

INVESTCORP CAPITAL PLC

(formerly known as INVESTCORP CAPITAL LIMITED)

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JULY 1, 2023 TO SEPTEMBER 30, 2023

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 30 September 2023, comprising the interim condensed consolidated statement of financial position as at 30 September 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. The Company's Board of Directors 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, other comprehensive income, changes in equity and cash flows for the three month period ended 30 September 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

13 November 2023
Abu Dhabi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 1, 2023 TO SEPTEMBER 30, 2023

<i>\$millions</i>	<i>July - September 2023</i>	<i>July - September 2022 (not reviewed)</i>	<i>Notes</i>
Revenue from capital financing services	8	3	
Revenue from capital deployment	9	8	
Interest income	2	1	12
Gross operating income	19	12	2
Operating expenses	(3)	(3)	
Interest expense	(3)	(0)	
NET PROFIT FOR THE PERIOD	13	9	
Basic and diluted earnings per share (cents)	0.70	0.51	9



.....
Mohammed Mahfoodh Saad Al Ardhi
Chairman



.....
Jan Erik Back
Director



.....
Timothy Mattar
Chief Executive Officer

The attached Notes 1 to 15 are an integral part of these interim condensed financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME
FOR THE PERIOD FROM JULY 1, 2023 TO SEPTEMBER 30, 2023**

<i>\$millions</i>	<i>July - September 2023</i>	<i>July - September 2022 (not reviewed)</i>
NET PROFIT FOR THE PERIOD	<u>13</u>	<u>9</u>
Other comprehensive income that will not be recycled to statement of profit or loss		
Movements - Fair value through other comprehensive income investments	0	(2)
<i>Other comprehensive income (loss)</i>	<u>0</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME	<u>13</u>	<u>7</u>



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Mohammed Mahfoodh Saad Al Ardhi
Chairman



.....
Jan Erik Back
Director



.....
Timothy Mattar
Chief Executive Officer

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

<i>\$millions</i>	<i>September 30, 2023</i>	<i>June 30, 2023</i> <i>(audited)</i>	<i>Notes</i>
ASSETS			
Due from a related party	100	150	12
Receivables and other assets	91	83	
Capital financing services	530	418	3
Corporate investments	350	335	4
Global credit	227	252	5
Real estate	134	155	6
Strategic capital	37	33	
TOTAL ASSETS	1,469	1,426	
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and accrued expenses	58	150	
Financing	163	41	7
TOTAL LIABILITIES	221	191	
EQUITY			
Net invested capital	-	1,235	
Share capital	935	-	8
Retained earnings and reserves	313	-	
TOTAL EQUITY	1,248	1,235	
TOTAL LIABILITIES AND EQUITY	1,469	1,426	



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Mohammed Mahfoodh Saad Al Ardhi
Chairman



.....
Jan Erik Back
Director



.....
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Chief Executive Officer

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 1, 2023 TO SEPTEMBER 30, 2023

\$millions	Invested capital	Share capital	<u>Retained earning and reserves</u>		Total
			Retained earnings	Fair value reserve	
Balance at July 1, 2022 (audited)	1,107	-	-	-	1,107
Total comprehensive income	7	-	-	-	7
Balance at September 30, 2022 (not reviewed)	1,114	-	-	-	1,114
Balance at July 1, 2023 (audited)	1,235	-	-	-	1,235
Total comprehensive income	-	-	13	0	13
Restructure / capitalisation during the period	(1,235)	935	307	(7)	-
Balance at September 30, 2023	-	935	320	(7)	1,248

The attached Notes 1 to 15 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 1, 2023 TO SEPTEMBER 30, 2023

\$millions	July - September 2023	July - September 2022 (not reviewed)
Net profit for the period	13	9
<i>Changes in operating assets and liabilities</i>		
<i>Financial assets at amortised cost and fair value</i>		
Corporate investments	(15)	(10)
Global credit	25	(2)
Real estate	21	(18)
Strategic capital	(4)	(3)
Capital financing services	(121)	(222)
Changes in working capital - assets	1	18
Changes in working capital - liabilities	(92)	(41)
Net cash (used in) operating activities	(172)	(269)
Movement in related party balance	50	269
Financing	122	-
Net cash from financing activities	172	269
Net change in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Total cash and cash equivalents	-	-
	July - September 2023	July - September 2022 (not reviewed)
Additional cash flow information		
Interest paid	(3)	(0)
Interest received	2	1
Dividends received	2	3

The attached Notes 1 to 15 are an integral part of these interim condensed 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.

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 corporate debt 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 - Capital Deployment	- Corporate investments - 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 November 12, 2023.

2. SEGMENT REPORTING

As at September 30, 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>	<i>July - September 2023</i>	<i>July - September 2022 (not reviewed)</i>
CAPITAL FINANCING SERVICES		
Revenue from capital financing services	8	3
Interest income	2	1
Gross income attributable to capital financing services	10	4
Interest expense	(3)	-
Operating expenses attributable to capital financing services	(1)	(1)
CAPITAL FINANCING SERVICES PROFIT (a)	6	3
CAPITAL DEPLOYMENT		
Gain on financial assets	3	2
Yield on global credit	4	3
Dividend income - real estate	2	3
Gross income attributable to capital deployment	9	8
Interest expense	-	(0)
Operating expenses attributable to capital deployment	(2)	(2)
CAPITAL DEPLOYMENT PROFIT (b)	7	6
PROFIT FOR THE PERIOD (a) + (b)	13	9

2. 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:

September 30, 2023 \$millions	Capital Financing Services	Capital deployment	Total
Assets			
<i>Due from a related party</i>	95	5	100
<i>Receivables and other assets</i>	84	7	91
<i>Capital financing services</i>	530	-	530
<i>Corporate investments</i>	-	350	350
<i>Global credit</i>	-	227	227
<i>Real estate</i>	-	134	134
<i>Strategic capital</i>	-	37	37
Total assets	709	760	1,469
Liabilities and Equity			
Liabilities			
<i>Payables and accrued expenses</i>	53	5	58
<i>Financing</i>	163	-	163
Total liabilities	216	5	221
Equity			
<i>Share capital</i>	369	566	935
<i>Retained earnings and reserves</i>	124	189	313
Total liabilities and equity	709	760	1,469

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			
<i>Payables and accrued expenses</i>	136	14	150
<i>Financing</i>	-	41	41
Total liabilities	136	55	191
Equity			
<i>Net invested capital</i>	507	728	1,235
Total liabilities and equity	643	783	1,426

3. CAPITAL FINANCING SERVICES

<i>\$millions</i>	September 30, 2023					June 30, 2023 (audited)				
	North America	Europe	Asia	MENA	Total	North America	Europe	Asia	MENA	Total
Corporate investments	29	51	120	19	219	0	51	95	19	165
Real estate	90	133	-	35	258	103	61	7	35	206
Strategic capital	42	-	-	-	42	36	-	-	-	36
Global credit	11	-	-	-	11	11	-	-	-	11
Total	172	184	120	54	530	150	112	102	54	418

4. CORPORATE INVESTMENTS

<i>\$millions</i>	September 30, 2023	June 30, 2023 (audited)
North America	118	103
Europe	18	19
MENA*	192	192
Asia**	22	21
Total	350	335

* Including Turkey

** Represents China and India

5. GLOBAL CREDIT

<i>\$millions</i>	September 30, 2023	June 30, 2023 (audited)
Structured global credit	187	211
Other global credit	40	41
Total	227	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.

6. REAL ESTATE

<i>\$millions</i>	September 30, 2023	June 30, 2023 (audited)
North America	106	126
Europe	15	17
Asia	9	9
MENA	4	3
Total	134	155

7. 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 September 30, 2023, \$163 million was drawn from the facility (June 30, 2023: Nil) and there was no secured financing (June 30, 2023: \$41 million).

8. 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. As at September 30, 2023, the Company has an issued and paid up capital of USD 935,001,000 comprising of 1,870,002,000 shares with nominal value of \$0.50 each.

9. EARNINGS PER SHARE

	September 30, 2023	September 30, 2022 (not reviewed)
Profit for the period (\$millions) attributable to shareholders	13	9
Number of ordinary shares (in millions)*	1,870	1,870
Basic and diluted earnings per ordinary share (cents)	0.70	0.51

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

10. COMMITMENTS AND CONTINGENT LIABILITIES

\$millions	September 30, 2023	June 30, 2023 (audited)
Commitments	214	239

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

11. 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.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 September 30, 2023, there was no transfer between levels (July 1, 2022 to September 30, 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.

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

September 30, 2023				
\$millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
Capital financing services	-	-	530	530
Corporate investments	2	-	348	350
Global credit	14	-	213	227
Real estate	-	-	134	134
Strategic capital	-	-	37	37
Total financial assets	16	-	1,262	1,278

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

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

<i>September 30, 2023</i> <i>\$millions</i>	<i>At beginning</i>	<i>Net new acquisitions</i>	<i>Fair value movements</i>	<i>Movements relating to realizations</i>	<i>Other movements*</i>	<i>At end</i>
<i>Corporate investments</i>	332	10	1	-	5	348
<i>Global credit</i>	239	23	2	(46)	(5)	213
<i>Real estate business</i>	155	4	-	(20)	(5)	134
<i>Strategic capital</i>	33	4	-	-	-	37
<i>Capital financing services</i>	418	199	-	(87)	-	530
Total	1,177	240	3	(153)	(5)	1,262

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

<i>June 30, 2023 (audited)</i> <i>\$millions</i>	<i>At beginning</i>	<i>Net new acquisitions</i>	<i>Fair value movements</i>	<i>Movements relating to realizations</i>	<i>Other movements*</i>	<i>At end</i>
<i>Corporate investments</i>	269	61	23	(31)	10	332
<i>Global credit</i>	190	64	(2)	(20)	7	239
<i>Real estate business</i>	86	63	0	(2)	8	155
<i>Strategic capital</i>	19	9	5	-	-	33
<i>Capital financing services</i>	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.

12. 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:

<i>\$millions</i>		<i>September 30, 2023</i>	<i>September 30, 2022 (not reviewed)</i>
Revenue from capital financing services	Investcorp clients/Portfolio companies	8	3
Revenue from capital deployment	Portfolio companies	9	8
Interest income	Parent Company	2	1
Interest expense	Parent Company	(3)	(0)
Operating expenses	Parent Company	(2)	(3)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

In addition to the above, the Company is reimbursed for any foreign currency gain or loss by Investcorp.

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

	September 30, 2023			June 30, 2023 (audited)		
	Assets	Liabilities	Off-balance sheet	Assets	Liabilities	Off-balance sheet
<u>\$millions</u>						
<u>Outstanding balances</u>						
Due from a related party	100	-	-	150	-	-
Capital financing services	530	-	-	418	-	-
Corporate investments	350	-	-	335	-	-
Real estate	134	-	-	155	-	-
Strategic capital	37	-	-	33	-	-
Global credit	227	-	-	252	-	-
Financing	-	163	-	-	-	-
Commitments and guarantees	-	-	214	-	-	239
	1,378	163	214	1,343	-	239

13. 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.

14. 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 loss 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 September 30, 2023. The comparative information for period ended September 30, 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.

15. SUBSEQUENT EVENTS

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 and the Company raised \$451 million by listing 720 million shares at the rate of AED 2.30. The trading of the Company's shares will commence on November 17, 2023.