December 2022 (not reviewed)
OPERATING ACTIVITIES		
Net profit for the period	34	41
Adjustments for non-cash items in net profit:		
Unrealized fair value movement	(7)	(24)
Net profit adjusted for non-cash items	27	17
Changes in working capital		
Other net working capital	(4)	(3)
Net cash generated from operating activities	23	14
FINANCING ACTIVITIES		
Movement in related party balance	31	267
Proceeds from share issuance	201	-
Transaction costs relating to IPO	(13)	-
Financing	(41)	1
Net cash from financing activities	178	268
INVESTING ACTIVITIES		
Corporate investments	(14)	(13)
Global credit	6	(19)
Real estate	4	(7)
Strategic capital	(7)	(6)
Capital financing services (including receivables)	(191)	(204)
Financial assets disposal proceeds receivable	(1)	4
Unfunded deal acquisitions	2	(37)
Net cash used in investing activities	(201)	(282)
Net change in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Total cash and cash equivalents	-	-
Additional cash flow information		
	December 2023	December 2022 (not reviewed)
Interest paid	(6)	(1)
Interest received	3	1

The attached Notes 1 to 16 are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND

Investcorp Capital Limited was incorporated on April 24, 2023 and is registered with Abu Dhabi Global Market (“ADGM”). On October 12, 2023, the Company re-registered as a Public Company Limited by shares and changed its name to Investcorp Capital Plc (the “Company”). The registered address of the Company is 1137 Register 17, 17, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiaries are referred to herein as the “Group”.

The Company’s immediate parent company is Investcorp S.A., which is an indirect wholly-owned subsidiary of Investcorp Holdings B.S.C. (closed) (“Investcorp Holdings”), which is incorporated in the Kingdom of Bahrain as a closed Bahraini shareholding company with limited liability. Investcorp Holdings B.S.C. and its subsidiaries, including the Company, are referred to herein as (“Investcorp”).

The ultimate parent of Investcorp is SIPCO Holdings Limited (“SHL”) incorporated in the Cayman Islands. The Company is the principal asset holding entity within Investcorp.

In October 2023, Investcorp announced its intention to list the Company’s shares in Abu Dhabi Securities Exchange (‘ADX’). On November 10, 2023, the Initial Public Offering was successfully priced at the rate of AED 2.30. The trading of the Company’s shares commenced on November 17, 2023.

A. REORGANIZATION OF INVESTCORP’S CAPITAL OPERATIONS BUSINESS

Investcorp had three business verticals and principal activities for each vertical as follows:

(i) Asset Management

Investcorp acts as an intermediary by acquiring, managing and realizing assets for institutional and high net worth clients.

(ii) Capital Financing Services

The Capital Financing Services Business primarily acts as underwriter for acquisition of target companies which have a strong track record and potential for growth.

(iii) Capital deployment

Investcorp deploys capital as a principal investor along with its clients in various asset classes and acts as a strategic partner to drive growth of these businesses. Income from these asset classes is earned during their life cycle either in the form of fair value changes or cash flows in the form of dividends, yield on global credit and capital gains on disposals of these assets.

1. BACKGROUND (CONTINUED)

A. REORGANIZATION OF INVESTCORP’S CAPITAL OPERATIONS BUSINESS (CONTINUED)

The asset classes offered by Investcorp include corporate investments, global credit, real estate, strategic capital, absolute return investments and infrastructure.

Investcorp Capital PLC was formed to facilitate the reorganization of Investcorp’s Capital Operations business, accordingly, the Investcorp’s business was reorganized as follows:

- Investcorp Holdings through its subsidiary Investcorp Investment Holdings Limited (“IIHL”), initially housed the Capital Operations which comprise of the below business verticals and asset classes;

Business Verticals	Asset Classes
- Capital Financing Services	- Corporate investments
- Capital Deployment	- Global credit
	- Real estate
	- Strategic capital

- On August 31, 2023, IIHL was transferred to Investcorp Capital Limited, in exchange for shares of Investcorp Capital Limited. The Company owns IIHL through a wholly-owned subsidiary, Investcorp Capital Cayman Limited.

The transfer of subsidiaries to the Company post restructuring represented a capital restructuring, being a transfer of business under common control. Therefore, the transfer represented the predecessor method of accounting and retrospective presentation is used.

The interim condensed consolidated financial statements were authorized for issue by the board of directors of Investcorp Capital PLC on February 11, 2024.

2. CYCLICALITY OF ACTIVITIES

The income of the Group is comprised predominantly of revenues generated from direct investment and capital financing services. The main components of capital financing services’ revenue arise from underwriting of corporate investments and strategic capital which may not be earned evenly during the fiscal period. Furthermore, the value development cycle for a given investment usually occurs over a longer time period and the revenues generated from that process are not spread evenly over the period. Consequently, the short-term operating result may not necessarily be indicative of the long-term operating result.

3. SEGMENT REPORTING

As at December 31, 2023, the business segments used for segment reporting are as follows. The basis of reporting information for these segments have remained the same as for the Capital Operations of Investcorp S.A. June 30, 2023, June 30, 2022 and June 30, 2021.

- i) Capital Financing Services
- ii) Capital Deployment

A. PROFIT OR LOSS AND FINANCIAL POSITION BY REPORTING SEGMENTS

The interim condensed consolidated statements of profit or loss by reporting segments are as follows:

<i>\$millions</i>	December 2023	December 2022 (not reviewed)
CAPITAL FINANCING SERVICES		
Revenue from capital financing services	22	15
Interest income	1	1
Gross income attributable to capital financing services	23	16
Interest expense	(6)	(1)
Operating expenses attributable to capital financing services	(1)	(2)
CAPITAL FINANCING SERVICES PROFIT (a)	16	13
CAPITAL DEPLOYMENT		
Gain on financial assets	5	24
Yield on global credit	10	6
Dividend income - real estate	4	2
Interest income	2	-
Gross income attributable to capital deployment	21	32
Operating expenses attributable to capital deployment	(3)	(4)
CAPITAL DEPLOYMENT PROFIT (b)	18	28
PROFIT FOR THE PERIOD (a) + (b)	34	41

3. SEGMENT REPORTING (CONTINUED)
A. PROFIT OR LOSS AND FINANCIAL POSITION BY REPORTING SEGMENTS (CONTINUED)

The interim condensed consolidated statements of financial position by reporting segments are as follows:

December 31, 2023 \$millions	Capital Financing Services	Capital deployment	Total
Assets			
<i>Due from a related party</i>	51	68	119
<i>Receivables and other assets</i>	121	8	129
<i>Capital financing services</i>	575	-	575
<i>Corporate investments</i>	-	357	357
<i>Global credit</i>	-	246	246
<i>Real estate</i>	-	150	150
<i>Strategic capital</i>	-	41	41
Total assets	747	870	1,617
Liabilities and Equity			
Liabilities			
Payables and accrued expenses	147	13	160
Total liabilities	147	13	160
Equity			
Share capital	450	646	1,096
Retained earnings and reserves	150	211	361
Total liabilities and equity	747	870	1,617

June 30, 2023 (audited) \$millions	Capital Financing Services	Capital deployment	Total
Assets			
<i>Due from a related party</i>	150	-	150
<i>Receivables and other assets</i>	75	8	83
<i>Capital financing services</i>	418	-	418
<i>Corporate investments</i>	-	335	335
<i>Global credit</i>	-	252	252
<i>Real estate</i>	-	155	155
<i>Strategic capital</i>	-	33	33
Total assets	643	783	1,426
Liabilities and Equity			
Liabilities			
Payables and accrued expenses	136	14	150
Financing	-	41	41
Total liabilities	136	55	191
Equity			
Net invested capital	507	728	1,235
Total liabilities and equity	643	783	1,426

4. RECEIVABLES AND OTHER ASSETS

\$millions	December 31, 2023	June 30, 2023 (audited)
Capital financing services related receivables	121	75
Financial assets disposal proceeds receivable	8	7
Other assets	-	1
Total	129	83

5. CAPITAL FINANCING SERVICES

\$millions	December 31, 2023					June 30, 2023 (audited)				
	North America	Europe	Asia	MENA	Total	North America	Europe	Asia	MENA	Total
Corporate investments	25	119	117	-	261	0	51	95	19	165
Real estate	135	80	7	38	260	103	61	7	35	206
Strategic capital	23	-	-	-	23	36	-	-	-	36
Global credit	2	29	-	-	31	11	-	-	-	11
Total	185	228	124	38	575	150	112	102	54	418

6. CORPORATE INVESTMENTS

\$millions	December 31, 2023	June 30, 2023 (audited)
North America	114	103
Europe	26	19
MENA*	189	192
Asia	28	21
Total	357	335

* Including Turkey

7. GLOBAL CREDIT

\$millions	December 31, 2023	June 30, 2023 (audited)
Structured global credit	205	211
Other global credit	41	41
Total	246	252

Structured global credit represents exposure to corporate debt through fully funded total return swap entered with a related party. The Company earns returns equal to CLO investments and receives cash which comprises of interest and principal.

8. REAL ESTATE

<i>\$millions</i>	<i>December 31, 2023</i>	<i>June 30, 2023 (audited)</i>
North America	122	126
Europe	16	17
Asia	10	9
MENA	2	3
Total	150	155

9. PAYABLES AND ACCRUED EXPENSES

<i>\$millions</i>	<i>December 31, 2023</i>	<i>June 30, 2023 (audited)</i>
Unfunded deal acquisitions	160	145
Other payables	0	5
Total	160	150

10. FINANCING

Amounts outstanding represent borrowing from a revolver carrying a floating rate of interest with a facility size of \$600 million and a maturity date of June 30, 2027. As of December 31, 2023, no amount was drawn from the facility (June 30, 2023: Nil) and there was no secured financing (June 30, 2023: \$41 million).

11. SHARE CAPITAL

Initially 935,001,000 shares were issued with a nominal value of \$1 each per share. On September 18, 2023, the number of shares changed from 935,001,000 to 1,870,002,000 shares as a result of share split resulting in the nominal value per share changing from \$1 per share to \$0.5 per share. Furthermore, 321.5 million shares were issued as a result of IPO (Note 1). As at December 31, 2023, the Company has an issued and paid up capital of USD 1,095,751,000 comprising of 2,191,502,000 shares.

12. EARNINGS AND DIVIDENDS PER SHARE

	<i>December 31, 2023</i>	<i>December 31, 2022 (not reviewed)</i>
Profit for the period (\$millions) attributable to shareholders	34	41
Weighted average number of ordinary shares (in millions)*	1,949	1,870
Basic and diluted earnings per ordinary share (cents)	1.74	2.19

* Since predecessor accounting is followed, the number of shares for the comparative period is assumed to be same as number of shares prior to listing.

The proposed ordinary share interim dividend is approximately 3 cents (2022: nil) per share payable only on issued shares, that are held on the date of approval of dividend by the ordinary shareholders.

13. COMMITMENTS AND CONTINGENT LIABILITIES

<i>\$millions</i>	<i>December 31, 2023</i>	<i>June 30, 2023 (audited)</i>
Commitments	183	239

Commitments represent the unfunded commitments of the Company towards participation in corporate investments, real estate, global credit and strategic capital.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value adjustments arise from re-measurement of investments.

Nonetheless the actual amount that is realized in a future transaction may differ from the current estimate of fair value, given the inherent uncertainty surrounding valuations of unquoted investments.

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

During the period July 1, 2023 to December 31, 2023, there was no transfer between levels (July 1, 2022 to December 31, 2022: nil).

The fair values of financial assets that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques which are in line with the recent annual carve-out financial statements of Capital Operations for the years ended June 30, 2023, June 30, 2022 and June 30, 2021.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

December 31, 2023 \$millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
Capital financing services	-	-	575	575
Corporate investments	2	-	355	357
Global credit	13	-	233	246
Real estate	-	-	150	150
Strategic capital	-	-	41	41
Total financial assets	15	-	1,354	1,369

June 30, 2023 (audited) \$millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
Capital financing services	-	-	418	418
Corporate investments	3	-	332	335
Global credit	13	-	239	252
Real estate	-	-	155	155
Strategic capital	-	-	33	33
Total financial assets	16	-	1,177	1,193

A reconciliation of the opening and closing amounts of Level 3 investments is given below:

December 31, 2023 \$millions	At beginning	Net new acquisitions	Fair value movements	Movements relating to realizations	Other movements*	At end
Corporate investments	332	25	4	(7)	1	355
Global credit	239	45	0	(56)	5	233
Real estate	155	23	(2)	(21)	(5)	150
Strategic capital	33	7	1	-	-	41
Capital financing services	418	505	-	(348)	-	575
Total**	1,177	605	3	(432)	1	1,354

*Other movements include add-on funding, foreign currency translation adjustments.

**Consolidated level 3 assets under capital deployment and capital financing services

June 30, 2023 (audited) \$millions	At beginning	Net new acquisitions	Fair value movements	Movements relating to realizations	Other movements*	At end
Corporate investments	269	61	23	(31)	10	332
Global credit	190	64	(2)	(20)	7	239
Real estate	86	63	0	(2)	8	155
Strategic capital	19	9	5	-	-	33
Capital financing services	314	430	-	(314)	(12)	418
Total**	878	627	26	(367)	13	1,177

*Includes investment in Corporate Investments of \$11.9 million that has been transferred from capital financing services to capital deployment.

*Other movements include add-on funding, foreign currency translation adjustments.

**Consolidated level 3 assets under capital deployment and capital financing services

15. RELATED PARTY TRANSACTIONS AND BALANCES

For the Group, related parties include Investcorp, its directors, senior management and immediate families of the directors and senior managements.

It also includes entities controlled, jointly controlled or significantly influenced by such parties.

Income is earned or expense is incurred in the Group's transactions with such related parties in the ordinary course of business. Group's management approves the terms and conditions of all related party transactions.

The income earned and expenses incurred in connection with related party transactions included in these interim condensed consolidated financial statements are as follows:

\$millions		December 31, 2023	December 31, 2022 (not reviewed)
Revenue from capital financing services	Portfolio companies	22	15
Revenue from capital deployment	Portfolio companies	19	32
Interest income	Parent Company	3	1
Interest expense	Parent Company	(6)	(1)
Operating expenses	Parent Company	(3)	(6)

In addition to the above, Investcorp reimburses significant portion of the foreign currency gain or loss incurred by the Company.

The balances with related parties included in these interim condensed consolidated financial statements are as follows:

\$millions	December 31, 2023			June 30, 2023 (audited)		
	Assets	Liabilities	Off- balance sheet	Assets	Liabilities	Off- balance sheet
Outstanding balances						
Due from a related party	119	-	-	150	-	-
Capital financing services	575	-	-	418	-	-
Corporate investments	357	-	-	335	-	-
Real estate	150	-	-	155	-	-
Strategic capital	41	-	-	33	-	-
Global credit	246	-	-	252	-	-
Commitments and guarantees	-	-	183	-	-	239
	1,488	-	183	1,343	-	239

16. MATERIAL ACCOUNTING POLICY INFORMATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”).

The interim condensed consolidated financial statements are prepared and presented in United States dollars, this being the functional currency of the Group, and rounded to the nearest millions (\$millions) unless otherwise stated. Certain prior year balances have been reclassified to conform to the current year presentation. These reclassifications had no impact on the net profit or equity of the Group.

These interim condensed consolidated financial statements comprise the carve-out financial information of the capital operations for the period from July 1, 2023 to August 30, 2023 and the consolidated financial information of the Group (primarily comprising the Capital Operations) for the period from August 31, 2023 to December 31, 2023. The comparative information for period ended December 31, 2022 represents the carve-out financial information of the Capital Operations since the Group has operated as part of Investcorp until August 30, 2023 and not as a separate group.

The same accounting policies and methods of computation have been followed in these interim condensed consolidated financial statements as compared with the recent annual carve-out financial statements of Capital Operations for the years ended June 30, 2023, June 30, 2022 and June 30, 2021.