

Interim results statement

For the six months ended 30 September 2023

Embargoed until 7:00am on 15 November 2023

Delivering growth today, visibility on future opportunities

Highlights

- Total AUM of \$81.0bn, up 3%¹ compared to 31 March 2023
- Fee-earning AUM of \$64.2bn, up 4%¹ compared to 31 March 2023, and \$14.3bn of AUM not yet earning fees
- Fundraising in line with our expectations at \$5.0bn, with demand both for our flagship strategies (\$3.2bn) and scaling strategies (\$1.8bn); remain on track to meet our medium-term fundraising guidance
- Management fee income of £234m (H1 FY23: £252m), up 5% YoY excluding catch-up fees (H1 FY23: £29.3m, H1 FY24: nil)
- Performance fee income of £29m (H1 FY23: £14m)
- FMC PBT of £162.7m (H1 FY23: £143.7m), operating margin of 55%
- Balance sheet investment performance delivering an annualized NIR of 11% (five year average: 11%)
- Group profit before tax of £241.9m (H1 FY23: £35.6m) and Group EPS of 71.5p (H1 FY23: 13.5p)
- NAV per share of 714p (31 March 2023: 694p), robust capitalisation: net gearing of 0.48x, total available liquidity of £1.0bn
- Interim dividend of 25.8p per share, in line with policy (H1 FY23: 25.3p per share)

Note: unless otherwise stated the financial results discussed herein are on the basis of Alternative Performance Measures (APM) - see page 5.

¹On a constant currency basis.

Benoît Durteste

CEO and CIO

“ ICG had a strategically and financially successful first half. We are executing on our strategy of "scaling up" and "scaling out", and are investing in our people and platform. Our broad waterfront of products today, built on our 35 years' experience of managing credit, positions us well to succeed across cycles. During the period we made progress across flagship, scaling and seeding strategies. Fee-earning AUM, profits from our fund management activities, and the value of our balance sheet all grew. Visibility on our future growth and earnings prospects increased.

Key funds generated value for our clients and shareholders, with low default rates, resilient NAVs, and \$1.9bn of realisations¹. This is underpinned by portfolio companies being appropriately capitalised and growing their earnings. Today, clients in our debt funds are enjoying historically high returns, and our teams in more equity-oriented funds are successfully navigating the impact of rising rates on those portfolios.

We are continuing to invest in further diversification, making seed investments during the period for strategies including LP Secondaries, Real Estate Equity, Life Sciences, and Infrastructure Asia. We are also exploring ways to leverage the breadth of ICG's platform to distribute products to the HNW and UHNW market, building on success of Strategic Equity.

In a fast-changing macro background, our long-term business model is performing. We have the right strategic and financial resources to execute on the substantial growth potential embedded in ICG today, and we expect to make further strategic and financial progress in the second half of the year and beyond.

¹ Fee-earning AUM of direct investment funds

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PERFORMANCE OVERVIEW

Unless stated otherwise, the financial results discussed herein are on the basis of alternative performance measures (APM), which the Board believes assists shareholders in assessing the financial performance of the Group. See page 5 for further information.

Financial performance

| | Six months to 30 September 2023 | Six months to 30 September 2022 | Year-on-year growth ¹ | Twelve months to 30 September 2023 | Last five years CAGR ^{1,2} |
|---|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|--|
| Total AUM | \$81.0bn | \$68.5bn | 12% | | 18% |
| Fee-earning AUM | \$64.2bn | \$57.3bn | 7% | | 19% |
| Management fee income | £233.9m | £251.5m | (7)% | £463.8m | 23% |
| Performance fee income | £29.3m | £13.8m | n/m | £35.1m | 5% |
| Annualised Net Investment Return % | 11% | (2)% | | 10% | 11% ³ |
| Fund Management Company profit before tax | £162.7m | £143.7m | 13% | £329.7m | 23% |
| Group profit before tax | £241.9m | £35.6m | n/m | £464.4m | 9% |
| Group earnings per share | 71.5p | 13.5p | n/m | 138.3p | 4% |
| NAV per share | 714p | 658p | 9% | | 8% |
| Dividend per share | 25.8p | 25.3p | 2% | | 21% |

¹ AUM on constant currency basis.

² AUM and per share calculations based on 30 September 2018 to 30 September 2023, all other items LTM 30 September 2018 to LTM 30 September 2023. Dividend includes H1 FY24 declared dividend.

³ Five year average.

Business activity

| Six months to 30 September 2023 | Fundraising | Deployment ¹ | Realisations ^{1,2} |
|---------------------------------|----------------|-------------------------|-----------------------------|
| Structured and Private Equity | \$2.6bn | \$0.5bn | \$0.4bn |
| Private Debt | \$1.4bn | \$1.6bn | \$1.0bn |
| Real Assets | \$0.6bn | \$1.1bn | \$0.5bn |
| Credit | \$0.4bn | | |
| Total | \$5.0bn | \$3.2bn | \$1.9bn |

¹ Direct investment funds.

² Realisations of third-party fee-earning AUM.

Guidance

Our guidance remains unchanged and is set out below.

| Fundraising | Performance fees | FMC operating margin | Net Investment Returns |
|---|---|----------------------|---|
| At least \$40bn fundraising in aggregate between 1 April 2021 and 31 March 2024 | Performance fees to represent 10 - 15% of third-party fee income over the medium-term | In excess of 50% | Low double-digit percentage points over the medium-term |

COMPANY PRESENTATION

A presentation for shareholders, debtholders and analysts will be held at 09:00 GMT today: join via the link on our [website](#). A recording and transcript of the presentation will be available on demand from the same location in the coming days.

COMPANY TIMETABLE

| | |
|--|------------------|
| Ex-dividend date | 7 December 2023 |
| Record date | 8 December 2023 |
| Last date to elect for dividend reinvestment | 14 December 2023 |
| Payment of ordinary dividend | 8 January 2024 |
| Q3 trading statement | 25 January 2024 |
| Seminar: Deep-dive on "scaling out" | 21 February 2024 |

ENQUIRIES

Shareholders & Debtholders / analysts:

Chris Hunt, Head of Corporate Development & Shareholder Relations, ICG +44(0)20 3545 2020

Media:

Fiona Laffan, Global Head of Corporate Affairs, ICG +44(0)20 3545 1510

This results statement may contain forward looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

ABOUT ICG

ICG provides flexible capital solutions to help companies develop and grow. We are a global alternative asset manager with over 30 years' history, operating across four asset classes: Structured and Private Equity, Private Debt, Real Assets, and Credit.

We develop long-term relationships with our business partners to deliver value for shareholders, clients and employees. We are committed to being a net zero asset manager across our operations and relevant investments by 2040.

ICG is listed on the London Stock Exchange (ticker symbol: ICP). Further details are available at www.icgam.com.

FINANCIAL REVIEW

AUM

Refer to the [Datapack](#) issued with this announcement for further detail on AUM (including fundraising, realisations and deployment by fund).

Total AUM

During the period, Total AUM grew 3% on a constant currency basis (up 1% on a reported basis) and at 30 September 2023 was \$81.0bn (31 March 2023: \$80.2bn). The balance sheet investment portfolio accounted for 4.0% of the Total AUM (31 March 2023: 4.1%).

Third-party AUM and fee-earning AUM

Dry powder and AUM not yet earning fees: at 30 September 2023, we had \$22.3bn of third-party AUM available to deploy in new investments, \$14.3bn of which is not yet earning fees but will do so when the capital is invested or enters its investment period.

Current fundraising: at 30 September 2023, closed-end funds that were actively fundraising included SDP V and SDP SMAs; Strategic Equity V; North America Credit Partners III; Europe Mid-Market II; Infrastructure Europe II; LP Secondaries I; Life Sciences I; and various Real Estate equity and debt strategies. The timings of closes for these funds depends on a number of factors, including the prevailing market conditions.

| Third-party AUM (\$m) | Structured and Private Equity | Private Debt | Real Assets | Credit | Total |
|---------------------------------------|-------------------------------|---------------|--------------|---------------|---------------|
| At 1 April 2023 | 27,728 | 23,641 | 7,863 | 17,755 | 76,987 |
| Additions | 2,633 | 1,464 | 634 | 388 | 5,119 |
| Realisations | (428) | (312) | (334) | (1,241) | (2,315) |
| Net additions / (realisations) | 2,205 | 1,152 | 300 | (853) | 2,804 |
| FX and other | (1,137) | (563) | (190) | (134) | (2,024) |
| At 30 September 2023 | 28,796 | 24,230 | 7,973 | 16,768 | 77,767 |
| Change \$m | 1,068 | 589 | 110 | (987) | 780 |
| Change % | 4% | 3% | 1% | (6)% | 1% |
| Change % (constant exchange rate) | 6% | 4% | 3% | (4)% | 3% |

| Fee-earning AUM (\$m) | Structured and Private Equity | Private Debt | Real Assets | Credit | Total |
|--|-------------------------------|---------------|--------------|---------------|---------------|
| At 1 April 2023 | 23,840 | 14,249 | 6,862 | 17,898 | 62,849 |
| <i>Funds raised: fees on committed capital</i> | 2,412 | — | 405 | — | 2,817 |
| <i>Deployment of funds: fees on invested capital</i> | 79 | 1,620 | 710 | 490 | 2,899 |
| Total additions | 2,491 | 1,620 | 1,115 | 490 | 5,716 |
| Realisations | (409) | (965) | (497) | (1,282) | (3,153) |
| Net additions / (realisations) | 2,082 | 655 | 618 | (792) | 2,563 |
| Stepdowns | (220) | — | (92) | — | (312) |
| FX and other ¹ | (371) | (253) | (225) | (47) | (896) |
| At 30 September 2023 | 25,331 | 14,651 | 7,163 | 17,059 | 64,204 |
| Change \$m | 1,491 | 402 | 301 | (839) | 1,355 |
| Change % | 6% | 3% | 4% | (5)% | 2% |
| Change % (constant exchange rate) | 9% | 5% | 6% | (3)% | 4% |

¹ See page 16 for FX exposure of fee-earning AUM, fee income, FMC expenses and Balance sheet investment portfolio.

Group financial performance

The Board and management monitor the financial performance of the Group on the basis of Alternative Performance Measures (APM), which are non-UK-adopted IAS measures. The APM form the basis of the financial results discussed in this review, which the Board believes assist shareholders in assessing their investment and the delivery of the Group's strategy through its financial performance.

The substantive difference between APM and UK-adopted IAS is the consolidation of funds, including seeded strategies, and related entities deemed to be controlled by the Group, which are included in the UK-adopted IAS consolidated financial statements at fair value but excluded for the APM in which the Group's economic exposure to the assets is reported.

Under IFRS 10, the Group is deemed to control (and therefore consolidate) entities where it can make significant decisions that can substantially affect the variable returns of investors. This has the impact of including the assets and liabilities of these entities in the consolidated statement of financial position and recognising the related income and expenses of these entities in the consolidated income statement.

The Group's profit before tax on an UK-adopted IAS basis was above prior period at £259.9m (H1 FY23: £30.8m). On the APM basis it was above the prior period at £241.9m (H1 FY23: £35.6m).

Detail of these adjustments can be found in note 3 to the UK-adopted IAS condensed consolidated financial statements on pages 27 to 28.

| £m unless stated | 30 September 2023 (Unaudited) | 30 September 2022 (Unaudited) | Change % | Twelve months to 30 September 2023 (Unaudited) |
|--|--|--|-----------------|---|
| Management fees | 233.9 | 251.5 | (7)% | 463.8 |
| Performance fees | 29.3 | 13.8 | n/m | 35.1 |
| Third-party fee income | 263.2 | 265.3 | (1)% | 498.9 |
| Movement in FV of derivative | — | (45.6) | (100)% | 18.8 |
| Other Fund Management Company income | 32.8 | 37.2 | (12)% | 61.3 |
| Fund Management Company revenue | 296.0 | 256.9 | 15% | 579.0 |
| Fund Management Company operating expenses | (133.3) | (113.2) | 18% | (249.3) |
| Fund Management Company profit before tax | 162.7 | 143.7 | 13% | 329.7 |
| <i>Fund Management Company operating margin</i> | <i>55.0%</i> | <i>55.9%</i> | <i>(0.9)%</i> | <i>57.0%</i> |
| Net investment return | 159.4 | (26.5) | n/m | 288.2 |
| Other Investment Company Income | (17.6) | (7.7) | n/m | (13.8) |
| Investment Company operating expenses | (48.6) | (47.7) | (2)% | (104.0) |
| Interest income | 10.0 | 3.9 | n/m | 20.0 |
| Interest expense | (24.0) | (30.1) | 20% | (55.7) |
| Investment Company (loss) / profit before tax | 79.2 | (108.1) | n/m | 134.7 |
| Group profit before tax | 241.9 | 35.6 | n/m | 464.4 |
| Tax | (37.5) | 3.1 | n/m | (69.4) |
| Group profit after tax | 204.4 | 38.7 | n/m | 395.0 |
| Earnings per share | 71.5p | 13.5p | n/m | 138.3p |
| Dividend per share | 25.8p | 25.3p | 2% | 78.0p |
| Liquidity | £1.0bn | £1.3bn | | |
| Balance sheet investment portfolio | £3.0bn | £2.9bn | | |
| Net gearing | 0.48x | 0.55x | | |
| Net asset value per share | 714p | 658p | | |

Structured and Private Equity

Overview

| Flagship strategies | Scaling strategies | Seeding strategies |
|--|---|--------------------------------|
| European Corporate Strategic Equity | European Mid-Market Asia Pacific Corporate LP Secondaries | Life Sciences US Mid-Market |

| | Six months to 30 September 2023 | Six months to 30 September 2022 | Year-on-year growth ¹ | Twelve months to 30 September 2023 | Last five years CAGR ^{1,2} |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|--|
| Total AUM | \$30.9bn | \$25.3bn | 16% | | 21% |
| Fee-earning AUM | \$25.3bn | \$23.1bn | 4% | | 20% |
| Fundraising | \$2.6bn | \$3.0bn | (15)% | \$3.0bn | |
| Deployment | \$0.5bn | \$1.5bn | (65)% | \$3.3bn | |
| Realisations | \$0.4bn | \$0.7bn | (39)% | \$2.1bn | |
| Effective management fee rate | 1.25% | 1.25% | — % | | |
| Management fees | £127m | £154m | (18)% | £256m | 25% |
| Performance fees | £22m | £9m | n/m | £27m | 6% |
| Balance sheet investment portfolio | £1.8bn | | | | |
| Annualised net investment return | 13% | 2% | | | 16% ³ |

¹ AUM on constant currency basis.

² AUM calculation based on 30 September 2018 to 30 September 2023, all other items LTM 30 September 2018 to LTM 30 September 2023.

³ Five year average.

Performance of key funds

Refer to the [Datapack](#) issued with this announcement for further detail on fund performance

| | Vintage | Total fund size | Status | % deployed | Gross MOIC | Gross IRR | DPI |
|--------------------------|---------|-----------------|-------------|------------|------------|-----------|------|
| Europe VI | 2015 | €3.0bn | Realising | | 2.2x | 23% | 179% |
| Europe VII | 2018 | €4.5bn | Realising | | 1.8x | 20% | 42% |
| Europe VIII | 2021 | €8.1bn | Investing | 43% | 1.2x | 16% | — |
| Europe Mid-Market I | 2019 | €1.0bn | Investing | 87% | 1.5x | 27% | 7% |
| Europe Mid-Market II | | | Fundraising | | | | |
| Asia Pacific III | 2014 | \$0.7bn | Realising | | 2.1x | 18% | 103% |
| Asia Pacific IV | 2020 | \$1.0bn | Investing | 44% | 1.4x | 24% | — |
| Strategic Secondaries II | 2016 | \$1.1bn | Realising | | 3.0x | 48% | 155% |
| Strategic Equity III | 2018 | \$1.8bn | Realising | | 2.4x | 47% | 29% |
| Strategic Equity IV | 2021 | \$4.3bn | Investing | 97% | 1.7x | 53% | 4% |
| Strategic Equity V | | | Fundraising | | | | |
| LP Secondaries I | | | Fundraising | | | | |

Key drivers

| | |
|------------------------------------|---|
| Business activity | Fundraising: Strategic Equity (\$1.8bn) and Europe Mid-Market II (\$0.8bn) Deployment: Majority coming from European Corporate (\$0.2bn) and Europe Mid -Market (\$0.2bn) Realisations: European Corporate (\$0.2bn) and Strategic Equity (\$0.2bn) |
| Fee income | Management fees: Prior period included £29.3m of catch-up fees (H1 FY24: nil) Performance fees: H1 FY24 includes inaugural recognition of performance fees for Europe VII (£12.5m) |
| Balance sheet investment portfolio | Investment returns: European Corporate and Strategic Equity drove positive NIR, with underlying portfolio companies in both strategies generally continuing to grow profits, as well as some realisations Cash flow: £86m cash generation, driven by net realisations in European Corporate and Strategic Equity |
| Fund performance | Portfolio continuing to demonstrate earnings growth; exits during the period in Europe VIII, Strategic Equity IV and LP Secondaries underpinning fund valuations and DPI |

Private Debt

Overview

| Flagship strategies | Scaling strategies | Seeding strategies |
|----------------------|-------------------------------|--------------------|
| Senior Debt Partners | North America Credit Partners | - |

| | Six months to 30 September 2023 | Six months to 30 September 2022 | Year-on-year growth ¹ | Twelve months to 30 September 2023 | Last five years CAGR ^{1,2} |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|--|
| Total AUM | \$24.4bn | \$18.7bn | 24% | | 20% |
| Fee-earning AUM | \$14.7bn | \$11.8bn | 18% | | 24% |
| Fundraising | \$1.4bn | \$1.0bn | 49% | \$4.3bn | |
| Deployment | \$1.6bn | \$2.5bn | (35)% | \$3.6bn | |
| Realisations | \$1.0bn | \$1.5bn | (37)% | \$1.4bn | |
| Effective management fee rate | 0.82% | 0.85% | (0.03)% | | |
| Management fees | £47m | £40m | 16% | £90m | 28% |
| Performance fees | £7m | £4m | 73% | £9m | 16% |
| Balance sheet investment portfolio | £0.2bn | | | | |
| Annualised net investment return | 10% | 13% | | | 10% ³ |

¹ AUM on constant currency basis.

² AUM calculation based on 30 September 2018 to 30 September 2023, all other items LTM 30 September 2018 to LTM 30 September 2023.

³ Five year average.

Performance of key funds

Refer to the [Datapack](#) issued with this announcement for further detail on fund performance

| | Vintage | Total fund size | Status | % deployed | Gross MOIC | Gross IRR | DPI |
|-----------------------------------|---------|-----------------|-------------------------|------------|------------|-----------|------|
| Senior Debt Partners II | 2015 | €1.5bn | Realising | | 1.3x | 9% | 81% |
| Senior Debt Partners III | 2017 | €2.6bn | Realising | | 1.3x | 9% | 43% |
| Senior Debt Partners IV | 2020 | €5.0bn | Investing | 100% | 1.1x | 11% | — |
| Senior Debt Partners V | | | Fundraising / Investing | | | | |
| North American Private Debt I | 2014 | \$0.8bn | Realising | | 1.5x | 16% | 128% |
| North American Private Debt II | 2019 | \$1.4bn | Investing | 94% | 1.3x | 14% | 24% |
| North America Credit Partners III | | | Fundraising | | | | |

Key drivers

| | |
|------------------------------------|---|
| Business activity | Fundraising: Senior Debt Partners (\$1.0bn) and North America Credit Partners III (\$0.4bn) Deployment: Senior Debt Partners (\$1.4bn) and North America Credit Partners (\$0.2bn) Realisations: Senior Debt Partners (\$0.9bn) |
| Fee income | Management fees: continued net deployment driving higher fee earning AUM Performance fees: higher investment returns (largely due to base rate rises) increasing performance fee potential |
| Balance sheet investment portfolio | Investment returns: higher base rate and low impairments supporting NIR Cash flow: £18m cash generation, driven by cash interest received and modest net realisations |
| Fund performance | High base rate, favourable supply / demand dynamics and low impairments continue to drive attractive performance across our Private Debt strategies |

Real Assets

Overview

| Flagship strategies | Scaling strategies | Seeding strategies |
|---------------------|--|---|
| - | Infrastructure Europe Strategic Real Estate Europe Metropolitan (Real Estate Equity) Real Estate Debt | Infrastructure Asia Real Estate Asia |

| | Six months to 30 September 2023 | Six months to 30 September 2022 | Year-on-year growth ¹ | Twelve months to 30 September 2023 | Last five years CAGR ^{1,2} |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|--|
| Total AUM | \$8.4bn | \$7.7bn | — | | 16% |
| Fee-earning AUM | \$7.2bn | \$6.3bn | 5% | | 18% |
| Fundraising | \$0.6bn | \$0.6bn | (2)% | \$1.0bn | |
| Deployment | \$1.1bn | \$1.0bn | 6 % | \$1.8bn | |
| Realisations | \$0.5bn | \$0.7bn | (29)% | \$0.8bn | |
| Effective management fee rate | 0.91% | 0.88% | — | | |
| Management fees | £27m | £25m | 9% | £51m | 19% |
| Performance fees | — | £1m | (100)% | £(1)m | n/m |
| Balance sheet investment portfolio | £0.3bn | | | | |
| Annualised net investment return | 7% | (4)% | | | 6% ³ |

¹ AUM on constant currency basis.

² AUM calculation based on 30 September 2018 to 30 September 2023, all other items LTM 30 September 2018 to LTM 30 September 2023.

³ Five year average.

Performance of key funds

Refer to the [Datapack](#) issued with this announcement for further detail on fund performance

| | Vintage | Total fund size | Status | % deployed | Gross MOIC | Gross IRR | DPI |
|------------------------------------|---------|-----------------|-------------------------|------------|------------|-----------|-----|
| Real Estate Partnership Capital IV | 2015 | £1.0bn | Realising | | 1.2x | 6% | 97% |
| Real Estate Partnership Capital V | 2018 | £0.9bn | Investing | | 1.2x | 10% | 25% |
| Real Estate Partnership Capital VI | | | Fundraising / Investing | | | | |
| Infrastructure Equity I | 2020 | €1.5bn | Investing | 90% | 1.3x | 23% | 1% |
| Infrastructure II | | | Fundraising / Investing | | | | |
| Sale & Leaseback I | 2019 | €1.2bn | Investing | 99% | 1.1x | 8% | 8% |
| Strategic Real Estate II | | | Fundraising / Investing | | | | |

Key drivers

| | |
|------------------------------------|---|
| Business activity | Fundraising: Real Estate equity strategies (\$0.3bn) and Infrastructure II (\$0.2bn) Deployment: Real Estate equity and debt strategies (\$0.8bn), Infrastructure Europe (\$0.2bn) Realisations: Real Estate debt strategies (\$0.5bn) |
| Fee income | Management fees: higher fee earning AUM driven by fundraising and net deployment Performance fees: limited given early stages of performance fee-generating strategies |
| Balance sheet investment portfolio | Investment returns: Infrastructure and Real Estate Equity driving positive NIR, more than offsetting a modest reduction in Real Estate Debt Cash flow: £36m cash consumptive due to net deployments in Infrastructure and Real Estate equity |
| Fund performance | Strategic Real Estate and Infrastructure reporting increases in funds NAV, generally resilient performance in Real Estate Debt |

Credit

Overview

| Flagship strategies | Scaling strategies | | Seeding strategies | | |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------------------|--|
| CLOs | Liquid Credit | | - | | |
| | Six months to 30 September 2023 | Six months to 30 September 2022 | Year-on-year growth ¹ | Twelve months to 30 September 2023 | Last five years CAGR ^{1,2} |
| Total AUM | \$17.2bn | \$16.8bn | (2)% | | 12% |
| Fee-earning AUM | \$17.1bn | \$16.0bn | 2% | | 13% |
| Fundraising | \$0.4bn | \$1.0bn | (62)% | \$1.3bn | |
| Realisations | \$1.3bn | \$0.9bn | (45)% | \$2.1bn | |
| Effective management fee rate | 0.49% | 0.48% | 0.01% | | |
| Management fees | £34m | £33m | 2% | £66.5m | 13% |
| Performance fees | — | — | — | — | — |
| Balance sheet investment portfolio | £0.4bn | | | | |
| Annualised net investment return | 9% | (22)% | | | 0% ³ |

¹ AUM on constant currency basis.

² AUM calculation based on 30 September 2018 to 30 September 2023, all other items LTM 30 September 2018 to LTM 30 September 2023.

³ Five year average.

Key drivers

| | |
|------------------------------------|--|
| Business activity | Fundraising: US CLO (\$0.4bn), with equity tranche supported by ICG's third-party risk retention fund Realisations: Liquid Credit (\$0.9bn) and CLOs (\$0.3bn) |
| Fee income | Management fees: Modest increase due to higher fee-earning AUM and effective management fee rate Performance fees: Limited performance fee-eligible strategies within Credit |
| Balance sheet investment portfolio | Investment returns: positive valuation impacts across CLO equity, CLO debt and liquid funds Cash flow: cash flow neutral, with realisations and cash interest receipts (excluding dividends from CLO equity) offsetting new investments |

Fund Management Company

The Fund Management Company (FMC) is the Group's principal driver of long-term profit growth. It manages our third-party AUM, which it invests on behalf of the Group's clients.

Management fees

Management fees for the period totalled £233.9m (H1 FY23: £251.5m), a year-on-year increase of 5% excluding the impact of catch-up fees (H1 FY23: £29.3m, H1 FY24: nil). The effective management fee rate on our fee-earning AUM at the period end was 0.91% (FY23: 0.90%).

Performance fees

Performance fees for the period totalled £29.3m (H1 FY23: £13.8m). The year-on-year increase was largely due to the inaugural recognition in the current period of performance fees relating to Europe VII (£12.5m). At 30 September 2023 the Group had an asset of £58.9m of accrued performance fees on its balance sheet (31 March 2023: £37.5m):

| £m | |
|--|-------------|
| Accrued performance fees at 31 March 2023 | 37.5 |
| Accruals during period | 29.3 |
| Received during period | (8.0) |
| FX and other movements | 0.1 |
| Accrued performance fees at 30 September 2023 | 58.9 |

Other income and movements in fair value of derivatives

Other income includes dividend receipts of £20.3m (H1 FY23: £23.8m) from investments in CLO equity, which are continuing to be received in line with historical experiences. The FMC also recognised £12.3m of revenue for managing the IC balance sheet investment portfolio (H1 FY23: £12.7m), as well as other income of £0.2m (H1 FY23: £0.7m).

During FY23 the Group decided to no longer enter into FX transaction hedges for its fee income as a matter of course (although it may still do so on an ad hoc basis), and economically closed out all outstanding such hedges. For H1 FY24 the movement in fair value of derivatives within the FMC was zero (H1 FY23: £(45.6)m).

Operating expenses and margin

Operating expenses increased by 18% compared to H1 FY23 and totalled £133.3m (H1 FY23: £113.2m). Salaries increased ahead of headcount (which grew 6%), largely due to a number of senior hires, while other expenses grew due to timing of expenses compared to the prior year, a number of senior hires with higher incentives compared to salary, and ongoing investment in our operating platform.

| £m | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Change | Twelve months ended 30 September 2023 |
|-------------------------------|---------------------------------------|---------------------------------------|------------|--|
| Salaries | 47.3 | 41.9 | 13% | 90.4 |
| Incentive scheme costs | 55.2 | 46.0 | 20% | 101.4 |
| Administrative costs | 27.4 | 22.5 | 22% | 50.6 |
| Depreciation and amortisation | 3.4 | 2.8 | 21% | 6.9 |
| FMC operating expenses | 133.3 | 113.2 | 18% | 249.3 |
| FMC operating margin | 55.0% | 55.9% | (1)% | 57.0% |

The FMC recorded a profit before tax of £162.7m (H1 FY23: £143.7m), a year-on-year increase of 13% and an increase of 15% on a constant currency basis.

Investment Company

The Investment Company (IC) invests the Group's balance sheet to seed new strategies, and invests alongside the Group's scaling and established strategies to align interests between our shareholders, clients and employees. It also supports a number of costs, including for certain central functions, a part of the Executive Directors' compensation, and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio (Deal Vintage Bonus, or DVB).

Balance sheet investment portfolio

The balance sheet investment portfolio was valued at £3.0bn at 30 September 2023 (31 March 2023: £2.9bn). During the period, it generated net realisations and related interest of £26.6m (H1 FY23: £122.4m), being net realisations of £3.2m (H1 FY23: £103.2m) and cash interest receipts of £23.4m (H1 FY23: £19.2m).

We made seed investments totalling £170m, including on behalf of LP Secondaries, Real Estate Equity, Life Sciences and Infrastructure Asia.

| £m | As at 31 March 2023 | New investments | Realisations | Gains/ (losses) in valuation | FX & other ² | As at 30 September 2023 |
|---|------------------------|--------------------|--------------|---------------------------------|-------------------------|-------------------------------|
| Structured and Private Equity | 1,751 | 32 | (118) | 111 | (10) | 1,766 |
| Private Debt | 169 | 6 | (14) | 8 | 1 | 170 |
| Real Assets | 289 | 58 | (22) | 11 | (3) | 333 |
| Credit ¹ | 363 | 6 | (7) | 17 | (2) | 377 |
| Seed Investments | 330 | 170 | (138) | 11 | 2 | 375 |
| Total Balance Sheet Investment Portfolio | 2,902 | 272 | (299) | 158 | (12) | 3,021 |

¹ Within Credit, at 30 September 2023 £71m was invested in liquid strategies, with the remaining £306.4m invested in CLO debt (£106.2m) and equity (£200.2m).

² See page 16 for FX exposure of fee-earning AUM, fee income, FMC expenses and Balance sheet investment portfolio.

Net Investment Returns

For the five years to 30 September 2023, Net Investment Returns (NIR) have been in line with our medium-term guidance, averaging 11%. For the six months to 30 September 2023, NIR were £159.4m (H1 FY23: £(26.5)m), equating to an annualised rate of 11% (H1 FY23: 2%).

NIR were comprised of interest of £59.2m from interest-bearing investments (H1 FY23: £53.0m), unrealised gains of £99.0m (H1 FY23: loss of £(79.5)m) and other income of £1.1m. NIR were split between asset classes as follows:

| £m | Six months to 30 September 2023 | | Six months to 30 September 2022 | | Twelve months to 30 September 2023 | |
|-------------------------------------|---------------------------------|--------------------|---------------------------------|--------------------|------------------------------------|------------|
| | NIR (£m) | Annualised NIR (%) | NIR (£m) | Annualised NIR (%) | NIR (£m) | NIR (%) |
| Structured and Private Equity | 111.4 | 13% | 18.2 | 2 % | 206.1 | 12% |
| Private Debt | 8.9 | 10% | 10.3 | 13 % | 13.0 | 8% |
| Real Assets | 11.2 | 7% | (6.7) | (4)% | 38.6 | 12% |
| Credit | 17.0 | 9% | (45.9) | (22)% | 32.8 | 8% |
| Seed Investments ¹ | 11.0 | 6% | (2.4) | (3)% | (2.2) | (1%) |
| Total net investment returns | 159.4 | 11% | (26.5) | (2)% | 288.3 | 10% |

¹ FY23 NIR adjusted to reflect three assets with Seed Investments that were previously included within Real Assets.

For further discussion on balance sheet investment performance by asset class, refer to pages 6 - 9 of this announcement.

In addition to the NIR, the other adjustments to IC revenue were as follows:

| £m | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Change | Twelve months ended 30 September 2023 |
|---|---------------------------------------|---------------------------------------|------------|--|
| Changes in fair value of derivatives ¹ | (5.8) | 3.8 | n/m | 7.2 |
| Inter-segmental fee | (12.3) | (12.7) | 3 % | (24.6) |
| Other | 0.5 | 1.2 | (58) % | 3.6 |
| Other IC revenue | (17.6) | (7.7) | n/m | (13.8) |

¹ See page 16 for FX exposure of fee-earning AUM, fee income, FMC expenses and Balance sheet investment portfolio.

As a result, the IC recorded total revenues of £141.8m (H1 FY23: £(34.2)m).

Investment Company expenses

Operating expenses in the IC of £48.6m increased by 2% compared to H1 FY23 (£47.7m), with modest increases in salaries and incentive scheme costs being offset by a decrease in administrative costs:

| £m | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Change % | Twelve months ended 30 September 2023 |
|-------------------------------|---------------------------------------|---------------------------------------|-------------|--|
| Salaries | 9.9 | 9.2 | 8% | 20.7 |
| Incentive scheme costs | 28.6 | 26.6 | 8% | 61.6 |
| Administrative costs | 8.7 | 10.6 | (18)% | 18.8 |
| Depreciation and amortisation | 1.4 | 1.3 | 8% | 2.9 |
| IC operating expenses | 48.6 | 47.7 | 2% | 104.0 |

Incentive scheme costs included DVB accrual of £15.4m (H1 FY23: £15.3m), due both to the passage of time and the impact of underlying valuation changes.

Employee costs for teams who do not yet have a third-party fund are allocated to the IC. For H1 FY24, the directly-attributable costs within the Investment Company for teams that have not had a first close of a third-party fund was £12.2m (H1 FY23: £10.7m). When those funds have a first close, the costs of those teams are transferred to the Fund Management Company. During the period, certain costs within real estate were transferred from the IC to FMC, resulting in £2.4m of expenses being recognised in the FMC.

Interest expense was £24.0m (H1 FY23: £30.1m) and interest earned on cash balances was £10.0m (H1 FY23: £3.9m).

The IC recorded a profit before tax of £79.2m (H1 FY23: loss before tax £(108.1)m).

Group

Tax

The Group recognised a tax charge of £(37.5)m (H1 FY23: tax credit of £3.1m), resulting in an effective tax rate for the period of 15.5% (H1 FY23: (8.7)%). The increase compared to the prior year is due to an increase from 19 to 25% in the UK tax rate and positive NIR.

As detailed in note 7, the Group has a structurally lower effective tax rate than the statutory UK rate. This is largely driven by the Investment Company, where certain forms of income benefit from tax exemptions. The effective tax rate will vary depending on the income mix.

Dividend

ICG has a progressive dividend policy, and over the long-term the Board intends to increase the dividend per share by at least mid-single digit percentage points on an annualised basis.

In line with our policy of paying an interim dividend equal to one third of the prior year's total dividend, the Board is declaring an interim dividend of 25.8p per share (H1 FY23: 25.3p). We continue to make the dividend reinvestment plan available.

Balance sheet

We use our balance sheet's asset base to grow our fee-earning AUM, and do this through two routes:

- investing alongside clients in our existing strategies to align interests; and
- making investments to seed new strategies.

During the year we made gross investments of £102m alongside existing strategies and £170m in seed investments. See page 11 for more information on the performance of our balance sheet investment portfolio during the period.

To support this asset base, we maintain a robust capitalisation and a strong liquidity position.

| £m (unless stated) | 30 September 2023 | 31 March 2023 |
|------------------------------------|-------------------|----------------|
| Balance sheet investment portfolio | 3,021 | 2,902 |
| Cash and cash equivalents | 485 | 550 |
| Other assets | 430 | 424 |
| Total assets | 3,936 | 3,876 |
| Financial debt | (1,477) | (1,538) |
| Other liabilities | (413) | (361) |
| Total liabilities | (1,890) | (1,899) |
| Net asset value | 2,046 | 1,977 |
| Net asset value per share | 714p | 694p |

Liquidity and net debt

At 30 September 2023 the Group had total available liquidity of £1,035m (31 March 2023: £1,100m), net financial debt of £992m (31 March 2023: £988m) and net gearing of 0.48x (31 March 2023: 0.50x).

During the period cash reduced by £65m from £550m to £485m, including the repayment of £51m of borrowings that matured.

The table below sets out movements in cash:

| £m | H1 FY24 | FY23 |
|--|--------------|--------------|
| Opening cash | 550 | 762 |
| Operating activities | | |
| Fee and other operating income | 232 | 573 |
| Net cash flows from investment activities and investment income ¹ | 30 | 162 |
| Expenses and working capital | (153) | (322) |
| Tax paid | (1) | (32) |
| Group cash flows from operating activities - APM^{2,3} | 108 | 381 |
| Financing activities | | |
| Interest paid | (15) | (64) |
| Interest received on cash balances | 13 | 14 |
| Purchase of own shares | — | (39) |
| Dividends paid | (150) | (236) |
| Net repayment of borrowings | (51) | (195) |
| Group cash flows from financing activities - APM² | (203) | (520) |
| Other cash flow ⁴ | 26 | (77) |
| FX and other movement | 4 | 4 |
| Closing cash | 485 | 550 |
| Available undrawn ESG-linked RCF | 550 | 550 |
| Cash and undrawn debt facilities (total available liquidity) | 1,035 | 1,100 |

¹The aggregate cash (used)/received from balance sheet investment portfolio (additions), realisations, and cash proceeds received from assets within the balance sheet investment portfolio.

²Interest paid, which is classified as an Operating cash flow under UK-adopted IAS, is reported within Group cash flows from financing activities - APM.

³Per note 9 of the Financial Statements, Operating cash flows under UK-adopted IAS of £(75.0)m (FY23: £291.6m) include consolidated credit funds. This difference to the APM measure is driven by cash consumption within consolidated credit funds as a result of their investing activities during the period.

⁴Cash flows in respect of purchase of intangible assets, purchase of property, plant and equipment and net cash flow from derivative financial instruments.

At 30 September 2023, the Group had drawn debt of £1,477m (31 March 2023: £1,538m). The change is due to the repayment of certain facilities as they matured, along with changes in FX rates impacting the translation value:

| | £m |
|--|--------------|
| Drawn debt at 31 March 2023 | 1,538 |
| Debt (repayment) / issuance | (51) |
| Impact of foreign exchange rates | (10) |
| Drawn debt at 30 September 2023 | 1,477 |

Net financial debt therefore increased by £4m to £992m (31 March 2023: £988m):

| £m | 30 September 2023 | 31 March 2023 |
|---------------------------|-------------------|---------------|
| Drawn debt | 1,477 | 1,538 |
| Cash | 485 | 550 |
| Net financial debt | 992 | 988 |

At 30 September 2023 the Group had credit ratings of BBB (stable outlook) / BBB (stable outlook) from Fitch and S&P, respectively.

The Group's debt is provided through a range of facilities. All facilities except the ESG-linked RCF are fixed-rate instruments. The weighted-average pre-tax cost of drawn debt at 30 September 2023 was 3.07% (31 March 2023: 3.17%). The weighted-average life of drawn debt at 30 September 2023 was 3.8 years (31 March 2023: 4.1 years). The maturity profile of our term debt is set out below:

| £m | H2 FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 |
|--------------------|---------|------|------|------|------|------|------|
| Term debt maturing | — | 259 | 186 | 496 | — | 103 | 433 |

For further details of our debt facilities see Other Information (page 38).

Net asset value

Shareholder equity increased to £2,046m at 30 September 2023 (31 March 2023: £1,977m), equating to 714p per share (31 March 2023: 694p).

Net gearing

The movements in the Group's balance sheet investment portfolio, cash balance, debt facilities and shareholder equity resulted in net gearing decreasing to 0.48x at 30 September 2023 (31 March 2023: 0.50x).

| £m | 30 September 2023 | 31 March 2023 | Change % |
|--------------------------|-------------------|---------------|----------------|
| Net financial debt (A) | 992 | 988 | — |
| Net asset value (B) | 2,046 | 1,977 | 3% |
| Net gearing (A/B) | 0.48x | 0.50x | (0.02)x |

Foreign exchange rates

The following foreign exchange rates have been used throughout this review:

| | Six months ended 30 September 2023 Average | Six months ended 30 September 2022 Average | 12 months ended 31 March 2023 Average | 30 September 2023 Period end | 30 September 2022 Period end | 31 March 2023 year end |
|---------|--|--|---|---------------------------------|---------------------------------|---------------------------|
| GBP:EUR | 1.1597 | 1.1691 | 1.1560 | 1.1541 | 1.1394 | 1.1375 |
| GBP:USD | 1.2570 | 1.2053 | 1.2051 | 1.2200 | 1.1170 | 1.2337 |
| EUR:USD | 1.0839 | 1.0306 | 1.0426 | 1.0571 | 0.9803 | 1.0846 |

The table below sets out the currency exposure for certain reported items:

| | USD | EUR | GBP | Other |
|--|-----|-----|-----|-------|
| Fee-earning AUM (as at 30 September 23) | 33% | 55% | 11% | 1% |
| Fee income (6 months to 30 September 23) | 31% | 59% | 9% | 1% |
| FMC expenses (6 months to 30 September 23) | 19% | 18% | 53% | 10% |
| Balance sheet investment portfolio (as at 30 September 23) | 30% | 44% | 20% | 6% |

The table below sets out the indicative impact on our reported management fees, FMC PBT and NAV per share had sterling been 5% weaker or stronger against the euro and the dollar in the period (excluding the impact of any legacy hedges):

| | Impact on H1 FY24 management fees ¹ | Impact on H1 FY24 FMC PBT ¹ | NAV per share at 30 September 2023 ² |
|--|---|---|--|
| Sterling 5% weaker against euro and dollar | £11.0m | £10.9m | 13p |
| Sterling 5% stronger against euro and dollar | £(10.0)m | £(9.9)m | (12)p |

¹Impact assessed by sensitising the average H1 FY24 FX rates.

²NAV / NAV per share reflects the total indicative impact as a result of a change in FMC PBT and net currency assets.

Where noted, this review presents changes in AUM, third-party fee income and FMC PBT on a constant exchange rate basis. For the purposes of these calculations, prior period numbers have been translated from their underlying fund currencies to the reporting currencies at the respective H1 FY24 period end exchange rates. This has then been compared to the H1 FY24 numbers to arrive at the change on a constant currency exchange rate basis.

The Group does not hedge its net currency income as a matter of course, although this is kept under review. The Group does hedge its net balance sheet currency exposure, with the intention of broadly insulating the NAV from FX movements. Changes in the fair value of the balance sheet hedges are reported within the IC.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Group is exposed for the remainder of the year have been subject to robust assessment by the Directors and remain consistent with those outlined in our annual report for the year ended 31 March 2023.

Careful attention continues to be paid to the elevated levels of geopolitical and economic uncertainty and the resulting impact on our principal risks and the overall risk profile of the Group. There have been no material changes and we will continue to monitor the situation and potential exposures as matters evolve.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- The condensed set of financial statements have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority;
- The interim management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- There have been no material related-party transactions that have an effect on the financial position or performance of the Group in the first six months of the current financial year since that reported in the 31 March 2023 Annual Report.

This responsibility statement was approved by the Board of Directors on 14 November 2023 and is signed on its behalf by:

Benoît Durteste
CEO

David Bicarregui
CFO

INDEPENDENT REVIEW REPORT TO INTERMEDIATE CAPITAL GROUP PLC

Conclusion

We have been engaged by Intermediate Capital Group plc ('the Group') to review the condensed consolidated financial statements in the Interim results statement for the six months ended 30 September 2023 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and the related explanatory notes 1 to 10 (together the 'condensed consolidated financial statements'). We have read the other information contained in the Interim results statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

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

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ('ISRE 2410') issued by the Financial Reporting Council. 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 of the Group are prepared in accordance with UK-adopted international accounting standards. The condensed consolidated financial statements included in this Interim results statement have 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 for 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 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the Interim results statement in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the Interim results statement, we are responsible for expressing to the Group a conclusion on the condensed consolidated financial statements in the Interim results statement. 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 our report

This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
14 November 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2023

| | Notes | Six months ended 30 September 2023 (Unaudited) £m | Six months ended 30 September 2022 (Unaudited) £m |
|--|-------|--|--|
| Fee and other operating income | 2 | 253.5 | 257.0 |
| Finance loss | | (6.3) | (46.1) |
| Net gains on investments | | 215.9 | 5.8 |
| Total Revenue | | 463.1 | 216.7 |
| Other income ¹ | | 10.1 | 4.7 |
| Finance costs | | (24.9) | (31.4) |
| Administrative expenses | | (188.0) | (164.1) |
| Share of results of joint ventures accounted for using the equity method | | (0.4) | 4.9 |
| Profit before tax from continuing operations | | 259.9 | 30.8 |
| Tax charge | 7 | (42.3) | 3.3 |
| Profit after tax from continuing operations | | 217.6 | 34.1 |
| Profit/(loss) after tax on discontinued operations | | 4.4 | (1.9) |
| Profit for the period | | 222.0 | 32.2 |
| Attributable to: | | | |
| Equity holders of the parent | | 225.0 | 33.4 |
| Non-controlling interests | | (3.0) | (1.2) |
| | | 222.0 | 32.2 |

Earnings per share attributable to ordinary equity holders of the parent

| | | | |
|-----------------|---|-------|-------|
| Basic (pence) | 5 | 78.7p | 11.7p |
| Diluted (pence) | 5 | 77.8p | 11.5p |

Earnings per share for profit from continuing operations attributable to ordinary equity holders of the parent

| | | | |
|-----------------|---|-------|-------|
| Basic (pence) | 5 | 76.1p | 11.9p |
| Diluted (pence) | 5 | 75.2p | 11.7p |

1. Interest income for the period ended 30 September 2022 has been re-presented in line with the format adopted for the period ended 31 March 2023.

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

| Group | Six months ended 30 September 2023 (Unaudited) | Six months ended 30 September 2022 (Unaudited) |
|---|--|--|
| | £m | £m |
| Profit after tax | 222.0 | 32.2 |
| Items that may be subsequently reclassified to profit or loss if specific conditions are met | | |
| Exchange differences on translation of foreign operations | 5.6 | 46.8 |
| Deferred tax on equity investments translation | (0.4) | — |
| Total comprehensive income for the year | 227.2 | 79.0 |
| Attributable to: | | |
| Equity holders of the parent | 230.2 | 80.2 |
| Non-controlling interests | (3.0) | (1.2) |
| | 227.2 | 79.0 |

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

| | Notes | 30 September 2023 (Unaudited) | 31 March 2023 (Audited) |
|---|-------|----------------------------------|----------------------------|
| | | £m | |
| Non-current assets | | | |
| Intangible assets | | 13.2 | 14.9 |
| Property, plant and equipment | | 85.2 | 88.2 |
| Investment property | | 0.8 | 0.8 |
| Investment in Joint Venture accounted for under the equity method | | — | 5.8 |
| Trade and other receivables | | 48.5 | 37.1 |
| Financial assets at fair value | 4 | 6,961.6 | 7,036.6 |
| Derivative financial assets | 4 | 7.6 | 8.4 |
| Deferred tax asset | | 19.5 | 17.6 |
| | | 7,136.4 | 7,209.4 |
| Current assets | | | |
| Trade and other receivables | | 304.8 | 232.0 |
| Current tax debtor | | 16.1 | 57.0 |
| Financial assets at fair value | 4 | 9.9 | 4.7 |
| Derivative financial assets | 4 | 4.8 | 13.6 |
| Cash and cash equivalents | | 709.5 | 957.5 |
| | | 1,045.1 | 1,264.8 |
| Assets of disposal groups held for sale | | 689.5 | 578.3 |
| Total assets | | 8,871.0 | 9,052.5 |
| Non-current liabilities | | | |
| Trade and other payables | | 44.8 | 71.1 |
| Financial liabilities at fair value | 4,8 | 4,376.4 | 4,572.7 |
| Financial liabilities at amortised cost | 8 | 1,237.1 | 1,478.2 |
| Other financial liabilities | 8 | 75.3 | 79.6 |
| Derivative financial liabilities | 4,8 | — | 0.9 |
| Deferred tax liabilities | | 37.7 | 35.5 |
| | | 5,771.3 | 6,238.0 |
| Current liabilities | | | |
| Trade and other payables | | 400.7 | 471.4 |
| Current tax creditor | | 7.0 | 14.8 |
| Financial liabilities at amortised cost | 8 | 247.8 | 58.5 |
| Other financial liabilities | 8 | 7.4 | 5.8 |
| Derivative financial liabilities | 4,8 | 41.1 | 14.8 |
| | | 704.0 | 565.3 |
| Liabilities of disposal groups held for sale | | 269.2 | 204.0 |
| Total liabilities | | 6,744.5 | 7,007.3 |
| Equity and reserves | | | |
| Called up share capital | | 77.3 | 77.3 |
| Share premium account | | 181.3 | 180.9 |
| Other reserves | | 38.1 | 19.0 |
| Retained earnings | | 1,813.4 | 1,742.6 |
| Equity attributable to owners of the Company | | 2,110.1 | 2,019.8 |
| Non-controlling interest | | 16.4 | 25.4 |
| Total equity | | 2,126.5 | 2,045.2 |
| Total equity and liabilities | | 8,871.0 | 9,052.5 |

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 September 2023

| | Notes | Six months ended 30 September 2023 (Unaudited) | Six months ended 30 September 2022 (Unaudited) |
|---|-------|--|--|
| | | £m | £m |
| Cash flows (used in)/generated from operations | | (73.4) | 149.3 |
| Taxes paid | | (1.6) | (16.5) |
| Net cash flows (used in)/from operating activities | 9 | (75.0) | 132.8 |
| Investing activities | | | |
| Purchase of intangible assets | | (2.1) | (2.8) |
| Purchase of property, plant and equipment | | (2.0) | (0.5) |
| Net cash flow from derivative financial instruments | | 33.7 | (50.9) |
| Cash flow as a result of change in control of subsidiary | | — | (7.0) |
| Net cash flows from/(used in) investing activities | | 29.6 | (61.2) |
| Financing activities | | | |
| Purchase of own shares | | — | (38.9) |
| Payment of principal portion of lease liabilities | | (3.8) | (0.6) |
| Repayment of long-term borrowings | | (50.7) | (34.9) |
| Dividends paid to equity holders of the parent | | (149.5) | (164.4) |
| Net cash flows used in financing activities | | (204.0) | (238.8) |
| Net decrease in cash and cash equivalents | | (249.4) | (167.2) |
| Effects of exchange rate differences on cash and cash equivalents | | 1.4 | 37.4 |
| Cash and cash equivalents at 1 April | | 957.5 | 991.8 |
| Cash and cash equivalents at 30 September | | 709.5 | 862.0 |

The Group's cash and cash equivalents include £224.2m (31 March 2023: £407.5m) of restricted cash held principally by structured entities controlled by the Group.

The presentation of the condensed consolidated statement of cash flows have been updated to improve the presentation of this information. The reconciliation of cash used in/generated from operations to profit before tax from continuing operations is now disclosed in note 9.

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

| Group | Share capital £m | Share premium £m | Capital redemption reserve ¹ £m | Share based payments reserve £m | Own shares ³ £m | Foreign currency translation reserve ² £m | Retained earnings £m | Total £m | Non-controlling interest £m | Total equity £m |
|--|---------------------|---------------------|---|------------------------------------|-------------------------------|---|-------------------------|----------------|--------------------------------|--------------------|
| Balance at 1 April 2023 | 77.3 | 180.9 | 5.0 | 73.3 | (103.4) | 44.1 | 1,742.6 | 2,019.8 | 25.4 | 2,045.2 |
| Profit after tax | — | — | — | — | — | — | 225.0 | 225.0 | (3.0) | 222.0 |
| Exchange differences on translation of foreign operations | — | — | — | — | — | 5.6 | — | 5.6 | — | 5.6 |
| Deferred tax on equity investments translation | — | — | — | — | — | (0.4) | — | (0.4) | — | (0.4) |
| Total comprehensive income/(expense) for the period | — | — | — | — | — | 5.2 | 225.0 | 230.2 | (3.0) | 227.2 |
| Adjustment of non-controlling interest on disposal of subsidiary | — | — | — | — | — | — | — | — | (6.0) | (6.0) |
| Issue of share capital | 0.0 | — | — | — | — | — | — | 0.0 | — | 0.0 |
| Options/awards exercised ⁴ | — | 0.4 | — | (28.4) | 20.6 | — | (4.7) | (12.1) | — | (12.1) |
| Tax on options/awards exercised | — | — | — | 0.5 | — | — | — | 0.5 | — | 0.5 |
| Credit for equity settled share schemes | — | — | — | 21.2 | — | — | — | 21.2 | — | 21.2 |
| Dividends paid | — | — | — | — | — | — | (149.5) | (149.5) | — | (149.5) |
| Balance at 30 September 2023 | 77.3 | 181.3 | 5.0 | 66.6 | (82.8) | 49.3 | 1,813.4 | 2,110.1 | 16.4 | 2,126.5 |

| Group | Share capital £m | Share premium £m | Capital redemption reserve ¹ £m | Share based payments reserve £m | Own shares ³ £m | Foreign currency translation reserve ² £m | Retained earnings £m | Total £m | Non-controlling interest £m | Total equity £m |
|--|---------------------|---------------------|---|------------------------------------|-------------------------------|---|-------------------------|----------------|--------------------------------|--------------------|
| Balance at 1 April 2022 | 77.3 | 180.3 | 5.0 | 67.5 | (93.0) | 20.7 | 1,714.0 | 1,971.8 | 30.0 | 2,001.8 |
| Profit after tax | — | — | — | — | — | — | 33.4 | 33.4 | (1.2) | 32.2 |
| Exchange differences on translation of foreign operations | — | — | — | — | — | 46.8 | — | 46.8 | — | 46.8 |
| Total comprehensive income/(expense) for the period | — | — | — | — | — | 46.8 | 33.4 | 80.2 | (1.2) | 79.0 |
| Adjustment of non-controlling interest on disposal of subsidiary | — | — | — | — | — | — | — | — | (4.9) | (4.9) |
| Acquisition of non-controlling interest | — | — | — | — | — | — | — | — | 31.3 | 31.3 |
| Own shares acquired in the year | — | — | — | — | (38.9) | — | — | (38.9) | — | (38.9) |
| Options/awards exercised ⁴ | — | — | — | (27.4) | 25.8 | — | (13.6) | (15.2) | — | (15.2) |
| Tax on options/awards exercised | — | — | — | (2.6) | — | — | — | (2.6) | — | (2.6) |
| Credit for equity settled share schemes | — | — | — | 20.4 | — | — | — | 20.4 | — | 20.4 |
| Dividends paid | — | — | — | — | — | — | (164.4) | (164.4) | — | (164.4) |
| Balance at 30 September 2022 | 77.3 | 180.3 | 5.0 | 57.9 | (106.1) | 67.5 | 1,569.4 | 1,851.3 | 55.2 | 1,906.5 |

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.

2. Other comprehensive income/(expense) reported in the foreign currency translation reserve represents foreign exchange gains and losses on the translation of subsidiaries reporting in currencies other than sterling.

3. The movement in the Group Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.

4. The associated personal taxes and social security liabilities are settled by the Group with the equivalent value of shares retained in the Own shares reserve.

The accompanying notes are an integral part of these condensed financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. General information and basis of preparation

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting (IAS 34), the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, and on the basis of the accounting policies and methods of computation set out in the consolidated financial statements of the Group for the year ended 31 March 2023.

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Within the notes to the interim financial statements, all current and comparative data covering period to (or as at) 30 September 2023 is unaudited. Data given in respect of 31 March 2023 is audited. The statutory accounts for the year to 31 March 2023 have been reported on by Ernst & Young LLP and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group as at and for the year ended 31 March 2023 which were prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) are available on the Group's website, www.icgam.com.

Going concern

In making their assessment, the Directors have considered a range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources through the twelve month period to 30 November 2024. The Group has good visibility on future management fees due to the long term and diversified nature of its funds, underpinned by a strong, well capitalised balance sheet and approximately £1.0bn of liquidity in cash and undrawn facilities at 30 September 2023.

The Directors have concluded, based on the above assessment, that the preparation of the interim condensed consolidated financial statements on a going concern basis over the period to 30 November 2024 continues to be appropriate.

Related party transactions

There have been no material changes to the nature or size of related-party transactions since 31 March 2023.

Changes in significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Critical judgements in the application of accounting policies and key sources of estimation uncertainty

The critical judgements made by the Directors in the application of the Group's accounting policies, and the key sources of estimation uncertainty at the reporting date, are the same as those disclosed in the Group's annual consolidated financial statements for the year ended 31 March 2023.

Changes in the composition of the Group

The Group ceased to control 44 subsidiaries of a warehouse fund previously reported as Discontinued operations within Disposal groups held for sale (see note 9). The Group disposed of its interest in ICG Nomura KK, a joint venture.

The Group acquired interests in ten controlled subsidiaries of warehouse funds reported as Discontinued operations and six other subsidiaries, all included within Disposal groups held for sale with no impact on net assets.

2. Revenue

Revenue and its related cash flows, within the scope of IFRS 15 'Revenue from Contracts with Customers', are derived from the Group's fund management company activities. The significant components of the Group's fund management revenues are as follows:

| Type of contract/service | Six months ended 30 September 2023 (Unaudited) | Six months ended 30 September 2022 (Unaudited) |
|---------------------------------------|--|--|
| | £m | £m |
| Management fees ¹ | 252.7 | 254.3 |
| Other income | 0.8 | 2.7 |
| Fee and other operating income | 253.5 | 257.0 |

1. Included within management fees is £30.6m (H1 FY23: £14.3m) of performance related fees.

Management Fees

The Group earns management fees from its performance of investment management services. Management fees are charged on third-party capital managed by the Group and are based on an agreed percentage of either committed capital, invested capital or net asset value (NAV), dependent on the fund. Management fees comprise both non-performance and performance-related fee elements related to one contract obligation.

Non-performance-related management fees for the period of £222.1m (H1 FY23: £240.0m) are charged in arrears and are recognised in the period services are performed.

Performance-related management fees (performance fees) are recognised only to the extent it is highly probable that there will not be a significant reversal in the future of the revenue recognised. This is generally towards the end of the contract period or upon early liquidation of a fund. The estimate of performance fees is made with reference to the liquidation profile of the fund, which factors in portfolio exits and timeframes. For certain funds the estimate of performance fees is made with reference to specific requirements. A constraint is applied to the estimate to reflect uncertainty of future fund performance. Performance fees of £30.6m (H1 FY23: £14.3m) have been recognised in the period. Performance fees will only be crystallised and received in cash when the relevant fund performance hurdle is met.

There are no other individually significant components of revenue from contracts with customers.

3. Segmental reporting

For management purposes, the Group is organised into two operating segments, the Fund Management Company (FMC) and the Investment Company (IC) which are also reportable segments. In identifying the Group's reportable segments, management considered the basis of organisation of the Group's activities, the economic characteristics of the operating segments, and the type of products and services from which each reportable segment derives its revenues. Total reportable segment figures are alternative performance measures (APM).

The Executive Directors, being the chief operating decision makers, monitor the operating results of the FMC and the IC for the purpose of making decisions about resource allocation and performance assessment. The Group does not aggregate the FMC and IC as those segments do not have similar economic characteristics. Information about these segments is presented below.

The FMC earns fee income from the provision of investment management services, including dividends from CLOs, and incurs the majority of the Group's costs in delivering these services, including the cost of the investment teams and the cost of support functions, primarily marketing, operations, information technology and human resources.

The IC is charged a management fee of 1% of the carrying value of the average balance sheet investment portfolio by the FMC and this is shown below as the Inter-segmental fee. It recognises the fair value movement on any associated hedging derivatives. The costs of finance, treasury and legal teams, and other Group costs primarily related to being a listed entity, are allocated to the IC. The remuneration of the Executive Directors is allocated equally to the FMC and the IC.

The amounts reported for management purposes in the tables below are reconciled to the UK-adopted IAS reported amounts on the following pages.

| | Six months ended 30 September 2023 (Unaudited) | | | Six months ended 30 September 2022 (Unaudited) | | |
|--|--|---------------|---------------------------|--|----------------|---------------------------|
| | FMC | IC | Reportable segments Total | FMC | IC | Reportable segments Total |
| | £m | £m | £m | £m | £m | £m |
| External fee income | 263.2 | — | 263.2 | 265.3 | — | 265.3 |
| Inter-segmental fee | 12.3 | (12.3) | — | 12.7 | (12.7) | — |
| Other operating income | 0.2 | 0.5 | 0.7 | 0.7 | 1.2 | 1.9 |
| Fund management fee income | 275.7 | (11.8) | 263.9 | 278.7 | (11.5) | 267.2 |
| Net investment returns | — | 159.4 | 159.4 | — | (26.5) | (26.5) |
| Dividend income | 20.3 | — | 20.3 | 23.8 | — | 23.8 |
| Net fair value loss on derivatives | — | (5.8) | (5.8) | (45.6) | 3.8 | (41.8) |
| Total revenue | 296.0 | 141.8 | 437.8 | 256.9 | (34.2) | 222.7 |
| Interest income ¹ | — | 10.0 | 10.0 | — | 3.9 | 3.9 |
| Interest expense | (1.1) | (24.0) | (25.1) | (0.9) | (30.1) | (31.0) |
| Staff costs | (47.3) | (9.9) | (57.2) | (41.9) | (9.2) | (51.1) |
| Incentive scheme costs | (55.2) | (28.6) | (83.8) | (46.0) | (26.6) | (72.6) |
| Other administrative expenses | (29.7) | (10.1) | (39.8) | (24.4) | (11.9) | (36.3) |
| Profit before tax and discontinued operations | 162.7 | 79.2 | 241.9 | 143.7 | (108.1) | 35.6 |

1. Interest income for the period ended 30 September 2022 has been re-presented in line with the format adopted for the period ended 31 March 2023.

Reconciliation of APM amounts reported for management purposes to the financial statements reported under UK-adopted IAS

Included in the following tables are statutory adjustments made to the following:

- All income generated from the balance sheet investment portfolio is presented as net investment returns for reportable segments purposes, whereas under UK-adopted IAS it is presented within gains on investments and other operating income.
- The structured entities controlled by the Group are presented as fair value investments for reportable segments (APM), whereas the statutory financial statements present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation on profit before tax is shown in the table on the following page.
- The warehouse funds, their investments and other current assets within controlled entities are presented as investments for reportable segments (APM), whereas the statutory financial statement present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation is disclosed within 'Gain/(loss) after tax from discontinued operations' on the following page.

3. Segmental reporting *continued*

Consolidated income statement

| | Reportable segments | Consolidated entities | Financial statements |
|---|------------------------|--------------------------|-------------------------|
| | £m | £m | £m |
| Six months ended 30 September 2023 (Unaudited) | | | |
| Fund management fee income | 263.2 | (10.5) | 252.7 |
| Other operating income | 0.7 | 0.1 | 0.8 |
| Fee and other income | 263.9 | (10.4) | 253.5 |
| Dividend income | 20.3 | (20.3) | — |
| Net fair value loss on derivatives | (5.8) | (0.5) | (6.3) |
| Finance income/(loss) | 14.5 | (20.8) | (6.3) |
| Net investment returns/gains on investments | 159.4 | 56.5 | 215.9 |
| Total revenue | 437.8 | 25.3 | 463.1 |
| Other income¹ | 10.0 | 0.1 | 10.1 |
| Finance costs | (25.1) | 0.2 | (24.9) |
| Staff costs | (57.2) | — | (57.2) |
| Incentive scheme costs | (83.8) | — | (83.8) |
| Other administrative expenses | (39.8) | (7.2) | (47.0) |
| Administrative expenses | (180.8) | (7.2) | (188.0) |
| Share of results of joint ventures accounted for using equity method | — | (0.4) | (0.4) |
| Profit before tax and discontinued operations | 241.9 | 18.0 | 259.9 |
| Tax charge | (37.5) | (4.8) | (42.3) |
| Profit after tax from discontinued operations | — | 4.4 | 4.4 |
| Profit after tax and discontinued operations | 204.4 | 17.6 | 222.0 |

| | Reportable segments | Consolidated entities | Financial statements |
|---|------------------------|--------------------------|-------------------------|
| | £m | £m | £m |
| Six months ended 30 September 2022 (Unaudited) | | | |
| Fund management fee income | 265.3 | (11.0) | 254.3 |
| Other operating income | 1.9 | 0.8 | 2.7 |
| Fee and other income | 267.2 | (10.2) | 257.0 |
| Dividend income | 23.8 | (23.8) | — |
| Net fair value gain/(loss) on derivatives | (41.8) | (4.3) | (46.1) |
| Finance loss | (18.0) | (28.1) | (46.1) |
| Net investment returns/gains on investments | (26.5) | 32.3 | 5.8 |
| Total revenue | 222.7 | (6.0) | 216.7 |
| Other income¹ | 3.9 | 0.8 | 4.7 |
| Finance costs | (31.0) | (0.4) | (31.4) |
| Staff costs | (51.1) | 0.1 | (51.0) |
| Incentive scheme costs | (72.6) | (0.1) | (72.7) |
| Other administrative expenses | (36.3) | (4.1) | (40.4) |
| Administrative expenses | (160.0) | (4.1) | (164.1) |
| Share of results of joint ventures accounted for using equity method | — | 4.9 | 4.9 |
| Profit before tax and discontinued operations | 35.6 | (4.8) | 30.8 |
| Tax charge | 3.1 | 0.2 | 3.3 |
| Loss after tax from discontinued operations | — | (1.9) | (1.9) |
| Profit after tax and discontinued operations | 38.7 | (6.5) | 32.2 |

1. Interest income for the period ended 30 September 2022 has been re-presented in line with the format adopted for the period ended 31 March 2023.

4. Financial assets and liabilities

Accounting policy

Financial assets

Financial assets can be classified into the following categories: Amortised Cost, Fair Value Through Profit and Loss (FVTPL) and Fair Value Through Other Comprehensive Income (FVOCI). The Group has classified all financial assets as FVTPL.

Financial assets at FVTPL are initially recognised and subsequently measured at fair value. A valuation assessment is performed on a recurring basis with gains or losses arising from changes in fair value recognised through net gains on investments in the consolidated income statement. Dividends or interest earned on the financial assets are also included in the net gains on investments.

Where the Group holds investments in a number of financial instruments such as debt and equity in a portfolio company, the Group views their entire investment as a unit of account for valuation purposes. Industry standard valuation guidelines such as the International Private Equity and Venture Capital (IPEV) Valuation Guidelines - December 2022, allow for a level of aggregation where there are a number of financial instruments held within a portfolio company.

Recognition of financial assets

When the Group invests in the capital structure of a portfolio company, these assets are initially recognised and subsequently measured at fair value, and transaction costs are recognised in the consolidated income statement immediately.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, is recognised in profit or loss.

Key sources of estimation uncertainty on financial assets

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction at the reporting date. The fair value of investments is based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated in line with IFRS and industry standard valuation guidelines such as IPEV for direct investments in portfolio companies, and the Royal Institute of Chartered Surveyors Valuation – Global Standards 2022 for investment property. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in this note on page 34.

Given the subjectivity of investments in private companies, senior and subordinated notes of Collateralised Loan Obligation vehicles and investments in investment property, these are key sources of estimation uncertainty, and as such the valuations are approved by the relevant Fund Investment Committees and Group Valuation Committee. The unobservable inputs relative to these investments are further detailed below.

4. Financial assets and liabilities *continued*

Fair value measurements recognised in the statement of financial position

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The following table summarises the valuation of the Group's financial assets and liabilities by fair value hierarchy:

| Group | As at 30 September 2023 (Unaudited) | | | | As at 31 March 2023 (Audited) | | | |
|--|-------------------------------------|------------------|----------------|------------------|-------------------------------|------------------|----------------|------------------|
| | Level 1 £m | Level 2 £m | Level 3 £m | Total £m | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
| Financial Assets | | | | | | | | |
| Investments in or alongside managed funds ¹ | 6.0 | 2.2 | 2,214.2 | 2,222.4 | 7.2 | 1.8 | 2,144.3 | 2,153.3 |
| Investments in loans held within structured entities controlled by the Group | — | 4,064.9 | 454.1 | 4,519.0 | — | 4,101.4 | 567.7 | 4,669.1 |
| Derivative assets | — | 12.4 | — | 12.4 | — | 22.0 | — | 22.0 |
| Investments in private companies ² | — | — | 102.3 | 102.3 | — | — | 100.4 | 100.4 |
| Investments in public companies | 4.6 | — | — | 4.6 | 5.1 | — | — | 5.1 |
| Senior and subordinated notes of CLO vehicles | — | 106.1 | 17.1 | 123.2 | — | 105.8 | 7.5 | 113.3 |
| Disposal groups held for sale ³ | — | — | 443.1 | 443.1 | — | — | 163.2 | 163.2 |
| Total assets⁴ | 10.6 | 4,185.6 | 3,230.8 | 7,427.0 | 12.3 | 4,231.0 | 2,983.1 | 7,226.4 |
| Financial Liabilities | | | | | | | | |
| Liabilities of consolidated credit funds | — | (4,253.6) | (122.8) | (4,376.4) | — | (4,508.0) | (64.7) | (4,572.7) |
| Derivative liabilities | — | (41.1) | — | (41.1) | — | (15.7) | — | (15.7) |
| Disposal groups held for sale ⁵ | — | — | (171.4) | (171.4) | — | — | — | — |
| Total liabilities⁶ | — | (4,294.7) | (294.2) | (4,588.9) | — | (4,523.7) | (64.7) | (4,588.4) |

1. Level 3 Investments in or alongside managed funds includes £48.5m senior debt (31 March 2023: £47.8m), £1,337.0m subordinated debt and equity (31 March 2023: £1,319.8m), £330.5m of real estate assets (31 March 2023: £284.5m), and £498.2m private equity secondaries (31 March 2023: £492.2m).

2. Level 3 Investment in private companies includes £93.1m subordinated debt and equity (31 March 2023: £91.3m) and £9.2m of real estate assets (31 March 2023: £9.1m).

Footnotes 3 to 6 below explain how the financial assets and financial liabilities set out in this note reconcile to the Statement of Financial Position (see page 22):

3. Level 3 Disposal groups held for sale financial assets include £193.7m subordinated debt and equity (31 March 2023: £163.2m), £42.3m of real assets (31 March 2023: £0.0m), and £207.1m private equity secondaries (31 March 2023: £0.0m). Other Disposal groups held for sale assets (not reported within this note) comprise the following: non-financial (investment property) assets: £123.9m (31 March 2023: £284.0m) and other operating assets £122.4m (31 March 2023: £131.1m)

4. Total assets comprises Non-current financial assets at fair value (£6,961.6m (31 March 2023: £7,036.6m)); Current financial assets at fair value (£9.9m (31 March 2023: £4.7m)); Non-current derivative financial assets (£7.6m (31 March 2023: £8.4m)); Current derivative financial assets (£4.8m (31 March 2023: £13.6m)) and financial assets included within Disposal groups held for sale (£443.1m (31 March 2023: £163.2m))

5. Level 3 Disposal groups held for sale financial liabilities include £171.4m (31 March 2023: £0.0m) liabilities of consolidated private equity secondaries funds. Other Disposal groups held for sale liabilities (not reported within this note) comprise other operating liabilities £97.8m (31 March 2023: £204.0m)

6. Total liabilities comprises Non-current financial liabilities at fair value (£4,376.4m (31 March 2023: £4,572.7m)); Non-current derivative financial liabilities (£0.0m (31 March 2023: £0.9m)); Current derivative financial liabilities (£41.1m (31 March 2023: £14.8m)); and financial liabilities included within Disposal groups held for sale (£171.4m (31 March 2023: £0.0m))

4. Financial assets and liabilities *continued*

Valuations

Valuation process

The Group Valuation Committee (GVC) oversees the valuation processes and provides independent review of the methodologies, models and assumptions used to value the Level 3 assets and liabilities, in accordance with the principles and guidelines set out in the Group Valuation Policy, and assesses the reasonableness of the resulting fair value measurement. The GVC reviews valuations on a quarterly basis and reports to the Audit Committee semi-annually. The GVC is independent of the boards of directors of the funds and no member of the GVC is a member of either the Group's investment teams or Investment Committees (IC's).

Valuation methodologies are identified for each category of Level 3 assets, based on the specific characteristics of each asset and liability and considering factors such as the nature, complexity, and risk profile of the investment. Each asset is attributable to a fund or investment strategy managed by the Group.

The IC of that fund or strategy is responsible for the review, challenge, and approval of the related funds' valuations of the assets managed by that strategy investment team. Sources of the valuation include the ICG investment team, third-party valuation services and third-party fund administrators. The IC provides those valuations to the Group, as an investor in the fund assets.

The IC is also responsible for escalating significant events regarding the valuation to the Group (as an investor in the fund assets), e.g. change in valuation methodologies, potential impairment events, material judgements etc.

The table in page 34 outlines in more detail the range of valuation techniques, as well as the key unobservable inputs for each category of Level 3 assets and liabilities.

Investment in or alongside managed funds

When fair values of publicly traded closed-ended funds and open-ended funds are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Group values these investments at bid price for long positions and ask price for short positions.

The Group also co-invests with funds, including credit and private equity secondary funds, which are not quoted in an active market. The Group considers the valuation techniques and inputs used by these funds to ensure they are reasonable, appropriate and consistent with the principles of fair value. The latest available NAV of these funds are generally used as an input into measuring their fair value. The NAV of the funds are adjusted, as necessary, to reflect restrictions on redemptions, and other specific factors relevant to the funds. In measuring fair value, consideration is also given to any transactions in the interests of the funds. The Group classifies these funds as Level 3.

Investment in private companies

The Group takes debt and equity stakes in private companies that are, other than on very rare occasions, not quoted in an active market and uses either a market-based valuation technique or a discounted cash flow technique to value these positions.

The Group's investments in private companies are held at fair value using the most appropriate valuation technique based on the nature, facts and circumstances of the private company. The first of two principal valuation techniques is a market comparable companies technique. The enterprise value (EV) of the portfolio company is determined by applying an earnings multiple, taken from comparable companies, to the profits of the portfolio company. The Group determines comparable private and public companies, based on industry, size, location, leverage and strategy, and calculates an appropriate multiple for each comparable company identified. The second principal valuation technique is a discounted cash flow (DCF) approach. Fair value is determined by discounting the expected future cash flows of the portfolio company to the present value. Various assumptions are utilised as inputs, such as terminal value and the appropriate discount rate to apply. Typically, the DCF is then calibrated alongside a market comparable companies approach. Alternate valuation techniques may be used where there is a recent offer or a recent comparable market transaction, which may provide an observable market price and an approximation to fair value of the private company. The Group classifies these assets as Level 3.

Investment in public companies

Quoted investments are held at the last traded bid price on the reporting date. When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the contract is reflected on the trade date.

4. Financial assets and liabilities *continued*

Investment in loans held in consolidated structured entities

The loan asset portfolios of the consolidated structured entities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable the Group classifies these assets as Level 2 and other assets are classified as Level 3. Level 3 assets are valued using a discounted cash flow technique and the key inputs under this approach are detailed on page 34.

Derivative assets and liabilities

The Group uses market-standard valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

Senior and subordinated notes of CLO vehicles

The Group holds investments in the senior and subordinated notes of the CLOs it manages, predominately driven by European Union risk-retention requirements. The Group employs DCF analysis to fair value these investments, using several inputs including constant annual default rates, prepayments rates, reinvestment rates, recovery rates and discount rates.

The DCF analysis at the reporting date shows that the senior notes are typically expected to recover all contractual cash flows, including under stressed scenarios, over the life of the CLOs. Unobservable inputs are used in determining the fair value of subordinated notes, which are therefore classified as Level 3 instruments. Observable inputs are used in determining the fair value of senior notes and these instruments are therefore classified as Level 2.

Liabilities of consolidated credit funds

Rated debt liabilities of consolidated CLOs are generally valued at par plus accrued interest, which we assess as fair value, as evidenced by the general availability of market prices and discounting spreads for rated debt liabilities of CLOs. This is consistent with the valuation approach of the rated debt assets held in the unconsolidated CLOs. As a result we deem these liabilities as Level 2.

Unrated/subordinated debt liabilities of consolidated CLOs are valued directly in line with the fair value of the CLOs' underlying loan asset portfolios. These underlying assets comprise observable loan securities traded in active markets. The underlying assets are reported in both Level 2 and Level 3. As a result of this methodology deriving the valuation of unrated/subordinated debt liabilities from a combination of Level 2 and Level 3 asset values, we deem these liabilities to be Level 3.

Real estate assets

To the extent that the Group invests in real estate assets, whether through an investment in a managed fund or an investment in a private company, the underlying assets may be a debt instrument or property classified as investment property in accordance with IAS 40 'Investment Property'. The fair values of the directly held investment properties have been recorded based on independent valuations prepared by third-party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2022. At the end of each reporting period, the Group reviews its assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property value within a range of reasonable fair value estimates, based on information provided.

All resulting fair value estimates for properties are included in Level 3.

4. Financial assets and liabilities *continued*

Reconciliation of Level 3 fair value measurements of financial assets

The following tables set out the movements in recurring financial assets valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gain/(losses) are included within finance costs. Transfers between levels are determined based on the closing valuation and therefore take place at the end of the reporting period.

| Group | Investment in or alongside managed funds £m | Investment in loans held in consolidated entities £m | Investment in private companies £m | Senior and subordinated notes of CLO vehicles £m | Disposal groups held for sale £m | Total £m |
|---|--|---|---------------------------------------|---|-------------------------------------|----------------|
| At 1 April 2023 | 2,144.3 | 567.7 | 100.4 | 7.5 | 163.2 | 2,983.1 |
| Total gains or losses in the income statement | | | | | | |
| – Net investment return ² | 134.6 | 1.6 | 3.5 | 4.2 | 63.4 | 207.3 |
| – Foreign exchange | (10.6) | 0.1 | (1.1) | (0.1) | 3.4 | (8.3) |
| Purchases | 100.7 | 111.1 | 0.2 | 5.5 | 213.1 | 430.6 |
| Exit proceeds | (154.8) | (100.8) | (0.7) | — | — | (256.3) |
| Transfer between levels ¹ | — | (125.6) | — | — | — | (125.6) |
| At 30 September 2023 | 2,214.2 | 454.1 | 102.3 | 17.1 | 443.1 | 3,230.8 |

1. During the year certain assets in Investments in loans held in consolidated entities were reassessed as Level 2 (from Level 3) as a result of a change in the number of broker quotes for these assets, and these changes are reported as a transfer out.

2. Included within net investment returns are £149.7m of unrealised gains (which includes accrued interest).

| Group | Investment in or alongside managed funds £m | Investment in loans held in consolidated entities £m | Investment in private companies £m | Senior and subordinated notes of CLO vehicles £m | Disposal groups held for sale £m | Total £m |
|---|--|---|---------------------------------------|---|-------------------------------------|----------------|
| At 1 April 2022 | 2,112.9 | 145.2 | 122.7 | 9.1 | 89.2 | 2,479.1 |
| Total gains or losses in the income statement | | | | | | |
| – Net investment return ² | 172.9 | (9.6) | (21.2) | (1.3) | (7.1) | 133.7 |
| – Foreign exchange | 67.4 | 15.5 | 13.2 | 0.5 | 5.8 | 102.4 |
| Purchases | 416.2 | 60.2 | 6.7 | — | 158.7 | 641.8 |
| Exit proceeds | (625.1) | (100.7) | (21.0) | (0.8) | (23.8) | (771.4) |
| Transfer between levels ¹ | — | 457.1 | — | — | (59.6) | 397.5 |
| At 31 March 2023 | 2,144.3 | 567.7 | 100.4 | 7.5 | 163.2 | 2,983.1 |

1. During the year certain assets in Investments in or alongside managed fund and Investments in loans held in consolidated entities were reassessed to Level 3 and these changes are reported as a transfer in the year. Transfers out of Disposal groups held for sale represented the re-designation of an asset as Investment Property

2. Included within net investment returns are £141.8m of unrealised gains (which includes accrued interest)

Reconciliation of Level 3 fair value measurements of financial liabilities

The following tables sets out the movements in reoccurring financial liabilities valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs. Transfers between levels are determined based on the closing valuation and therefore take place at the end of the reporting period.

During the period ended 30 September 2023 changes in the fair value of the assets of consolidated credit funds resulted in an increase in the fair value of the financial liabilities of those consolidated credit funds, reported as a 'fair value loss' in the table below.

| Group | 30 September 2023 (Unaudited) Financial liabilities designated as FVTPL £m | 31 March 2023 (Audited) Financial liabilities designated as FVTPL £m |
|---|---|---|
| At 1 April | 64.7 | 239.6 |
| Total gains or losses in the income statement | | |
| – Fair value loss/(gain) | 52.7 | (178.2) |
| – Foreign exchange (gain)/loss | (0.4) | 12.8 |
| Purchases | 0.0 | 23.8 |
| Disposal groups held for sale | 171.4 | (5.0) |
| Transfer between levels | 5.8 | (28.3) |
| As at period end | 294.2 | 64.7 |

4. Financial assets and liabilities *continued*

Transfers in and out of Level 3 financial liabilities were due to changes to the observability of inputs used in the valuation of these liabilities.

Valuation inputs and sensitivity analysis

The following table summarises the inputs and estimates used for items categorised in Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis:

| | Fair Value As at 30 September 2023 | Fair Value As at 31 March 2023 | Primary Valuation Technique ¹ | Key Unobservable Inputs | Range | Weighted Average/ Fair Value Inputs | Sensitivity/ Scenarios | Effect on Fair Value ⁴ 30 September 2023 | |
|---|---|---|---|----------------------------|-------------------|--|---|--|---------|
| Group Assets | £m | £m | | | | | | £m | |
| Corporate - subordinated debt and equity ² | 1,623.8 | 1,574.4 | Market comparable companies | Earnings multiple | 5.0x – 30.0x | 15.6x | +10% Earnings multiple ² | 201.6 | |
| | | | | Discounted cash flow | Discount rate | 7.5% - 23.0% | 11.2 % | -10% Earnings multiple ² | (201.4) |
| | | | | | Earnings multiple | 6.2x – 22.1x | 11.6x | | |
| Real Assets | 382.0 | 293.6 | Third-party valuation | N/A | N/A | N/A | +10% Third- party | 38.2 | |
| | | | LTV-based impairment model | N/A | N/A | N/A | -10% Third- party | (38.2) | |
| Private Equity Secondaries | 705.3 | 492.1 | Third-party valuation | N/A | N/A | N/A | +10% Third- party | 70.5 | |
| | | | | | | | -10% Third- party | (70.5) | |
| Corporate - Senior debt | 48.5 | 47.8 | Discounted cash flow | Probability of default | 1.2%-3.3% | 1.5 % | Upside case | 0.1 | |
| | | | | Loss given default | 25.4 % | 25.4 % | Downside case | (0.8) | |
| | | | | Maturity of loan | 3 years | 3 years | | | |
| | | | | Effective interest rate | 8.7%-9.5% | 8.7 % | | | |
| Subordinated notes of CLO vehicles ³ | 17.1 | 7.5 | Discounted cash flow | Discount rate | 13.0% - 14.0% | 13.6 % | | | |
| | | | | Default rate | 3% - 4.5% | 3.4 % | Upside case ³ | 24.9 | |
| | | | | | | | Downside case ³ | (24.3) | |
| | | | | Prepayment rate % | 15% -20% | 19.1 % | | | |
| | | | | Recovery rate % | 75.0 % | 75.0 % | | | |
| Reinvestment price | 99.5 % | 99.5 % | | | | | | | |
| Investments in loans held in structured entities | 454.1 | 567.7 | Third-party valuation | N/A | N/A | N/A | +10% Third- party valuation | 45.4 | |
| | | | | | | | -10% Third- party valuation | (45.4) | |
| Total assets | 3,230.8 | 2,983.1 | | | | | | | |
| Liabilities of consolidated credit funds | (122.8) | (64.7) | Third-party valuation | N/A | N/A | N/A | +10% Third- party valuation | 12.3 | |
| | | | | | | | -10% Third- party valuation | (12.3) | |
| Disposal group held for sale | (171.4) | — | | | | | | | |
| Total liabilities | (294.2) | (64.7) | | | | | | | |

- Where the Group has co-invested with its managed funds, it is the type of the underlying investment, and the valuation techniques used for these underlying investments, that is set out here.
- For investments valued using a DCF methodology (including Infrastructure investments) the imputed earnings multiple is used for this sensitivity analysis.
- The sensitivity analysis is performed on the entire portfolio of subordinated notes of CLO vehicles that the Group has invested in with total value of £195.1m (31 March 2023: £182.8m). This value includes investments in CLOs that are not consolidated (30 September 2023: £17.1m (31 March 2023: £7.5m)) and investments in CLOs which are consolidated (30 September 2023: £178m (31 March 2023: £175.3m)). The upside case is based on the default rate being lowered by 2.0% p.a. for the next 24 months, keeping all other parameters consistent. The downside case is based on the default rate being increased over the next 24 months by 2.0% p.a., keeping all other parameters consistent.
- The effect of fair value across the entire investment portfolio ranges from -£392.9m (downside case) to +£392.9m (upside case) (31 March 2023: -£345.4m (downside case) to +£343.0m (upside case)).

5. Earnings per share

| | Six months ended 30 September 2023 (Unaudited) £m | Six months ended 30 September 2022 (Unaudited) £m |
|--|--|--|
| Earnings | | |
| Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent: | | |
| Continuing operations | 217.6 | 34.1 |
| Discontinued operations | 7.4 | (0.7) |
| | 225.0 | 33.4 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 285,752,340 | 286,293,727 |
| Effect of dilutive potential ordinary share options | 3,430,600 | 3,602,160 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 289,182,940 | 289,895,887 |
| Earnings per share for continuing operations ¹ | | |
| Basic, profit from continuing operations attributable to equity holders of the parent (pence) | 76.1p | 11.9p |
| Diluted, profit from continuing operations attributable to equity holders of the parent (pence) | 75.2p | 11.7p |
| Earnings per share for discontinued operations ¹ | | |
| Basic, profit/(loss) from discontinued operations attributable to equity holders of the parent (pence) | 2.6p | (0.2)p |
| Diluted, profit/(loss) from discontinued operations attributable to equity holders of the parent (pence) | 2.6p | (0.2)p |

1. The prior period has been re-presented to separately disclose Earnings per share for continuing operations and Earnings per share for discontinued operations.

The total number of shares issued during the period to 30 September 2023 was 32,379 (H1 FY23: nil).

6. Dividends

Dividends on ordinary shares of 52.2p per share, £149.5m (H1 FY23 57.3p, £164.4m) were paid during the period to 30 September 2023.

The Board has approved an interim dividend of 25.8p per share (H1 FY23: 25.3p).

7. Tax expense

| | Six months ended 30 September 2023 (Unaudited) £m | Six months ended 30 September 2022 (Unaudited) £m |
|---|--|--|
| Analysis of tax on ordinary activities | | |
| Current tax | 37.1 | (15.4) |
| Deferred taxation | 5.2 | 12.1 |
| Tax charge/(credit) on profit on ordinary activities | 42.3 | (3.3) |

The Group is an international business and operates across many different tax jurisdictions. Income and expenses are allocated to these jurisdictions based on transfer pricing methodologies set out both (i) in the laws of the jurisdictions in which the Group operates, and (ii) under guidelines set out by the Organisation for Economic Co-operation and Development (OECD).

The effective tax rate reported by the Group for the period ended 30 September 2023 of 16.3% (H1 FY23: (10.8)%) is lower than the statutory UK corporation tax rate of 25%.

The FMC activities are subject to tax at the relevant statutory rates ruling in the jurisdictions in which the income is earned. The lower effective tax rate compared to the statutory UK rate is largely driven by the IC activities. The IC benefits from statutory UK tax exemptions on certain forms of income arising from both foreign dividend receipts and gains from assets qualifying for the substantial shareholdings exemption. The effect of these exemptions means that the effective tax rate of the Group is highly sensitive to the relative mix of IC income, and composition of such income, in any one period.

7. Tax expense *continued*

Due to the application of tax law requiring a degree of judgement, the accounting thereon involves a level of estimation uncertainty which tax authorities may ultimately dispute. Tax liabilities are recognised based on the best estimates of probable outcomes and with regard to external advice where appropriate. The principal factors which may influence the Group's future tax rate are changes in tax legislation in the territories in which the Group operates, the relative mix of FMC and IC income, the mix of income and expenses earned and incurred by jurisdiction and the timing of recognition of available deferred tax assets and liabilities. The Group accounts for future legislative change, to the extent that is enacted at the reporting date, in its recognition of deferred tax.

8. Financial liabilities

Financial liabilities are £5,985.1m (31 March 2023: £6,210.5m), including £1,484.9m (31 March 2023: £1,536.7m) of financial liabilities at amortised cost. This is a decrease of £(225.4)m in the period since 31 March 2023 and is driven by the repayment of long term debt at fair value in the consolidated structured entities £196.3m and at amortised cost in operating segments £50.7m.

9. Net cash flows from operating activities

| | Six months ended 30 September 2023 (Unaudited) | Six months ended 30 September 2022 (Unaudited) |
|--|--|--|
| | £m | £m |
| Profit before tax from continuing operations | 259.9 | 30.8 |
| Adjustments for non cash items: | | |
| Fee and other operating income | (253.5) | (257.0) |
| Net investment returns | (215.9) | (5.8) |
| Interest income | (10.1) | (4.7) |
| Net fair value loss on derivatives | 1.3 | 86.4 |
| Impact of movement in foreign exchange rates | 5.0 | (40.3) |
| Interest expense | 24.9 | 31.4 |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | 9.3 | 7.9 |
| Share-based payment expense | 21.2 | 20.4 |
| Working capital changes: | | |
| (Increase)/Decrease in trade and other receivables | (23.6) | 59.2 |
| Decrease in trade and other payables | (108.5) | (287.7) |
| | (290.0) | (359.4) |
| Proceeds from sale of current financial assets and disposal groups held for sale | 131.9 | 7.3 |
| Purchase of current financial assets and disposal groups held for sale | (169.9) | (118.3) |
| Purchase of investments ¹ | (1,105.8) | (662.2) |
| Proceeds from sales and maturities of investments | 1,071.0 | 902.9 |
| Interest and dividend income received ² | 218.1 | 151.6 |
| Fee and other operating income received | 237.3 | 334.1 |
| Interest paid | (166.0) | (106.7) |
| Cash flows (used in)/generated from operations | (73.4) | 149.3 |
| Taxes paid | (1.6) | (16.5) |
| Net cash flows (used in)/from operating activities | (75.0) | 132.8 |

1. Includes repayment of financial liabilities at FVTPL of consolidated structured entities £270.6m (H1FY23: £28.0m).

2. Comprises Interest income received of £218.1m (H1FY23: £127.8m) and Dividend income received of £ nil (H1FY23: £23.8m).

Cash flows arising from the acquisition and disposal of assets to seed new investment strategies (reported as disposal groups held for sale) are classified as operating, as this activity is undertaken to establish new sources of fund management fee income, growing the operating activities of the Group.

Included within Proceeds from sale of current financial assets and disposal groups held for sale is cash consideration received of £113.9m in respect of the partial disposal of the Group's interest in Metropolitan SCSp resulting in a loss of control by the Group. Immediately prior to the partial disposal the net asset value of Metropolitan SCSp was £161.3m, predominantly comprised of investment property. Proceeds of £18.0m (H1FY23: £6.4m) were received in respect of an interest in private equity secondaries fund with no change of control.

Purchase of current financial assets and disposal groups held for sale includes £90.1m (H1 FY23: £19.0m) of financial assets and £71.2m (H1 FY23: £44.0m) of investment property held by controlled subsidiaries.

10. Post balance sheet events

There have been no material events since the balance sheet date.

Other information

Outstanding debt facilities

| | Currency | Drawn £m | Undrawn £m | Interest rate | Maturity |
|---------------------------------|------------|--------------|---------------|----------------------|--------------|
| ESG-linked RCF | GBP | — | 550 | SONIA +1.375% | January-26 |
| Eurobond 2020 | EUR | 433 | — | 1.63% | February-27 |
| ESG Linked Bond | EUR | 433 | — | 2.50% | January-30 |
| Total bonds | | 866 | — | | |
| PP 2015 – Class C | USD | 66 | — | 5.21% | May-25 |
| PP 2015 – Class F | EUR | 38 | — | 3.38% | May-25 |
| Private Placement 2015 | | 104 | — | | |
| PP 2016 – Class B | USD | 93 | — | 4.66% | September-24 |
| PP 2016 – Class C | USD | 44 | — | 4.96% | September-26 |
| PP 2016 – Class E | EUR | 19 | — | 3.04% | January-27 |
| PP 2016 – Class F | EUR | 26 | — | 2.74% | January-25 |
| Private Placement 2016 | | 182 | — | | |
| PP 2019 – Class A | USD | 102 | — | 4.76% | April-24 |
| PP 2019 – Class B | USD | 82 | — | 4.99% | March-26 |
| PP 2019 – Class C | USD | 103 | — | 5.35% | March-29 |
| PP 2019 – Class D | EUR | 38 | — | 2.02% | April-24 |
| Private Placement 2019 | | 325 | — | | |
| Total Private Placements | | 611 | — | | |
| Total | | 1,477 | 550 | | |

Glossary

Non-IFRS alternative performance measures (APM) are defined below:

| Term | Short Form | Definition | | | | | | | | | | | | |
|--|--|--|--|--|--|---------------------------------------|----------------|------------------|--|-------------|-------------|--|----------------|------------------|
| APM earnings per share | EPS | APM profit after tax (annualised when reporting a six-month period's results) divided by the weighted average number of ordinary shares as detailed in note 5. | | | | | | | | | | | | |
| APM Group profit before tax | | Group profit before tax adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: right;">Six months ended 30 September 2023</th> <th style="text-align: right;">Six months ended 30 September 2022</th> </tr> </thead> <tbody> <tr> <td>Profit before tax</td> <td style="text-align: right;">£228.5m</td> <td style="text-align: right;">£30.8m</td> </tr> <tr> <td>Plus/Less consolidated structured entities</td> <td style="text-align: right;">£13.4m</td> <td style="text-align: right;">£4.8m</td> </tr> <tr> <td>APM Group profit/(loss) before tax</td> <td style="text-align: right;">£241.9m</td> <td style="text-align: right;">£35.6m</td> </tr> </tbody> </table> | | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Profit before tax | £228.5m | £30.8m | Plus/Less consolidated structured entities | £13.4m | £4.8m | APM Group profit/(loss) before tax | £241.9m | £35.6m |
| | Six months ended 30 September 2023 | Six months ended 30 September 2022 | | | | | | | | | | | | |
| Profit before tax | £228.5m | £30.8m | | | | | | | | | | | | |
| Plus/Less consolidated structured entities | £13.4m | £4.8m | | | | | | | | | | | | |
| APM Group profit/(loss) before tax | £241.9m | £35.6m | | | | | | | | | | | | |
| APM Investment Company profit before tax | | Investment Company profit adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: right;">Six months ended 30 September 2023</th> <th style="text-align: right;">Six months ended 30 September 2022</th> </tr> </thead> <tbody> <tr> <td>Investment Company profit before tax</td> <td style="text-align: right;">£65.8m</td> <td style="text-align: right;">£(112.9)m</td> </tr> <tr> <td>Plus/Less consolidated structured entities</td> <td style="text-align: right;">£13.4m</td> <td style="text-align: right;">£4.8m</td> </tr> <tr> <td>APM Investment Company profit/(loss) before tax</td> <td style="text-align: right;">£79.2m</td> <td style="text-align: right;">£(108.1)m</td> </tr> </tbody> </table> | | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Investment Company profit before tax | £65.8m | £(112.9)m | Plus/Less consolidated structured entities | £13.4m | £4.8m | APM Investment Company profit/(loss) before tax | £79.2m | £(108.1)m |
| | Six months ended 30 September 2023 | Six months ended 30 September 2022 | | | | | | | | | | | | |
| Investment Company profit before tax | £65.8m | £(112.9)m | | | | | | | | | | | | |
| Plus/Less consolidated structured entities | £13.4m | £4.8m | | | | | | | | | | | | |
| APM Investment Company profit/(loss) before tax | £79.2m | £(108.1)m | | | | | | | | | | | | |
| Assets under management | AUM | Value of all funds and assets managed by the FMC. During the investment period third-party AUM is measured on the basis of committed capital. Once outside the investment period third-party AUM is measured on the basis of invested cost. AUM is presented in US dollars, with non-US dollar denominated converted at the period end closing rate. | | | | | | | | | | | | |
| Balance sheet investment portfolio | | The balance sheet investment portfolio represents financial assets from the statement of financial position, adjusted for the impact of the consolidated structured entities and excluding derivatives and other financial assets. | | | | | | | | | | | | |
| Dividend income | | Dividend income represents distributions received from equity investments. Dividend income reported on an internal basis excludes the impact of the consolidated structured entities. See note 3 for a full reconciliation. | | | | | | | | | | | | |
| Earnings per share | EPS | Profit after tax (annualised when reporting a six-month period's results) divided by the weighted average number of ordinary shares as detailed in note 5. | | | | | | | | | | | | |
| EBITDA | | Earnings before interest, tax, depreciation and amortisation. | | | | | | | | | | | | |
| Effective fee rate | | An average fee rate across all strategies based on fee earning AUM in which the fees earned are weighted based on the relative AUM. | | | | | | | | | | | | |
| Equalisation | | When new third-party clients subscribe to a closed-end fund after the first close, they pay a pre-agreed return to clients who subscribed to the fund at an earlier close. This compensates those clients for their capital being tied up for longer. This is referred to as 'equalisation' and can result in gain or loss for earlier investors compared to the latest fund valuation. | | | | | | | | | | | | |
| Interest expense | | Interest expense excludes the cost of financing associated with the consolidated structured entities. | | | | | | | | | | | | |
| APM net asset value per share | | Total equity from the statement of financial position adjusted for the impact of the consolidated structured entities divided by the closing number of ordinary shares. As at 30 September, this is calculated as follows: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: right;">Six months ended 30 September 2023</th> <th style="text-align: right;">Six months ended 30 September 2022</th> </tr> </thead> <tbody> <tr> <td>Total equity</td> <td style="text-align: right;">£2,045.6m</td> <td style="text-align: right;">£1,875.0m</td> </tr> <tr> <td>Closing number of ordinary shares</td> <td style="text-align: right;">286,443,759</td> <td style="text-align: right;">284,867,428</td> </tr> <tr> <td>Net asset value per share</td> <td style="text-align: right;">714p</td> <td style="text-align: right;">658p</td> </tr> </tbody> </table> | | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Total equity | £2,045.6m | £1,875.0m | Closing number of ordinary shares | 286,443,759 | 284,867,428 | Net asset value per share | 714p | 658p |
| | Six months ended 30 September 2023 | Six months ended 30 September 2022 | | | | | | | | | | | | |
| Total equity | £2,045.6m | £1,875.0m | | | | | | | | | | | | |
| Closing number of ordinary shares | 286,443,759 | 284,867,428 | | | | | | | | | | | | |
| Net asset value per share | 714p | 658p | | | | | | | | | | | | |
| Net financial debt | Net debt | Net debt is defined as gross financial debt less cash. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: right;">30 September 2023</th> <th style="text-align: right;">31 March 2023</th> </tr> </thead> <tbody> <tr> <td>Gross drawn debt (see page 14)</td> <td style="text-align: right;">£1,477m</td> <td style="text-align: right;">£1,538.0m</td> </tr> <tr> <td>Less cash</td> <td style="text-align: right;">(£485.0m)</td> <td style="text-align: right;">(£550.0m)</td> </tr> <tr> <td>Net debt</td> <td style="text-align: right;">£992.0m</td> <td style="text-align: right;">£988.0m</td> </tr> </tbody> </table> | | 30 September 2023 | 31 March 2023 | Gross drawn debt (see page 14) | £1,477m | £1,538.0m | Less cash | (£485.0m) | (£550.0m) | Net debt | £992.0m | £988.0m |
| | 30 September 2023 | 31 March 2023 | | | | | | | | | | | | |
| Gross drawn debt (see page 14) | £1,477m | £1,538.0m | | | | | | | | | | | | |
| Less cash | (£485.0m) | (£550.0m) | | | | | | | | | | | | |
| Net debt | £992.0m | £988.0m | | | | | | | | | | | | |

| Term | Short Form | Definition | | | | | | | | | | | | |
|---|------------------------------------|---|--|------------------------------------|------------------------------------|---|----------|----------|---|-----------|-----------|--------------------------------|-----------------|-----------------|
| Net gearing | | <p>Net gearing is used by management as a measure of balance sheet efficiency. Net debt, excluding the consolidated structured entities, divided by total equity from the statement of financial position adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>30 September 2023</th> <th>31 March 2023</th> </tr> </thead> <tbody> <tr> <td>Net debt</td> <td>£992.0m</td> <td>£988.0m</td> </tr> <tr> <td>Shareholders' equity</td> <td>£2,045.6m</td> <td>£1,977.4m</td> </tr> <tr> <td>Net gearing</td> <td>0.48x</td> <td>0.50x</td> </tr> </tbody> </table> | | 30 September 2023 | 31 March 2023 | Net debt | £992.0m | £988.0m | Shareholders' equity | £2,045.6m | £1,977.4m | Net gearing | 0.48x | 0.50x |
| | 30 September 2023 | 31 March 2023 | | | | | | | | | | | | |
| Net debt | £992.0m | £988.0m | | | | | | | | | | | | |
| Shareholders' equity | £2,045.6m | £1,977.4m | | | | | | | | | | | | |
| Net gearing | 0.48x | 0.50x | | | | | | | | | | | | |
| Net Investment Returns | | Net Investment Returns is the total of interest income, capital gains, dividend and other income less asset impairments. | | | | | | | | | | | | |
| Operating cash flow | | Operating cash flow represents the cash generated from operating activities from the statement of cash flows, adjusted for the impact of the consolidated structured entities. | | | | | | | | | | | | |
| Operating profit margin | | <p>Fund Management Company profit before tax divided by Fund Management Company total revenue. As at 30 September this is calculated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Six months ended 30 September 2023</th> <th>Six months ended 30 September 2022</th> </tr> </thead> <tbody> <tr> <td>Fund Management Company profit before tax</td> <td>£162.7m</td> <td>£143.7m</td> </tr> <tr> <td>Fund Management Company total revenue</td> <td>£296.0m</td> <td>£256.9m</td> </tr> <tr> <td>Operating profit margin</td> <td>55.0 %</td> <td>55.9 %</td> </tr> </tbody> </table> | | Six months ended 30 September 2023 | Six months ended 30 September 2022 | Fund Management Company profit before tax | £162.7m | £143.7m | Fund Management Company total revenue | £296.0m | £256.9m | Operating profit margin | 55.0 % | 55.9 % |
| | Six months ended 30 September 2023 | Six months ended 30 September 2022 | | | | | | | | | | | | |
| Fund Management Company profit before tax | £162.7m | £143.7m | | | | | | | | | | | | |
| Fund Management Company total revenue | £296.0m | £256.9m | | | | | | | | | | | | |
| Operating profit margin | 55.0 % | 55.9 % | | | | | | | | | | | | |
| Third Party AUM | | Value of all funds and assets managed by the Group (including both invested and uninvested capital) on which the Group earns, or has the potential to earn, fees. | | | | | | | | | | | | |
| Third Party Fee Income | | Fees generated on fund management activities as reported in the Fund Management Company including fees generated by consolidated structured entities which are excluded from the IFRS consolidation position. See note 3 for a full reconciliation. | | | | | | | | | | | | |
| Total AUM | | <p>Total AUM is calculated by adding Third Party AUM and the value of the Balance Sheet Investment Portfolio, excluding seed investments:</p> <table border="1"> <thead> <tr> <th></th> <th>30 September 2023</th> <th>31 March 2023</th> </tr> </thead> <tbody> <tr> <td>Third Party AUM</td> <td>\$77.8bn</td> <td>\$77.0bn</td> </tr> <tr> <td>Balance Sheet Investment Portfolio (excluding seed investments)</td> <td>\$3.2bn</td> <td>\$3.2bn</td> </tr> <tr> <td>Total AUM</td> <td>\$81.0bn</td> <td>\$80.2bn</td> </tr> </tbody> </table> | | 30 September 2023 | 31 March 2023 | Third Party AUM | \$77.8bn | \$77.0bn | Balance Sheet Investment Portfolio (excluding seed investments) | \$3.2bn | \$3.2bn | Total AUM | \$81.0bn | \$80.2bn |
| | 30 September 2023 | 31 March 2023 | | | | | | | | | | | | |
| Third Party AUM | \$77.8bn | \$77.0bn | | | | | | | | | | | | |
| Balance Sheet Investment Portfolio (excluding seed investments) | \$3.2bn | \$3.2bn | | | | | | | | | | | | |
| Total AUM | \$81.0bn | \$80.2bn | | | | | | | | | | | | |
| Total available liquidity | | Total available liquidity comprises of cash and available undrawn debt facilities. | | | | | | | | | | | | |
| Total fund size | | Total fund size is the sum of third-party AUM and ICG plc's commitment to that fund. | | | | | | | | | | | | |

Other definitions which have not been identified as non-IFRS GAAP alternative performance measures are as follows:

| Term | Short Form | Definition |
|---|------------|---|
| Additions (of AUM) | | Within third-party AUM: the aggregate of new commitments of capital by clients, and calls of capital from funds that have previously had a step-down and are therefore reflected in third-party AUM on a net invested capital basis. Within third-party fee-earning AUM: the aggregate of new commitments of capital by clients that pay fees on committed capital, and deployment of capital that charges fees on invested capital (including calls of capital from funds that have previously had a step-down and therefore charge fees on a net invested capital basis). |
| AIFMD | | The EU Alternative Investment Fund Managers Directive |
| Alternative performance measure | APM | These are non-IFRS financial measures. |
| CAGR | | Compound Annual Growth Rate |
| Catch-up fees | | Fees charged to investors who commit to a fund after its first close. This has the impact of backdating their commitment thereby aligning all investors in the fund. |
| Client base | | Client base includes all direct investment fund and liquid credit fund investors. |
| Closed-end fund | | A fund where investor's commitments are fixed for the duration of the fund and the fund has a defined investment period. |
| Co-investment | Co-invest | A direct investment made alongside or in a fund taking a pro-rata share of all instruments. |
| Collateralised Loan Obligation | CLO | CLO is a type of investment grade security backed by a pool of loans. |
| Close | | A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date. |
| Default | | An 'event of default' is defined as: A company fails to make timely payment of principal and/or interest under the contractual terms of any financial obligation by the required payment date A restructuring of the company's obligations as a result of distressed circumstances A company enters into bankruptcy or receivership |
| Deal Vintage Bonus | DVB | DVB awards are a long-term employee incentive, enabling certain investment teams, excluding Executive Directors, to share in the future realised profits from certain investments within the Group's balance sheet portfolio. |
| Direct investment funds | | Funds which invest in self-originated transactions for which there is a low volume, illiquid secondary market. |
| DPI | | Distribution to Paid- In Capital. |
| Employee Benefit Trust | EBT | Special purpose vehicle used to purchase ICG plc shares which are used to satisfy share options and awards granted under the Group's employee share schemes. |
| Environmental, Social and Governance criteria | ESG | Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. |
| Financial Conduct Authority | FCA | Regulates conduct by both retail and wholesale financial service companies in provision of services to consumers. |
| Financial Reporting Council | FRC | The UK's independent regulator responsible for promoting high quality corporate governance and reporting. |
| Fund | | A pool of third-party capital allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates. |
| Fund Management Company | FMC | The Group's fund management business, which sources and manages investments on behalf of the IC and third-party funds. |
| Fund level leverage | | Debt facilities utilised by funds to finance assets. |
| Gross money on invested capital | Gross MOIC | Total realised and unrealised value of investments (before deduction of any fees), divided by the total invested cost. |
| HMRC | | HM Revenue & Customs, the UK tax authority. |
| IAS | | International Accounting Standards. |
| IFRS | | International Financial Reporting Standards as adopted by the United Kingdom. |
| Illiquid assets | | Asset classes which are not actively traded. |
| Investment Company | IC | The Investment Company invests the Group's balance sheet to seed and accelerate emerging strategies, and invests alongside the Group's more established funds to align interests between the Group's client, employees and shareholders. It also supports a number of costs including for certain central functions, a part of the Executive Directors' compensation and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio. |
| Internal Rate of Return | IRR | The annualised return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the asset. |
| Key Person | | Certain funds have a designated Key Person. The departure of a Key Person without adequate replacement triggers a contractual right for investors to cancel their commitments or kick-out of the Group as fund manager. |
| Key performance indicator | KPI | A business metric used to evaluate factors that are crucial to the success of an organisation. |
| Key risk indicator | KRI | A measure used to indicate how risky an activity is. It is an indicator of the possibility of future adverse impact. |
| Liquid assets | | Asset classes with an active, established market in which assets may be readily bought and sold. |

| Term | Short Form | Definition |
|--|---------------------------|---|
| Money multiple | MOIC or MM | Cumulative returns divided by original capital invested. |
| Net currency assets | | Net assets excluding certain items including; trade and other receivables, trade and other payables, property plant and equipment, cash balances held by the Group's fund management entities, derivative financial assets and liabilities on management fee FX hedges, and current and deferred tax assets and liabilities. |
| Open-ended fund | | A fund which remains open to new commitments and where an investor's commitment may be redeemed with appropriate notice. |
| Payment in kind | PIK | Also known as rolled-up interest. PIK is the interest accruing on a loan until maturity or refinancing, without any cash flows until that time. |
| Performance fees | Carried interest or Carry | Share of profits that the fund manager is due once it has returned the cost of investment and agreed preferred return to investors. |
| Realisation | | The return of invested capital in the form of principal, rolled-up interest and/or capital gain. |
| Realisations (of AUM) | | Reductions in AUM due to capital being returned to investors and / or no longer able to be called by the fund, and the reduction in AUM due to step-downs. |
| Recycle (of AUM) | | Where the fund is able to re-invest capital that has previously been invested and then realised. This is typically only within a defined period during the fund's investment period and is generally subject to certain requirements. |
| RCF | | Revolving credit facility |
| Step-down/ Step-up | | Step down is a reduction in AUM resulting from the end of the investment period in an existing fund or when a subsequent fund starts to invest. Funds that charge fees on committed capital during the investment period will normally shift to charging fees on net invested capital post step-down. There is generally the ability to continue to call further capital from funds that have had a step-down in certain circumstances. In this instance, fees will be earned on that invested capital and it will be added to AUM through Additions and this is termed as step-up. |
| Sustainable Accounting Standards Board | SASB | The Sustainability Accounting Standards Board is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. |
| SFDR | | Sustainable Finance Disclosure Regulation. |
| Separately Managed Account | SMA | Third-party capital committed by a single investor allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates. |
| Science Based Targets initiative | SBTi | The Science Based Targets initiative helps drives climate action in the private sector by approving and validating companies' science-based emissions reduction targets (SBT). |
| Structured entities | | Entities which are classified as investment funds, credit funds or CLOs and are deemed to be controlled by the Group, through its interests in either an investment, loan, fee receivable, guarantee or commitment. These entities can also be interchangeably referred to as credit funds. |
| TCFD | | Task Force on Climate-related Financial Disclosures. |
| Total AUM | | The aggregate of the Third Party AUM and the Balance Sheet investment portfolio, excluding seed investments. |
| UK Corporate Governance Code | The Code | Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. |
| High Net Worth | HNW | High-net-worth-individuals, with global wealth above \$1bn. |
| Ultra High Net Worth | UHNW | Ultra-high-net-worth-individuals, with global wealth above \$1bn. |
| UNPRI | | UN Principles for Responsible Investing. |
| Weighted-average | | An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average. |
| Seed investments (previously warehoused investments) | | Investments within the balance sheet investment portfolio that the Group anticipates transferring to a fund in due course, typically made where the Group is seeding new strategies in anticipation of raising a fund. |