

# INVESTCORP

## FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 (REVIEWED)

<i>Smillions</i>	Jul - Dec 2019	Jul - Dec 2018
<b>FEE INCOME</b>		
AUM fees	87	83
Deal fees	85	67
<i>Fee income (a)</i>	172	150
<b>ASSET BASED INCOME</b>		
Private equity investment	(3)	15
Credit management investment	7	12
Absolute return investment	1	3
Real estate investment	15	11
Investment in associates and joint ventures	1	2
Treasury and other asset based income	4	6
<i>Asset based income excluding fair value change of legacy investments (b)</i>	25	49
<i>Fair value change of legacy investments (c)</i>	(11)	-
<b>Gross operating income (a) + (b) + (c)</b>	186	199
Provisions for impairment	(2)	(1)
Interest expense	(16)	(26)
Operating expenses	(116)	(111)
<b>PROFIT BEFORE TAX</b>	52	61
Income tax expense	(4)	(3)
<b>PROFIT FOR THE PERIOD *</b>	48	58
<b>PROFIT FOR THE PERIOD EXCLUDING FAIR VALUE CHANGE OF LEGACY INVESTMENTS</b>	59	58
<b>Profit for the period attributable to :</b>		
Equity holders of the parent	48	58
Non-controlling interest	0	-
	48	58
<b>EARNINGS PER SHARE</b>		
Basic earnings per ordinary share attributable to equity holders of the parent (\$)	0.67	0.76
Fully diluted earnings per ordinary share attributable to equity holders of the parent (\$)	0.65	0.74

\* Profit for the period was used for calculation of basic and fully diluted earnings per ordinary share and total comprehensive income

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 (REVIEWED)

<i>Smillions</i>	Jul - Dec 2019	Jul - Dec 2018
<b>PROFIT FOR THE PERIOD</b>	48	58
Other comprehensive income that will be recycled to statement of profit or loss		
Fair value movements - cash flow hedges	0	3
Movements - Fair value through other comprehensive income investments	(2)	(1)
Other comprehensive income that will not be recycled to statement of profit or loss		
Movements - Fair value through other comprehensive income investments	-	(4)
Other comprehensive loss	(2)	(2)
<b>TOTAL COMPREHENSIVE INCOME</b>	46	56
Total comprehensive income attributable to:		
Equity holders of the parent	46	56
Non-controlling interest	0	-
	46	56

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2019 (REVIEWED)

<i>Smillions</i>	December 31, 2019	June 30, 2019 (Audited)
<b>ASSETS</b>		
Cash and short-term funds	176	57
Placements with financial institutions and other liquid assets	105	333
Positive fair value of derivatives	50	44
Receivables and prepayments	410	364
Advances	136	82
Underwritten and warehoused investments	419	334
<b>Co-investments</b>		
Private equity investment	567	505
Credit management investment	356	332
Absolute return investment	100	112
Real estate investment	72	68
Strategic capital investment	2	-
Total co-investments	1,097	1,017
Premises, equipment and other assets	145	37
Investment in associates and joint ventures	61	38
Intangible assets	69	55
<b>TOTAL ASSETS</b>	2,668	2,361
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Payables and accrued expenses	202	241
Negative fair value of derivatives	31	23
Financing	1,214	889
Deferred fees	88	63
<b>TOTAL LIABILITIES</b>	1,535	1,216
<b>EQUITY</b>		
Preference share capital	123	123
Ordinary shares at par value	200	200
Reserves	316	321
Treasury shares	(90)	(74)
Retained earnings	586	540
<i>Ordinary shareholders' equity excluding proposed appropriations and other reserves</i>	1,012	987
Proposed appropriations	-	38
Other reserves	(3)	(3)
Non-controlling interests	1	-
<b>TOTAL EQUITY</b>	1,133	1,145
<b>TOTAL LIABILITIES AND EQUITY</b>	2,668	2,361

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 (REVIEWED)

<i>Smillions</i>	Jul - Dec 2019	Jul - Dec 2018
<b>OPERATING ACTIVITIES</b>		
Profit before tax	52	61
Adjustments for non-cash items in profit before tax:		
Depreciation	7	3
Provisions for impairment	2	1
Amortization of transaction costs of borrowings and management contracts	2	3
Employee deferred awards	11	10
Operating profit adjusted for non-cash items	74	78
<b>Changes in:</b>		
Operating capital		
Receivables and prepayments	(50)	59
Advances	(56)	(3)
Underwritten and warehoused investments	(85)	104
Payables and accrued expenses	(38)	(104)
Deferred fees	3	(14)
Co-investments		
Private equity investment	(62)	30
Credit management investment	(22)	(29)
Absolute return investment	12	32
Real estate investment	(4)	3
Strategic capital investment	(2)	-
Fair value of derivatives	(6)	2
Income taxes paid	(5)	(2)
<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	(241)	156
<b>FINANCING ACTIVITIES</b>		
Financing - net of transaction costs and new issuances	219	53
Treasury shares purchased - net	(26)	(17)
Dividends paid	(38)	(41)
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES</b>	155	(5)
<b>INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary	(18)	-
Investment in associates and joint ventures	(1)	(32)
Investment in premises and equipment	(4)	(3)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(23)	(35)
Net (decrease) increase in cash and cash equivalents	(109)	116
Cash and cash equivalents at beginning of the period	390	369
Cash and cash equivalents at end of the period	281	485
<b>Cash and cash equivalents comprise of:</b>		
Cash and short-term funds	176	106
Placements with financial institutions with an original maturity of three months or less and other liquid assets.	105	379
	281	485

In addition to the above, the Group has an undrawn and available balance of \$536 million (June 30, 2019: \$686 million and December 31, 2018: \$675 million) from its short-term and revolving medium-term facilities.

### ADDITIONAL CASH FLOW INFORMATION

<i>Smillions</i>	Jul - Dec 2019	Jul - Dec 2018
Interest paid	(16)	(26)
Interest received	17	18

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 (REVIEWED)

<i>Smillions</i>	Preference share capital	Ordinary share capital	Reserves				Treasury shares	Retained earnings	Proposed appropriations	Other Reserves		Non-controlling interests	Total equity	
			Share premium	Statutory reserve	Fair Value reserve	Total				Cash flow hedges	Revaluation reserve on premises and equipment			
<b>Balance at July 1, 2018</b>	123	200	229	100	(7)	322	(5)	447	41	(9)	4	(5)	-	1,123
Total comprehensive income	-	-	-	-	(5)	(5)	-	58	-	3	-	3	-	56
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	-	-	-	0	-	-	(0)	(0)	-	-
Treasury shares purchased during the period - net of sales and vesting	-	-	-	-	-	-	(13)	-	-	-	-	-	-	(13)
Loss on vesting of treasury shares - net of gain on sale	-	-	(2)	-	-	(2)	2	-	-	-	-	-	-	-
Approved appropriations for fiscal 2018 paid	-	-	-	-	-	-	-	(41)	-	-	-	-	-	(41)
<b>Balance at December 31, 2018</b>	123	200	227	100	(12)	315	(16)	505	-	(6)	4	(2)	-	1,125
<b>Balance at July 1, 2019</b>	123	200	237	100	(16)	321	(74)	540	38	(7)	4	(3)	-	1,145
Restatement arising from adoption of IFRS 16	-	-	-	-	-	-	-	(2)	-	-	-	-	-	(2)
<b>Balance at July 1, 2019 (Restated)</b>	123	200	237	100	(16)	321	(74)	538	38	(7)	4	(3)	-	1,143
Total comprehensive income	-	-	-	-	(2)	(2)	-	48	-	0	-	0	-	46
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	-	-	-	0	-	-	(0)	(0)	-	-
Treasury shares purchased during the period - net of sales and vesting	-	-	-	-	-	-	(19)	-	-	-	-	-	-	(19)
Loss on vesting of treasury shares - net of gain on sale	-	-	(3)	-	-	(3)	3	-	-	-	-	-	-	-
Investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Approved appropriations for fiscal 2019 paid	-	-	-	-	-	-	-	-	(38)	-	-	-	-	(38)
<b>Balance at December 31, 2019</b>	123	200	234	100	(18)	316	(90)	586	-	(7)	4	(3)	1	1,133

The above have been extracted from the interim condensed consolidated financial statements of Investcorp Holdings B.S.C. (formerly Investcorp Bank B.S.C.) reviewed by Ernst & Young

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