INVESTCORP

FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year 2020 - Message to shareholders

The Board of Directors of Investcorp is pleased to submit the consolidated audited financial statements for Investcorp's 37th fiscal year ended June 30, 2020.

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Thank you for your ongoing support, partnership and trust in Investcorp as we continue to navigate the unprecedented global impact of COVID-19 together. In our nearly 40 years of operations, we have experienced and succeeded through many crises by staying resilient, prudently managing risks and capturing opportunities.

We recognize this crisis offers its own unique challenges as one of the most trying macro-shocks economies around the world have experienced. Although we did not predict a pandemic, our Firm has been actively preparing for a global, economic slowdown over the last several years. In fact, the progress we have delivered building a more diverse, global and multi-asset class platform has helped drive our resiliency and mitigate the negative impact from COVID-19.

The challenging environment and the associated effects from COVID-19 resulted in a net loss attributable to shareholders of (US \$165) million for FY20 compared to a net profit of US \$131 million in FY19. The fully diluted loss per share for FY20 was (US \$2.57) compared to fully diluted earnings per share of US \$1.47 in FY19. While we are disappointed in our FY20 results, we remain confident in our growth strategy and our ability to continue our history of emerging from each market downturn even stronger. Our performance this year is further evidence of Investcorp's resilience and commitment to driving disciplined growth. We entered the coronavirus crisis and also approach our 2021 fiscal year in a position of strength with a robust balance sheet, US \$1.2 billion in accessible liquidity and an increasingly global and diversified platform managed by world-class investment professionals.

Diversification strategy and strong capital and liquidity positions supporting resilience

Continuous diversification across geographies, clients and products translated into a broad-based increase in AUM to a record US \$32.2 billion, an increase of 15% from US \$28.1 billion in June 2019.

The Firm achieved significant levels of investment activity in FY20 of US \$3.1 billion (US \$2.9 billion in FY19), while placement and fundraising of US \$4.9 billion (US \$5.7 billion in FY19) and distributions of US \$2.6 billion (US \$4.0 billion in FY19) remained strong.

Total shareholders' equity (excluding non-controlling interests) as of June 30, 2020 was US \$867 million, down 24% compared to US \$1,145 million as of June 30, 2019. Total assets at the end of FY20 were US \$2,123 million compared to US \$2,361 million as of FY19, representing a 10% decline. The recommendation this year for distribution of preferred and ordinary dividends is US \$22 million. The proposed ordinary dividend per share is US \$0.10 versus US \$0.30 for FY19.

The COVID-19 crisis impacted the Firm's profitability as fee income contracted to US \$288 million for FY2020, a decline of 23% compared to US \$376 million for FY19. The sharp recession originating from the crisis also affected the Firm's asset-based income, with a (US \$110) million loss reported for FY20, compared to a gain of US \$89 million in FY19. The loss was largely attributable to negative valuation results related to a limited number of assets operating in challenged industries, mainly retail. However, prudent capital and liquidity management served the Firm well during the unprecedented crisis, allowing management to focus on

employees' safety and business continuity for all stakeholders.

Growth, expansion and diversification strategy continued amidst challenging market conditions

Despite the challenges presented by COVID-19, 2020 still represents an important chapter in Investcorp's transformation into one of the world's leading global alternative asset managers. Several key strategic transactions and initiatives were completed to further broaden and institutionalize our distribution platform, scale businesses and source investments from new growth areas.

Private Equity AUM (including strategic investments) remained steady at US \$5.8 billion, new fundraising was largely offset by exits and COVID-19 related write-downs. We raised \$668 million via deal-by-deal and fund investments. Notable exits during the year included the sale of TPx Communications, a provider of network and communications services; the sale of Tiryaki Agro, the leading supply manager of organic and conventional agro commodities in the US, Europe and the Middle East and the sale of SecureLink Group, one of the largest cybersecurity infrastructure and managed services providers in Europe.

Real Estate AUM increased by 5% during the year to US \$6.4 billion due to the acquisition and placement of new portfolios. In the US, Investcorp once again ranked among the top foreign buyers and sellers of US real estate, including exiting seven portfolios. This contributed to total real estate realization proceeds and other distributions to Investcorp and its clients of US \$687 million, increasing by 4% from FY19. Following Investcorp's expansion into the European real estate market in 2017, 2020 showed continued progress on the division's growth ambitions, with the value of the total European real estate platform rising to approximately US \$930 million in AUM. The team completed several landmark acquisitions over the period that helped to further expand its presence in continental Europe.

Investcorp also raised \$65 million of anchor commitments to launch an Indian Real Estate Direct Lending Initiative that will focus on providing finance to projects in the affordable and midmarket housing segment in the top seven cities in India. BAe Systems Pension Funds Investment Management Limited is the

Investcorp Absolute Return Business (ARI) entered into a joint venture with Tages Capital to create Investcorp-Tages Limited, combining complementary footprints to create a global absolute return platform with more than US \$6.0 billion in revenue generating assets, including customized portfolios, seeding and other investment solutions, which represents a 61% increase from 2019. US \$859 million was raised for the Firm's hedge funds partnerships platform, US \$108 million for special opportunities portfolios, US \$42 million was raised for the Firm's multi-manager solutions platform.

Investcorp also raised the initial amount of approximately US \$100 million of new commitments for the first fund of the newly formed Strategic Capital Group, which focuses on acquiring minority equity stakes in mid-sized alternative asset managers.

The Credit Management business (ICM) also continued its upward growth trajectory despite COVID-19. AUM increased by 11% to US \$13.1 billion, primarily due to the issuance/pricing of five new CLO's and the acquisition of CM Investment Partners.

Fundraising for two fully subscribed funds were completed during the pandemic, reflecting the confidence of clients in Investcorp's abilities to navigate challenging markets as well as the strength of its brand in the investment community. In May 2020, Investcorp announced the fully subscribed final closing of approximately €340 million in commitments for Italian Distressed Loan Fund

The above have been extracted from the consolidated financial statements of Investcorp Holdings B.S.C. (formerly Investcorp Bank B.S.C.) audited by Ernst & Young who expressed an unqualified opinion on August 5th, 2020.

II and in June 2020 it held the final closing of the Mount Row (Levered) Credit Fund with capital commitments of €318 million.

Lastly, we continued to expand our global footprint in Asia. We have launched an investment platform jointly with China Resources and Fung Investments, the first-ever private equity platform dedicated solely to investing in food brands in Asia, specifically China, Singapore and greater Southeast Asia. In April the fund had its first closing at US \$275 million.

Strengthening culture and commitments to our people and communities

Consistent with Investcorp's commitment to our stakeholders and communities, we continued to advance initiatives across all businesses and geographies to as evidence of our continuing desire to be a good corporate citizen. These efforts ranged from enhancing our diversity & inclusion practices, strengthening our commitment to ESG and playing our part in helping to address the many urgent public health and economic needs stemming from the pandenic

This year Investcorp elected six new international members to its Board of Directors and created a new Diversity & Inclusion (D&I) Champion role to enhance our D&I practices globally. This work has already resulted in the implementation of new talent acquisition, retention and engagement policies. As a global firm comprised of 44 nationalities among our approximate 450 global employees, we have always drawn strength from our diversity and believe it is a success driver for our business. We are committed to continuing to foster an open and inclusive work environment to further reinforce our culture and talent as competitive advantages.

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While the short-term economic outlook remains uncertain due to the ongoing pandemic, we remain committed to advancing our ambitious, yet prudent, growth strategy. Our medium-term objective of reaching US \$50 billion AUM remains unchanged and is increasingly within our sight. As we move forward, we will continue to leverage our fundamental strengths, including our world-class talent, robust balance sheet and increasingly global and diversified platform to meet our clients' needs with innovative investment solutions. We remain well-positioned to continue to navigate challenges from the coronavirus pandemic that may lie ahead and we are confident that we will emerge stronger on the other side, as our Firm always has.

On behalf of the Investcorp Board of Directors, we would also like to extend our condolences following the passing of our highly respected founder, Nemir Kirdar, and our former Chairman of the Board, H.E. Abdulrahman Al-Ateeqi. They were both instrumental in building a business focused on core values of trust, integrity and respect, and we are grateful for their contributions to the Firm. The foundations they built have inevitably been key in Investcorp's ability to weather this challenging period and we are committed to continue building upon their strong legacies of success.

Signed on behalf of the Board of Directors

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Dr. Yousef Hamad Al-Ebraheem

Mohammed Mahfo

Mohammed Mahfoodh Alardhi Executive Chairman

August 6th, 2020

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS \$millions 2020 2019 FEE INCOME AUM fees 181 Deal fees 195 376 Fee income (a) ASSET BASED INCOME 12 Private equity investment 22 Credit management investment Absolute return investments 29 Real estate investment Strategic investments 13 Treasury and other income 89 Asset based (loss) income (b) Gross operating income (a) + (b) 465 (4) Provisions for impairment (51) Interest expense (LOSS) PROFIT BEFORE TAX 142 (163) Income tax expense (LOSS) PROFIT FOR THE YEAR 131 (Loss) profit for the year attributable to: Equity holders of the parent 131 **EARNINGS PER SHARE** 1.52 1.47

\$millions	2020	201
(LOSS) PROFIT FOR THE YEAR	(165)	13
Other comprehensive (loss) income that will be recycled to statement of profit or lost Fair value movements - cash flow hedges	SS (2)	
Movements - Fair value through other comprehensive income investments	(14)	((
Other comprehensive loss that will not be recycled to statement of profit or loss Movements - Fair value through other comprehensive income investments	(29)	(6
Other comprehensive loss	(45)	(7
TOTAL COMPREHENSIVE (LOSS) INCOME	(210)	12
Total comprehensive (loss) income attributable to:		
Equity holders of the parent	(210)	12
Non-controlling interest	(210)	12
Manama: Investcorp Holdings B.S.C. Investcorp House, P.O. Box 5340, Manama, King	(210)	12
	(210)	12
Manama: Investcorp Holdings B.S.C. Investcorp House, P.O. Box 5340, Manama, King Tel: +973 17532000, Fax: +973 17530816 London: Investcorp International Ltd., 48 Grosvenor Street, London, W1K 3HW, UK, Te	(210) gdom of Bahrain, dt: +44 (0)20 7629 6600,	
Manama: Investcorp Holdings B.S.C. Investcorp House, P.O. Box 5340, Manama, King Tel: +973 17532000, Fax: +973 17530816 London: Investcorp International Ltd., 48 Grosvenor Street, London, W1K 3HW, UK, Te Fax: +44 (0)20 7499 0371	(210) gdom of Bahrain, d: +44 (0)20 7629 6600, Fiel: +1 212 599 4700, Fa	x: +1 212 983 707
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INVESTCORP

FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
JUNE 30, 2020		
\$millions	June 30, 2020	June 30, 2019
ASSETS		
Cash, placements and other liquid assets	309	390
Positive fair value of derivatives	45	44
Receivables and prepayments	285	364
Advances	158	82
Underwritten and warehoused investments	192	334
Co-investments		
Private equity investment	339	491
Credit management investment	317	332
Absolute return investments	81	112
Real estate investment	71	68
Strategic capital investment	2	
Total co-investments	810	1,003
Strategic investments and intangible assets	189	107
Premises, equipment and other assets	135	37
TOTAL ASSETS	2,123	2,361
LIABILITIES AND EQUITY LIABILITIES		
Payables and accrued expenses	186	241
Negative fair value of derivatives	26	23
Financing	981	889
Deferred fees	62	63
TOTAL LIABILITIES	1,255	1,216
EQUITY	1,255	.,
Preference share capital	123	123
Ordinary shares at par value	200	200
a contract to the contract to		321
Reserves	296	11 021
	296 (104)	
Reserves Treasury shares		(74)
Reserves Treasury shares Retained earnings Ordinary shareholders' equity excluding proposed	(104)	(74)
Reserves Treasury shares Retained earnings	(104)	(74) 540 987
Reserves Treasury shares Retained earnings Ordinary shareholders' equity excluding proposed appropriations and other reserves	(104) 335 727	(74) 540 987 38 (3)
Reserves Treasury shares Retained earnings Ordinary shareholders' equity excluding proposed appropriations and other reserves Proposed appropriations Other reserves	(104) 335 727 22	(74) 540 987 38
Reserves Treasury shares Retained earnings Ordinary shareholders' equity excluding proposed appropriations and other reserves Proposed appropriations	(104) 335 727 22 (5)	(74) 540 987 38

FOR THE YEAR ENDED JUNE 30, 2020		
\$millions	2020	2019
OPERATING ACTIVITIES		
(Loss) profit before tax	(163)	142
Adjustments for non-cash items in profit before tax:		
Depreciation and amortization	24	12
Provisions for impairment	26	4
Employee deferred awards	33	27
Operating (loss) profit adjusted for non-cash items	(80)	185
CHANGES IN:		
Operating capital		
Placements (non-cash equivalent)	(44)	2
Receivables, prepayments and advances	(24)	(94)
Underwritten and warehoused investments	142	112
Payables and accrued expenses	(56)	(29)
Deferred fees	(1)	(9)
Co-investments	151	147
Fair value of derivatives	5	36
Income taxes paid	(12)	(9)
NET CASH FROM OPERATING ACTIVITIES	81	341
FINANCING ACTIVITIES		
Financing - net of transaction costs and new issuances	(25)	(150)
Treasury shares purchased - net of sales	(45)	(84)
Dividends paid	(38)	(41)
NET CASH USED IN FINANCING ACTIVITIES	(108)	(275)
INVESTING ACTIVITIES		
Acquisition of subsidiaries	(21)	-
Investment in associates and joint ventures	(6)	(39)
Other strategic investments	(61)	-
Investment in premises and equipment	(10)	(6)
NET CASH USED IN INVESTING ACTIVITIES	(98)	(45)
Net (decrease) increase in cash and cash equivalents	(125)	21
Cash and cash equivalents at beginning of the year	390	369
Cash and cash equivalents at end of the year	265	390
Cash and cash equivalents comprise of:		
Cash and short-term funds	130	57
Placements with financial institutions and other liquid assets	135	333
	265	390
ADDITIONAL CASH FLOW INFORMATION		
Interest paid	(39)	(51)
Interest received	40	40
ADDITIONAL LIQUIDITY INFORMATION		
Cash and cash equivalents at end of the year	265	390
Placements (non-cash equivalent)	44	
Available / undrawn balances	917	686
Total available liquidity at end of the year	1,226	1,076

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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FOR	THE	YFAR	FNDFD	JUNE	30.	2020	

		Ordinary shareholders' equity excluding proposed appropriations and other						reserves						
\$millions	Preference share capital	Ordinary share capital	Share premium	Treasury shares	Retained earnings	Statutory reserve	Fair value reserve	Total	Proposed appropriations	Cash flow hedges	Revaluation reserve on premises and equipment	Total	Non-con- trolling interests	Total equity
Balance at July 1, 2018	123	200	229	(5)	447	100	(7)	964	41	(9)	4	(5)	-	1,123
Total comprehensive income	-	-	-	-	131	-	(9)	122	-	2	-	2	-	124
Depreciation on revaluation reserve transferred														
to retained earnings	-	-	-	-	0	-	-	0	-	-	(O)	(O)	-	-
Treasury shares purchased during the year - net of sales and vesting	-	-	-	(61)	-	-	-	(61)	-	-	-	-	-	(61)
Gain on vesting of treasury shares	-	-	8	(8)	-	-	-	-	-	-	-	-	-	-
Approved appropriations for fiscal 2018 paid	-	-	-	-	-	-	-	-	(41)	-	-	-	-	(41)
Proposed appropriations for fiscal 2019	-	-	-	-	(38)	-	-	(38)	38	-	-	-	-	-
Balance at June 30, 2019	123	200	237	(74)	540	100	(16)	987	38	(7)	4	(3)	-	1,145
Balance at July 1, 2019	123	200	237	(74)	540	100	(16)	987	38	(7)	4	(3)	-	1,145
Restatement arising from adoption of IFRS 16	-	-	-	-	(2)	-	-	(2)	-	-	-	-	-	(2)
Balance at July 1, 2019	123	200	237	(74)	538	100	(16)	985	38	(7)	4	(3)	-	1,143
Total comprehensive loss	-	-	-	-	(165)	-	(43)	(208)	-	(2)	-	(2)	0	(210)
Transferred to retained earnings upon derecognition	-	-	-	-	(16)	-	16	-	-	-	-	-	-	-
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	0	-	-	0	-	-	(O)	(O)	-	-
Treasury shares purchased during the year - net of sales and vesting	-	-	-	(28)	-	-	-	(28)	-	-	-	-	-	(28)
Gain on vesting of treasury shares	-	-	2	(2)	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Approved appropriations for fiscal 2019 paid	-	-	-	-	-	-	-	-	(38)	-	-	-	-	(38)
Proposed appropriations for fiscal 2020	-	-	-	-	(22)	-	-	(22)	22	-	-	-	-	-
Balance at June 30, 2020	123	200	239	(104)	335	100	(43)	727	22	(9)	4	(5)	1	868