

# Petershill Partners

Operated by Goldman Sachs Asset Management

## INTERIM RESULTS STATEMENT

### For the six months ended 30 June 2022

## DELIVERING OUR PLAN AGAINST AN UNCERTAIN ECONOMIC BACKDROP

### Key Company Highlights

- For the six months ended 30 June 2022:
  - Adjusted EBIT<sup>1</sup> of \$153m with an Adjusted EBIT margin<sup>1</sup> of 90%
  - IFRS Loss after tax of (\$359m) and Adjusted Profit After Tax of \$135m
  - APM basis Investments at fair value<sup>1</sup> of \$5.0 billion, down \$570m or 10%; higher operating results were offset by an increase in discount rates on private capital assets, which moved from a blended 15% to a blended 17% during the period
  - An interim dividend of 3.5 cents per share payable on 28 October 2022
  - Repurchased 5.1m ordinary shares during the six months ended 30 June 2022 as part of a \$50m share buyback programme
  - \$120m to be returned to shareholders in 2022 with respect to the previously paid and announced dividends and share repurchases
- Post period-end events
  - Completed one acquisition committing \$100m and expected to be approximately 2% accretive to 2023e
  - Debt refinanced with \$500m of 'A' rated notes raised and existing notes retired, extending weighted average duration to 11.2 years and improving the quality of the capital base

### Key Partner-firm Highlights<sup>2,3,4</sup>

- Continued strong Partner-firm performance in the first half of 2022
  - Partner Fee Related Earnings (FRE) of \$110m, up 18% year-over-year
  - Partner Distributable Earnings of \$169m, up 10% year-over-year
  - Partner Realised Performance Revenues (PRE) of \$47m, up 27% year-over-year
  - Aggregate Partner-firm AuM of \$266 billion and Fee-paying AuM of \$184 billion, up 42% and 34%, respectively, year-over-year
  - \$36 billion of gross fee eligible assets raised in the first half

### 2022 Guidance

- Amended 2022 full year guidance:
  - Partner-firm organic gross fee paying AuM raise of c.\$50 billion in 2022; up from \$40 to \$45 billion
  - Partner Realised PRE as a percentage of Partner Revenue: 15% – 20% in 2022 and maintained at c. 20% – 30% in medium term

### Interim Dividend

The Board has approved an interim dividend payment of 3.5 cents (USD) per share payable on 28 October 2022 to shareholders on the register as at close of business on 30 September 2022, with ex-dividend date of 29 September 2022. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 14 October 2022. Currency elections should be submitted via CREST<sup>5</sup> in the usual manner.

- Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on APMs on page 39.
- Petershill Partners plc commenced conditional trading on the London Stock Exchange on 28 September, 2021, on which date the initial acquisition of the portfolio of Partner-firms by the Company was completed. The Company was incorporated in March 2021, but did not trade prior to the end of September 2021. In addition, for completeness and transparency, this report provides full-year results for our interests in the Partner-firms in aggregate, including operating metrics for periods prior to the initial acquisition date, presented as if the Company's assets as at the time of the IPO had been owned by the Company during the historical period presented. The methodology applied here is consistent with that used in the Petershill Partners IPO Prospectus published by the Company on 28 September 2021.
- Partner-firm results are key operating metrics presented on a half yearly basis and are not financial results of the Company. Refer to the glossary on page 35 for additional information.
- AuM and Fee-Paying AuM are presented on a three-month lag.
- CREST: Certificates Registry for Electronic Share Transfer – electronic system for holding financial securities.

## **Naguib Kheraj, Chairman, commented:**

"Our first half results demonstrate the strength and resilience of our distinctive business model. Our Partner-firms delivered strong underlying performance which is reflected in double digit growth in Partner Distributable Earnings. Whilst our statutory earnings were affected by the mark down in the carrying value of our investments due to the impact of higher discount rates, our strong cash flows support an interim dividend of 3.5 cents per share and the continuation of our previously announced share buyback programme. While the macroeconomic and equity market backdrop is challenging and volatile, our Partner-firms continue to be successful in fund raising and this is expected to support double digit growth in management fee revenues, although performance fees and investment gains are expected to be lower than the prior year. Our healthy cash generation and strong balance sheet will enable us to support further acquisitions as well as shareholder distributions."

## **2022 Guidance**

### **Headline Guidance**

- Organic AuM growth: c.\$50 billion FY 2022 organic gross Aggregate Fee-paying AuM raise. The Company's full-year estimate for realisation and reduction in fee paying AuM from more mature investment programs amounts to between \$5 to \$10 billion
- Acquisitions: \$100-300m across 3-6 transactions
- Dividends: Progressive policy
- Company margin: 85-90% adjusted EBIT margin excluding exceptionals

### **Detailed Guidance**

- Partner FRE Margin: Stable on an organic basis at c. 65-70%
- Partner FRE ownership: Stable on an organic basis at 13-14%
- Partner Blended Net Management Fee Rate: Stable on an organic basis at ~1.5%
- Partner Realised PRE as a percentage of Partner Revenue: 15-20% in 2022 and c. 20%-30% of total Partner Revenues maintained for 2023e and medium term
- Tax and Tax Equivalent: c. 12-14% on a medium term basis

# Management results:

For the six  
months ended  
30 June 2022  
\$m

<b>Income</b>	
Partner fee related earnings <sup>1</sup>	110.4
Partner Realised performance revenues <sup>1</sup>	47.2
Partner Realised Investment Income <sup>1</sup>	12.2
<b>Total partner distributable earnings</b>	<b>169.8</b>
Interest income from investments in Money market funds	0.8
<b>Total Income APM Basis</b>	<b>170.6</b>
<b>Operating costs</b>	
Board of Directors' fees and expenses	(0.8)
Operator charge	(13.3)
Other operating expenses	(3.8)
<b>Total operating costs</b>	<b>(17.9)</b>
<b>Adjusted Earnings before interest and tax (EBIT)<sup>2</sup></b>	<b>152.7</b>
Interest expense	(11.5)
<b>Adjusted Earnings before tax (EBT)<sup>2</sup></b>	<b>141.2</b>
Tax & tax related expenses <sup>2</sup>	(6.3)
<b>Adjusted profit after tax<sup>2</sup></b>	<b>134.9</b>
<b>Reconciliation of Adjusted profit after tax to IFRS Loss for the period after tax</b>	
Adjusted profit after tax <sup>2</sup>	134.9
▪ APM basis Movement in financial assets and liabilities held at fair value <sup>2</sup>	(569.8)
▪ Unrealised divestment fee credit	45.2
▪ Non recurring expenses <sup>3</sup>	(22.3)
▪ Change in liability for Tax Receivables Agreement	(14.4)
▪ Adjustment for Tax and tax related expenses <sup>4</sup>	67.6
<b>IFRS loss for the period after tax</b>	<b>(358.8)</b>

1. Partner – firm key operating metrics. Refer to the glossary on page 35 for additional information.

2. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 39.

3. Includes \$21.1m related to the expected extinguishment of \$350m of existing notes and \$1.2m in connection with the IPO.

4. Includes deferred tax (expense) / credit related to movement in financial assets and liabilities held at fair value.

# Key Partner-firm Metrics<sup>1</sup>

		For the six months ended 30 June			Q2 LTM (last twelve months)		
		2022	2021	(Δ%)	2022	2021	(Δ%)
Aggregate Partner-firm AuM (as at June 30)	\$bn	<b>266</b>	187	42%	<b>266</b>	187	42%
Aggregate Fee-paying Partner-firm AuM (as at 30 June)	\$bn	<b>184</b>	137	34%	<b>184</b>	137	34%
Average Aggregate Fee-paying Partner-firm Fee AuM <sup>2</sup>	\$bn	<b>159</b>	134	19%	<b>159</b>	134	19%
Partner Blended Net Management Fee Rate	%	<b>1.44%</b>	1.37%	+ 7 bps	<b>1.54%</b>	1.39%	+15 bps
Partner FRE margin	%	<b>66%</b>	71%	-5 pts	<b>66%</b>	70%	-4 bps
Implied Blended Partner-firm FRE Ownership	%	<b>13.4%</b>	14.2%	-76 bps	<b>13.8%</b>	14.1%	-33 bps
Partner Fee Related Earnings (FRE)	\$m	<b>110</b>	94	18%	<b>227</b>	179	26%
Partner Realised PRE as a % of Partner Revenue	%	<b>20%</b>	19%	+ 1 bps	<b>27%</b>	19%	+8 bps
Partner Realised Performance Revenues (PRE)	\$m	<b>47</b>	37	27%	<b>139</b>	74	89%
Partner Realised Investment Income	\$m	<b>12</b>	23	(48%)	<b>32</b>	57	(44%)
Partner Distributable Earnings	\$m	<b>169</b>	154	10%	<b>397</b>	310	28%
Weighted Average Capital Duration	years	<b>8.1</b>					

# Key Company Metrics

		For the six months ended 30 June 2022
Total income <sup>3</sup>	\$m	<b>170.6</b>
Adjusted EBIT <sup>3</sup>	\$m	<b>152.7</b>
Adjusted EBIT margin <sup>3</sup>	%	<b>90</b>
Adjusted profit after tax <sup>3</sup>	\$m	<b>134.9</b>
Adjusted tax & tax related expense rate <sup>3</sup>	%	<b>4.5</b>
IFRS loss after tax	\$m	<b>(358.8)</b>
Adjusted EPS <sup>3</sup>	cents	<b>11.7</b>
Basic and diluted EPS	cents	<b>(31.0)</b>
Interim dividend per share <sup>4</sup>	cents	<b>3.5</b>
Book value per share <sup>3</sup>	cents	<b>425</b>
Book value per share <sup>3,5</sup>	pence	<b>349</b>

<sup>1</sup> Partner-firm results are key operating metrics presented on a last twelve months basis or for the six months ended 30 June 2022 and 2021 and are not financial results of the Company. Refer to the glossary on page 35 for additional information.

<sup>2</sup> Average Aggregate figures represent the simple average over a twelve month period based on Beginning and End of Period AuM. For example, 30 June 2022 Average AuM figures are based on the average between 30 June 2021 and 30 June 2022.

<sup>3</sup> Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 39.

<sup>4</sup> The Board approved an interim dividend of 3.5 cents per share payable on 28 October 2022.

<sup>5</sup> Exchange rate as at 30 June 2022 1GBP = 1.217799USD.

# Details of results presentation

There will be a call for investors and analysts at 9.00am BST today, 21 September 2022, hosted by Ali Raissi and Robert Hamilton Kelly to discuss these results, followed by a Q&A session.

All interested parties are invited to participate via telephone or the audio webcast. Please click [here](#) to access the webcast.

## Conference Call Information:

Domestic: +44(0)330-165-4013  
International: +1-646-828-8221  
Conference ID: 2322602

All participants are asked to dial in approximately 10-15 minutes prior to the call, referencing "Petershill Partners" when prompted.

## Replay Information:

An archived replay of the call will be available on the webcast link.

Please direct any questions regarding obtaining access to the conference call to Petershill Partners Investor Relations, via e-mail, at [PHP-Investor-Relations@gs.com](mailto:PHP-Investor-Relations@gs.com) Analyst / Investor enquiries:

Ayesha Parra  
Nigel Beslee

+1-212-902-1000  
+44 (0) 207 774 1000

## Media enquiries:

FGS Global  
Faeth Birch / Michael Turner / Sam Moodie

+44 (0) 207 251 3801

# About Petershill Partners

Petershill Partners plc (the “Company” or “Petershill Partners”) and its Subsidiaries (the “Group”) is a diversified, global alternatives investment group focused on private equity and other private capital strategies. Through our economic interests in 23 alternative asset management firms (“Partner-firms”), we provide investors with exposure to the growth and profitability of the alternative asset management industry. The Company completed its initial acquisition of the portfolio of Partner-firms on 28 September 2021 and was admitted to listing and trading on the London Stock Exchange on 1 October 2021 (ticker: PHLL). The Company is operated by Goldman Sachs Asset Management (“Goldman Sachs” or the “Operator”) and is governed by a diverse and fully independent Board of Directors (the “Board”).

Through our Partner-firms, we have exposure to \$266 billion of total assets under management (“AuM”), comprising a diverse set of more than 200 long-term private equity and other private capital funds where capital is typically locked in over a multi-year horizon. These underlying funds generate recurring management fees and the opportunity for meaningful profit participation over the typical 8+ year lifecycles of such funds. We believe our approach is aligned with the founders and managers of our Partner-firms and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

For more information, visit <https://www.petershillpartners.com/homepage.html>. Information on the website is not incorporated by reference into this press release and is provided merely for convenience.

# The Operator's Report

We are pleased to be sharing Petershill Partners plc's H1 2022 results, reflecting our resilient and unique business model, the strong progress of the business since its listing in 2021 and our differentiated group of high quality Partner-firms where you continue to see diversified growth against an uncertain market backdrop.

In the first half of 2022, while the world continued to recover from the COVID-19 pandemic, we have seen higher inflation, interest rates, market volatility and geopolitical risk all with an impact on people and the real global economy. We continue to monitor the recession risk in developed markets, with a particular focus on the United States as the majority of our Partner-firms are located there and as our revenues are defined mostly in US Dollars. The Group reported an IFRS loss of (\$359) million for the six months ended 30 June 2022. This loss was a result of a decline in the valuation of the investments in Partner-firms, which was driven primarily by higher discount rates and lower market multiples. Total income from investments in Partner-firms for the six months was \$169.8 million APM basis (\$178.5 million IFRS).

Our diversified group of Partner-firms, sector experts across private equity, private real assets, private credit and absolute return strategies, on average have tenures of over 20 years, have operated across multiple market cycles, independently of one another. While we have seen a nuanced fund raising environment for the private capital industry given competition for investment, the first half of 2022 resulted in \$36 billion of gross fee-paying AuM inflows against our full-year guidance of \$40-45 billion, reflecting the quality of our Partner-firms. This capital has been raised across 10 private capital Partner-firms across a host of flagship strategies and new products. We consider this as a strong sign of the quality of our Partner-firms, and believe we will exceed our previous AuM growth guidance, likely ending the year between \$47 and \$52 billion.

Our Partner Fee Related Earnings have been resilient, increasing 27% over the past twelve months. The majority of these earnings continue to be comprised of income from contractually committed, long-dated assets, which we believe position Petershill Partners well as we move into the second half of 2022.

Partner Realised Performance Revenues were strong in the first half of the year. With the expectation of a continued increase in interest rates and volatility in the global markets, we are closely monitoring demand and expect transaction volume to slow in the second half of 2022. As a result, we believe some of the Partner Realised Performance Revenues previously expected this year are likely to be delayed into 2023 and that Partner Realised Performance Revenue will therefore comprise 15% to 20% of our total revenues for the full year of 2022. However, our medium term guidance of 20% to 30% in future years remains unchanged.

While we have seen strong growth in AUM, continued growth in Partner Fee Related Earnings and strong realisations in the first half, we have seen higher interest rates and market volatility reflected or drive an increase in discount rates for alternatives asset management firms. The change in the valuations of the investments in our Partner-firms through the first half of this year reflects increased discount rates, which have offset the underlying positive operating outlook for the Partner-firms. Higher discount rates also reflect a narrowing of the bid-ask spread we have seen in recent acquisitions.

Petershill Partners continues to execute on its strategy for generating returns for its shareholders. We commenced a \$50 million share buyback programme this year and through the first half of the year purchased just over 5 million shares for \$14 million. We expect this programme to be completed by the end of this year. We distributed \$30 million, or 2.6 cents per share, to shareholders in the first half of this year and the Company has declared an interim dividend of 3.5 cents per share to be paid on 28 October 2022, which will result in returning an additional \$40 million to shareholders. In 2022, \$120 million will be returned to shareholders through dividends and share repurchases.

As we moved into the second half of 2022, we were pleased to announce the successful private placement of \$500 million of senior unsecured debt, raised across tenures ranging from 7 years to 20 years, and reflecting a higher rating of A and lower spread than the \$350m of paper that it replaced. While these previous notes had a legal maturity of 2039, they would have fully amortised between 2024-2029, and so this transaction extended the weighted average duration of our debt to 11.2 years. Furthermore, after 30 June 2022, we completed one acquisition, a follow-on investment in Kayne Anderson Real Estate – representing \$100 million of additional committed capital and expected to be approximately 2% accretive to 2023e.

As we look forward, we have a diverse group of high quality Partner-firms with proven track records over many years. These qualities position us well to navigate uncertain market conditions, which may lie ahead. Our business continues to display its key pillars of strong revenue and asset growth, significant profitability and cash flow generation, a durable predominantly locked-up capital base and risk management with distinctive diversification across our Partner-firms.

## Finance and Operating Review

Petershill Partners plc commenced conditional trading on the London Stock Exchange on 28 September 2021, on which date the initial acquisition of the portfolio of Partner-firms by the Company was completed. The Company was incorporated in March 2021, but did not trade prior to the end of September 2021. In addition, for completeness and transparency, this document provides full-year financial information for our interests in the Partner-firms in aggregate, including operating metrics for periods prior to the initial acquisition date, presented as if the Company's assets as at the time of the IPO had been owned by the Company during the historical period presented<sup>1</sup>.

Throughout this section, reference is made to adjusted measures which the Company considers to be alternative performance measures ("APMs") or Operating Metrics.

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts ("Issuers SPVs"), which previously issued \$350m of long-term debt with a 5% coupon and a maturity date of 2039. The debt was secured by the rights to the cash flows of certain Partner-firm investments held by the Company and other investments held by the Petershill Funds.

Although the Company did not have rights to the cash flows of the collateral held by the Petershill Funds, under IFRS, the Company was required to consolidate them. This consolidation results in reflecting all the assets and liabilities of these entities in the consolidated statement of financial position and all of the income, investment gain and finance cost in the consolidated statement of comprehensive income. However, shareholder returns are only affected by the interests that the Company owns.

The APM basis, which presents the financial information on a non-IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect shareholder returns, aids shareholders in assessing their investment in the Company.

The IFRS and APM basis numbers discussed and presented below include significant 'unrealised' and non-cash items that include unrealised change in fair value of investments, and it should be noted that while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented excluding the unrealised change in fair value of investments at fair value through profit and loss, related unrealised divestment fee, and movements in tax balances.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

Definitions of alternative performance measures along with reconciliations to the IFRS measure, where appropriate, can be found in the glossary beginning on page 39.

The results and the Operating Metrics provided in this announcement reflect the Company's resilient and unique business model focusing on growth and profitability, whilst also demonstrating continued strong growth from our Partner-firms.

## Company Performance

Petershill Partners first half results showed resilient performance in an often volatile public and private market environment.

The revenue model of the Company is comprised of income from Partner-firms which combines three types of income: management fee income, performance fee income and investment income. Of these three, management fee income in particular provides stable recurring profits. The management fee income APM basis<sup>2</sup> for the period was \$110m, performance fee income APM basis<sup>2</sup> \$47m, and investment income APM basis<sup>2</sup> \$12m.

The IFRS Loss and total comprehensive expense for the period after tax was \$359m equating to a Proforma EPS<sup>2</sup> of (31 cents). This includes an APM basis decrease in financial assets and liabilities held at fair value of \$570m, a reversal of the Unrealised Divestment Fee of \$45m, increase in liability towards Tax Receivables Agreement of \$14m, and a decrease in deferred tax of \$61m. An increase in discount rates in the first half of the year has resulted in lower valuations.

The Company's Adjusted Profit after tax<sup>2</sup> was \$135m. The Company's Adjusted EBIT<sup>2</sup> for the period was \$153m, resulting in an Adjusted EBIT margin<sup>2</sup> of 90%. We believe this highlights the key characteristics of Petershill Partners as a business with significant growth of durable capital, delivering stable and recurring revenues with a highly efficient EBIT margin and significant free cash flow.

## Dividends

The Company paid a dividend of \$30m or 2.6 cents per share to its shareholders during the six months ended 30 June 2022.

The Board has approved an interim dividend payment of 3.5 cents (USD) per share payable on 28 October 2022 to shareholders on the register as at close of business on 30 September 2022, with ex-dividend date of 29 September 2022. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 14 October 2022. Currency elections should be submitted via CREST in the usual manner.

The Board expects to operate a progressive dividend policy which will reflect earnings growth over time.

<sup>1</sup>. The methodology applied here is consistent with that used in the Petershill Partners IPO Prospectus published by the Company on September 28, 2021.

<sup>2</sup>. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 39.



## APM basis investments at fair value through profit and loss

<b>At 1 January 2022</b>	<b>5,524</b>
Investments (includes new, follow on, and prior commitments)	26
Change in fair value of investments through profit and loss APM basis <sup>1</sup>	(570)
<b>At 30 June 2022</b>	<b>4,980</b>

The fair value of the Company's investments in Partner-firms APM basis as of 30 June 2022 and 31 December 2021 was \$4,980m and \$5,524m respectively. The fair value of the Company's investments in Partner-firms is determined using both earnings multiples and discounted cash flow techniques, which are common industry guidelines. In valuing the investments, key assumptions include estimates of future AuM growth, expected management and performance fee rate margins, expected current and future underlying fund returns and timing of realisations. Whilst an exit of an investment is possible, we do not typically seek to exit an investment as part of our strategy. The change in fair value of investments through profit and loss APM basis was (\$570m) for the six months ended 30 June 2022. Refer to note 3 in the Notes to the Condensed Interim Consolidated Financial Statements on page 26 for additional information.

### Investments in money market funds

The Company had \$450m and \$453m invested in money market funds with a AAA credit rating as of 30 June 2022 and 31 December 2021, respectively.

### Deferred payment obligations and notes payable

Certain investments in Partner-firms are purchased with deferred payment terms. These deferred payment obligations represent amounts payable by the Company at various dates in the future.

The Company, through its interest in the Issuers, had \$350m of long-term debt with a 5% coupon and a maturity date of 2039 that are secured by the rights to the cash flows of certain Partner-firm investments. The interest expense for the six months ended 30 June 2022 was \$33m, which includes one-time expense items of a \$12m payment related to the prepayment of the notes and \$9m of previously unamortised costs, which are recognised as a result of the expected extinguishment of the notes after the period end. Refer to note 9 in the Notes to the Condensed Interim Consolidated Financial Statements on page 31.

### Tax receivable agreement

The Company entered into tax receivable agreements as part of the Initial Acquisition on 28 September 2021. The agreements provide for the payment of 75% of cash tax savings, if any, in U.S. federal, state and local income tax that the Company actually realises. The cash tax savings is defined as the difference between the taxes actually due compared with what the taxes due would have been without the step-up in tax basis resulting from the Initial Acquisition. The Company expects these payments to arise over a period of 15 years. The value of these estimated payments is \$181m assuming a 18% discount rate and using the Company's most recent projections relating to the estimated timing of the payments. There was an increase in the liability of \$14m.

### Operating expenses

Operating expenses, excluding the reversal of the accrued divestment fee, totalled \$19m. The Operator is entitled to a divestment fee calculated at 20% of the realised profit on the exit of an investment. Although the Company does not intend to exit its investments, an accrual is reflected representing an amount that would be payable if the Company were to exit all of its investments. The reversal of the accrued divestment fee was equal to \$45m for the six months ended 30 June 2022. At 30 June 2022, the amount of the divestment fee accrued was \$Nil. At 31 December 2021, the amount of the divestment fee accrued was \$45m. No amount had been previously vested.

The Operator is entitled to a fee ("Operator charge") of 7.5% of Income from investments in Partner-firms APM basis. The Operator charge for the period was \$13m.

The Directors' fees for the period were \$0.8m.

Included in operating expenses was a non-recurring amount of \$1.2m related to the IPO.

### Interest expense

Interest expense was \$33m. Included in the \$33m are one-time expenses of a \$12m payment related to the expected prepayment of the notes and \$9m of previously unamortised costs, which are recognised as a result of the expected extinguishment of the notes after the period end. The Company acquired \$350m of private placement debt with a fixed rate of 5% and a maturity of 2039 as part of the initial acquisition on 28 September 2021. Refer to note 9 in the Notes to the Condensed Interim Consolidated Financial Statements on page 31 for additional information.

## Tax expense / (credit)

Current tax expenses comprise obligations to tax authorities related to current period reporting. Deferred tax expenses arise with respect to temporary differences between carrying amounts of assets and liabilities and their tax bases.

Analysis of tax	\$m
Analysis of tax on profit	
Current tax	0.7
Corporate tax	–
Deferred taxation	(62.0)
Current year	–
<b>Tax expense / (credit)</b>	<b>(61.3)</b>

The tax credit does not include the related expected payments under the tax receivables agreement for the current year. The expected payment under the tax receivable agreement for the six months ended 30 June 2022 is \$6m.

The Tax and related expenses<sup>1</sup> for the period were \$6m and the Adjusted tax and tax related expense rate<sup>1</sup> was 4.5%. These amounts represent current taxes payable in addition to any expected payments under the tax receivables agreement for the period and exclude deferred taxes related to the change in fair value of the investments through profit or loss.

<sup>1</sup> Financial measure defined as Alternative Performance Measure, or (“APM”). Further information on page 39.

## Cash and money market investments

The Company's balance sheet is strong and well-capitalised with sufficient cash and money market investments to facilitate its acquisition strategy. There was \$450m invested in money market investments and \$143m of cash and cash equivalents APM basis as of 30 June 2022 (31 December 2021: \$453m and \$69m respectively).

## Capital

During the six months ended 30 June 2022, the Company initiated a \$50m buyback programme and repurchased 5.1m Ordinary Shares for \$14.3m. The buyback programme is expected to be complete by 31 December 2022. Additionally, the Company cancelled 50,000 redeemable deferred shares at £1 each.

A final dividend in respect of the period ended 31 December 2021 totalling \$30m was paid to shareholders in the first six months ended 30 June 2022.

As at 30 June 2022, the Company's issued share capital comprised of 1,151,552,219 ordinary shares.

The Group incurred a loss of \$359m during the period.

Shareholders' equity was \$4,893m at 30 June 2022.

## Subsequent Events

On 24 August 2022, the Group issued \$500m of A rated US private placement senior unsecured notes. The proceeds are intended to be used to retire the existing \$350m senior secured notes and for general corporate purposes and new acquisitions. The benefits of the transaction include:

- extending the duration of and implementing a diversified long term maturity schedule
- replacing structured debt, which had security over the Group's cash flows with unsecured debt
- access to a more flexible and diversified source of debt financing going forward
- simplifying the balance sheet by eliminating certain assets and liabilities, which Shareholder returns are not exposed to

On 20 September 2022, the Group called and repaid \$350m of secured Notes.

On 20 September 2022, the Board approved an interim dividend payment of 3.5 cents (USD) per share payable on 28 October 2022 to shareholders on the register as at close of business on 30 September 2022, with ex-dividend date of 29 September 2022.

# Partner-firm performance for the six months ended 30 June 2022 (continuing Operator's Report)

## Key Operating Metrics

We provide detail on our Partner-firms in our Key Operating Metrics as this gives investors insight into the revenues and revenue model of the Company.

In 2022, fundraising momentum accelerated across the Company's Partner-firms with aggregate Partner-firm AuM growing 13% for the six months ended 30 June 2022 to \$266 billion. Aggregate Fee-paying AuM rose by 16% for the six months ended 30 June 2022 to \$184 billion. Ownership weighted AuM at 30 June 2022 was \$34 billion. Strong aggregate Partner-firm AuM and Aggregate Fee-paying AuM growth are the basis for future earnings development and highlight the positive operating dynamics and pricing power of our high-quality Partner-firms. This growth has translated into robust, recurring and high-quality earnings from our Partner-firms, with the six months ended 30 June 2022 Partner Distributable Earnings of \$169m, bringing last twelve months ended 30 June 2022 to \$397m, up 28% over the last twelve months ended 30 June 2021 and positioning the business well for the years ahead.

The step-up in the Company's earnings power is driven by the continued acceleration of Partner fee-related earnings on the back of strong fundraising and deployment across the Company's Partner-firms. These earnings are generated from a wide footprint of businesses many of which are growing rapidly.

Petershill Partners is not reliant on any one firm, one fundraise, one track record, one brand. A unique and differentiated aspect of our business model arises from the diversification benefits that the underlying Partner Funds provide, now, to our investments in 23 high-performing asset management firms, giving the Company a distinctive risk-adjusted earnings growth and a high quality of earnings.

Our total AuM comprises a diverse set of predominately locked-up, long-term private equity and other private capital funds with a Weighted Average Capital Duration of 8.1 years. Over 200 funds generate recurring management fees and the opportunity for meaningful profit participation, or performance fees, over the typical 8+ year lifecycles of such funds. We believe our approach provides for enhanced alignment with the key principals at each Partner-firm and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

## Partner Fee Related Earnings (FRE)

Partner FRE, drawn from management fees, grew 18% for the six months ended 30 June 2022 relative to the six months ended June 2021 to \$110m, reflecting a 66% partner FRE margin on \$168m of partner net management and advisory fees. This was driven by the combination of growth in partner net management and advisory fees and a strong partner FRE margin of 66% underpinned by our expense protections. Expense protections include revenue share economic arrangements, restricted compensation agreements, and limitations on non-essential business expenses appropriately tailored to each part of helping support alignment and recurring margins at the Company level. These margin protections provide a higher quality of earnings, reducing the volatility and increasing the profitability of the business. Of the over 200 funds, the largest partner FRE contribution by fund represents approximately 9% of the aggregate, again highlighting the diversified nature of the Company. In 2022, the partner blended net management fee rate was 1.43%.

## Partner Realised Performance Revenues (PRE)

Partner realised performance revenues, which represented direct participation in the upside performance of Partner firms' funds and products, increased by 27% to 47m in the six months ended 30 June 2022 relative to the six months ended June 2021. Overall, approximately 20% of the partner revenue over the six months ended 30 June 2022 came from partner-realised performance revenues, highlighting the management fee-centric nature of the Company's financial profile. The Operator has partnered with some of the leading alternative asset managers and assists them in developing their businesses with growth capital and strategic partnership.

Partner-firms manage over 175 different performance fee-eligible funds at different stages of their life cycle. Due to this diversification, the Company anticipates that Realised Performance Revenues will be earned regularly from a wide range of funds going forward, making them a "quasi-recurring" source of income generally within a range of 20 – 30% of total Partner-firm revenues over the medium term, assuming market conditions and environment are broadly supportive. For 2022, we expect the range to be 15% – 20% given the market uncertainty.

Partner Private Markets accrued carried interest was \$700m at 30 June, 2022, increasing 8% from \$649 at 31 December 2021, reflecting continued Partner-firm positive performance.

## Partner Realised Investment Income

As an owner in the Partner-firms, the Company shares in a percentage of the investment and balance sheet income of the Partner-firms and realises this through a number of direct positions in the funds of underlying Partner-firms, known as realised investment income which totalled \$12m for the six months ended 30 June 2022, decreasing 48% from \$23m for the six months ended 30 June 2021, reflecting the slower realisation environment in 2022 when compared to 2021.

Investment Capital is a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Investment capital at 30 June 2022 was \$395m, increasing 7% from \$369m at 31 December 2021.

## Petershill Partners Operating Metrics<sup>1</sup>

(US\$m, unless otherwise indicated)	For the six months ended 30th June			Q2 LTM (last twelve months)			
	2022	2021	(Δ%)	2022	2021	(Δ%)	
Aggregate Partner-firm AuM <sup>2</sup>	(\$bn)	<b>266</b>	187	42%	<b>266</b>	187	42%
Aggregate Fee-paying Partner-firm AuM <sup>2</sup>	(\$bn)	<b>184</b>	137	34%	<b>184</b>	137	34%
Partner Blended Net Management Fee Rate	(%)	<b>1.44%</b>	1.37%	+7 bps	<b>1.54%</b>	1.39%	+15 bps
Implied Blended Partner-firm FRE Ownership	(%)	<b>13.4%</b>	14.2%	-76 bps	<b>13.8%</b>	14.1%	-33 bps
Partner Net Management and Advisory Fees	(\$m)	<b>168</b>	133	27%	<b>341</b>	255	34%
Management Fees	(\$m)	<b>163</b>	123	33%	<b>306</b>	234	31%
Transaction and Advisory Fees	(\$m)	<b>5</b>	10	(51%)	<b>35</b>	22	63%
Partner Fee Related Expenses	(\$m)	<b>(58)</b>	(39)	48%	<b>(115)</b>	(76)	51%
<b>Partner Fee Related Earnings (FRE)</b>	(\$m)	<b>110</b>	94	18%	<b>227</b>	179	26%
Partner Realised Performance Revenues (PRE)	(\$m)	<b>47</b>	37	26%	<b>139</b>	74	89%
Partner Realised Investment Income	(\$m)	<b>12</b>	23	(48%)	<b>32</b>	57	(44%)
<b>Partner Distributable Earnings</b>	(\$m)	<b>169</b>	154	10%	<b>397</b>	310	28%
Partner FRE Margin	(%)	<b>66%</b>	71%	-5 pts	<b>66%</b>	70%	-4 pts
Partner Distributable Earnings Margin	(%)	<b>74%</b>	80%	-5 pts	<b>78%</b>	80%	-3 pts
Partner Realised PRE as a percentage Partner Revenue	(%)	<b>20%</b>	19%	+1 pts	<b>27%</b>	19%	+8 pts
Partner Realised PRE over Average Performance Fee Eligible AuM*	(bps)	<b>2.1 bps</b>	2.4 bps	-0.3 bps	<b>6.8 bps</b>	5.2 bps	+1.6 bps
<b>Additional Metrics<sup>2</sup>:</b>							
Partner Private Markets Accrued Carried Interest	(\$m)	<b>700</b>	419	67%	<b>700</b>	419	67%
Investment capital	(\$m)	<b>395</b>	253	56%	<b>395</b>	253	56%

\* Realised Performance Fee Revenues for the period divided by the Aggregate Average Performance Fee AuM. The Aggregate Performance Fee AuM Represents the average of the beginning and ending period stated.

<sup>1</sup> Numbers and %s may not tie due to rounding.

<sup>2</sup> Represents key operating metrics that reflect data reported to the Operator on a three-month lag.

## Petershill Partners Operating Metrics (Appendix)

(Operating metric data in the table below reflects a three-month lag as reported to the Operator)

		Jun-30-2022	Mar-31-2022	Dec-31-2021	Sep-30-2021	Jun-30-2021	Q2 Q-on-Q (Δ%)	YTD** (Δ%)	LTM (Δ%)
<b>(US\$m, unless otherwise indicated)</b>									
Aggregate Partner-firm AuM	(\$bn)	266	266	234	203	187	0%	13%	42%
Aggregate Fee-paying Partner-firm AuM	(\$bn)	184	184	158	145	137	0%	16%	34%
Average Aggregate Fee-paying Partner-firm AuM*	(\$bn)	159	153	142	138	134	4%	12%	19%
Aggregate Performance Fee Eligible Partner-firm AuM	(\$bn)	241	241	208	178	169	0%	16%	43%
Average Aggregate Performance Fee Eligible Partner-firm AuM*	(\$bn)	204	187	167	156	142	9%	22%	44%
<b>Additional Metrics:</b>									
Partner Private Markets Accrued Carried Interest	(\$m)	700	710	649	575	419	(1%)	8%	67%
Investment capital	(\$m)	395	369	369	282	253	7%	7%	56%

\* Average Aggregate AuM figures represent the simple average over a twelve month period based on Beginning and End of Period AuM. For Example, 30 June 2022 Average AuM figures are based the average between 30 June 2021 and 30 June 2022.

\*\* Percentage change relative to Dec-31-2021.

## Principal Risks and Uncertainties

The Company's underlying investments are high-risk and illiquid assets within the alternative investment industry. Its principal risks are therefore related to revenue generated by the alternative asset managers in which the Company invests and the performance of the Partner-firms, their funds, and the products they manage. The Operator seeks to mitigate these risks through active engagement and action as outlined in the Acquisition Strategy and Investment Policy on pages 19-21 of the 2021 Annual Report and by carrying out due diligence work on potential targets before entering into any investments. The Company's business model involves the acquisition of non-control investments in independent Partner-firms, and although the Company has certain controls as part of contractual rights, the Company does not control the risk tolerance of the underlying Partner-firms.

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis, and these risks are reported and discussed at Board meetings. The Board ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

The key areas of risk faced by the Company are the following:

1. Alternative asset industry risk;
2. Partner-firm revenue risk;
3. Investment diligence risk;
4. Macroeconomic risk;
5. Regulatory risk;
6. Key person risk;
7. Operator, administrator and service provider resiliency and performance risk;
8. Partner-firm reporting risk;
9. Cyber / information security risk.

The principal risks and uncertainties of the Company remain those identified in further detail in the 2021 Annual Report.

The principal risks and uncertainties outlined above remain the most likely to affect the Company and its investments in the second half of the year.

## Statement of Directors' Responsibilities in Respect of the Interim Results Statement

The Directors are responsible for preparing this Interim Results Statement in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited interim condensed financial statements have been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- The Operator's Report includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the year and that have materially affected the financial position or the performance of the entity during that period; and any changes in the related party transactions described in the 2021 Annual Report that could do so.

The Directors of Petershill Partners plc are listed on pages 50 to 51 of the 2021 Annual Report. A list of current Directors is maintained on the Company's website which can be found at [www.petershillpartners.com](http://www.petershillpartners.com).

On behalf of the Board

**Naguib Kheraj**  
Chairman

20 September 2022

# INDEPENDENT REVIEW REPORT TO PETERSHILL PARTNERS PLC

## Report on the condensed consolidated interim financial statements

### Our conclusion

We have reviewed Petershill Partners plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim results statement of Petershill Partners plc for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are 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 sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Interim Consolidated Statement of Financial Position as at 30 June 2022;
- the Condensed Interim Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Interim Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Interim Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results statement of Petershill Partners plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. 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.

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 interim financial statements.

### 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 the directors have inappropriately adopted the going concern basis of accounting or that the directors 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 this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.



## Responsibilities for the interim financial statements and the review

### Our responsibilities and those of the directors

The Interim results statement, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim results statement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim results statement, including the interim financial statements, 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.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results statement based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### PricewaterhouseCoopers LLP

Chartered Accountants  
London  
20 September 2022

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	For the six months ended 30 June 2022 (Unaudited) \$m
<b>Income</b>		
Income from investments in Partner-firms derived from:		
Management fee income		110.4
Performance fee income		51.6
Investment income		16.5
		178.5
Interest income from investments in Money market funds	3	0.8
		179.3
<b>Movement in financial assets and liabilities held at fair value</b>		
Change in fair value of investments at fair value through profit or loss	3	(612.5)
		(612.5)
<b>Expenses</b>		
Board of Directors' fees and expenses	15	(0.8)
Operator charge	4	(13.3)
Other operating expenses		(5.0)
Unrealised divestment fee credit	4	45.2
<b>Total expenses</b>		<b>26.1</b>
<b>Operating loss for the period</b>		<b>(407.1)</b>
<b>Finance income / (expense)</b>		
Interest expense		(32.6)
Movement in liability to Petershill Funds	10	34.0
Change in liability for tax receivables agreement		(14.4)
<b>Total finance expense</b>		<b>(13.0)</b>
<b>Loss for the period before tax</b>		<b>(420.1)</b>
Tax credit	5	61.3
<b>Loss for the period after tax</b>		<b>(358.8)</b>
<b>Loss and total comprehensive expense for the period</b>		<b>(358.8)</b>
<b>Loss and total comprehensive expense attributable to:</b>		
Equity holders of the Company		(358.8)
<b>Earnings per share</b>		
Basic and diluted earnings per Share (cents)	6	(31.04)

The accompanying notes on pages 22 to 34 form an integral part of these condensed interim financial statements.

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 (Unaudited) \$m	31 December 2021 (Audited) \$m
<b>Non-current assets</b>			
Investments at fair value through profit or loss	3	5,438.8	6,023.1
Deferred tax asset	5	49.4	–
		<b>5,488.2</b>	<b>6,023.1</b>
<b>Current assets</b>			
Investments in money market funds at fair value through profit or loss	3	450.1	453.1
Cash and cash equivalents		205.5	124.8
Trade and other receivables	7	112.7	102.0
		<b>768.3</b>	<b>679.9</b>
<b>Total assets</b>		<b>6,256.5</b>	<b>6,703.0</b>
<b>Non-current liabilities</b>			
Liability to Petershill funds	10	561.5	597.2
Notes payable	9	350.0	340.9
Deferred payment obligations		133.3	133.4
Liability for Tax Receivables Agreement		181.1	166.7
Fee payable on divestment of investments	4	–	45.2
Deferred tax liability	5	–	12.6
		<b>1,225.9</b>	<b>1,296.0</b>
<b>Current liabilities</b>			
Trade and other payables		40.2	28.3
Deferred payment obligations		76.9	74.8
Interest payable	8	20.8	8.1
		<b>137.9</b>	<b>111.2</b>
<b>Total liabilities</b>		<b>1,363.8</b>	<b>1,407.2</b>
<b>Net assets</b>		<b>4,892.7</b>	<b>5,295.8</b>
<b>Equity</b>			
Share capital	11	11.5	11.6
Share premium	11	3,346.7	3,346.7
Other reserve	11	1,689.6	1,689.6
Capital redemption reserve	11	0.2	–
Retained earnings	12	(155.3)	247.9
<b>Total shareholders' funds</b>		<b>4,892.7</b>	<b>5,295.8</b>
Number of ordinary shares in issue at period end		1,151,552,219	1,156,696,029
<b>Net assets per share (cents)</b>	13	<b>424.88</b>	<b>457.84</b>

The condensed interim financial statements (unaudited) of the Group were approved and authorised for issue by the Board of Directors on 20 September 2022 and signed on its behalf by:

**Naguib Kheraj**  
Chairman

**Mark Merson**  
Director

The accompanying notes on pages 22 to 34 form an integral part of these condensed interim financial statements.

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Note	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Retained earnings \$m	Total \$m
Opening net assets attributable to Shareholders at 1 January 2022		11.6	3,346.7	1,689.6	–	247.9	<b>5,295.8</b>
Repurchase and cancellation of Ordinary Shares	11	(0.1)	–	–	0.1	(14.2)	<b>(14.2)</b>
Redemption and cancellation of Redeemable Shares	11				0.1	(0.1)	–
Dividends paid in the period	14					(30.1)	<b>(30.1)</b>
Loss and total comprehensive expense for the period		–	–	–	–	(358.8)	<b>(358.8)</b>
<b>Closing net assets attributable to Shareholders at 30 June 2022</b>		<b>11.5</b>	<b>3,346.7</b>	<b>1,689.6</b>	<b>0.2</b>	<b>(155.3)</b>	<b>4,892.7</b>

The accompanying notes on pages 22 to 34 form an integral part of these condensed interim financial statements.

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Note	For the six months ended 30 June 2022 (Unaudited \$m)
<b>Cash flows from operating activities</b>		
Operating loss for the period		(407.1)
Adjustments to reconcile operating loss for the financial period to net cash flows from operating activities:		
Purchase of investments in money market funds	15	(153.9)
Sale of investments in money market funds	15	156.9
Reinvestment of Income from investments in Partner-firms		(20.5)
Movement in financial assets and liabilities held at fair value through profit and loss	3	612.5
Movement in trade and other receivables		(10.7)
Movement in fee payable on divestment of investments		(45.2)
Movement in trade and other payables		15.7
<b>Net cash inflows from operating activities</b>		<b>147.7</b>
<b>Cash flows from investing activities</b>		
Purchase of investments at fair value through profit or loss		(14.4)
Capital proceeds received		6.7
<b>Net cash outflows from investing activities</b>		<b>(7.7)</b>
<b>Cash flows from financing activities</b>		
Payment of Share issue costs	8	(5.7)
Repayment and cancellation of share capital		(13.0)
Dividends paid	14	(30.1)
Payment of loan interest		(8.8)
Payment of liability to Petershill funds		(1.7)
<b>Net cash outflows from financing activities</b>		<b>(59.3)</b>
Net increase in cash and cash equivalents during the period		<b>80.7</b>
Cash and cash equivalents at the beginning of the period		<b>124.8</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>205.5</b>

The accompanying notes on pages 22 to 34 form an integral part of these condensed interim financial statements.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2022

## 1. General Information

Petershill Partners plc (the “Company”) is a company limited by shares, incorporated and registered in England and Wales whose shares are publicly traded on the main market of the London Stock Exchange. The unaudited condensed interim consolidated financial statements of Petershill Partners plc for the period from 1 January 2022 to 30 June 2022 comprise the Company, its subsidiaries and its indirect subsidiaries together referred to as the Group.

The Company was incorporated and registered in England and Wales under the UK Companies Act 2006 (as amended) as a private company limited by shares under the name Delta Epsilon Limited on 24 March 2021 with the registered number 13289144. On 12 August 2021, the Company was re-registered as a public limited company as Delta Epsilon plc, and on 2 September 2021, the Company was renamed Petershill Partners plc.

## 2. Basis of preparation and significant accounting policies

### i. Basis of preparation

The unaudited condensed interim consolidated financial statements of the Group have been prepared and approved by the Board of Directors in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 Interim Financial Reporting as adopted for use in the UK. The unaudited condensed interim consolidated financial statements should be read in conjunction with the 2021 period-end Annual report and financial statements (together “Annual Report”) prepared and approved by the Board of Directors in accordance with UK-adopted International Accounting Standards (“IFRS”) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The unaudited interim financial statements are presented to the nearest million United States Dollar (\$m), the functional and reporting currency of the Company.

The financial information for the six months ended 30 June 2022 contained within this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the period to 31 December 2021 have been reported on by PricewaterhouseCoopers 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 unaudited condensed interim consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The Company was incorporated on 24 March 2021, but the meaningful activities of the Company took place from the date of completion of the Initial Acquisition on 28 September 2021 to 31 December 2021. Hence, no comparatives for the period from 24 March 2021 to 30 June 2021 have been included in these financial statements.

The principal accounting policies are set out below.

### ii. Significant accounting policies

The accounting policies applied by the Group for the unaudited condensed interim consolidated financial statements are consistent with those described on pages 86 to 109 of the 2021 Annual report except the policies relating to repurchase of Ordinary Shares and Redeemable Deferred Shares as disclosed in Note 1(ii)(ii) – Share capital as they are newly adopted for the current period. There was no change in the current period to the critical accounting estimates and judgements applied in 2021, which are stated on pages 95 and 96 of the 2021 Annual report.

### i. Related parties

There have been no material changes to the related parties or the nature of their transactions since 31 December 2021.

### ii. Share capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company’s Ordinary Shares are classified as equity instruments. The Company’s Redeemable Deferred Shares, redeemable upon request, are classified as financial liabilities.

Incremental costs directly attributable to the issue of new shares (“Share issue costs”) are shown as a deduction against proceeds from share premium.

The cost of repurchasing Ordinary Shares including the related stamp duty and transactions costs is charged to Retained earnings and dealt with in the Unaudited Condensed Interim Consolidated Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital and Redeemable Deferred Shares repurchased and cancelled is transferred out of ‘Share capital’ and into the ‘Capital redemption reserve’.

### iii. Segmental reporting

As discussed in the Annual Report, the Operator serves as the Group's alternative investment fund manager for purposes of the UK AIFMR and EU AIFMD, and pursuant to the Operator Agreement has delegated its portfolio management functions to the Investment Manager, which has further delegated the provision of portfolio management services to the Investment Advisor. The Investment Advisor, acting as the chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments. The management of the Group including assessment of performance, budgets and liquidity is managed for the portfolio as a whole and not by discrete segments. Hence, the Investment Advisor has concluded that the Group is organised into one main operating segment.

For the period from 1 Jan 2022 to 30 June 2022, the Group derived 85.3% of its current income from North America and the remaining 14.7% from Europe. 87.7% (31 December 2021 – 89%) of the Group's non-current assets are located in North America and the remaining 12.3% (31 December 2021 – 11%) are located in Europe.

### iv. New and amended standards and interpretations

The following accounting standards and interpretations have been published and will be mandatory for the Group's and Company's accounting periods beginning on or after 1 January 2022 or later periods.

- Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) – Classification of liabilities as current or non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023) – Deferred tax related to assets and liabilities arising from a single transaction
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 – Reference to the Conceptual Framework

These amendments have not been early adopted and the impact of these amendments to the Company and the Group is being reviewed, but is unlikely to be material.

### v. Assessment of investment entity

The Board of Directors has determined that the Company and its Subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 'Consolidated Financial Statements'. Accordingly, the Company has not applied the provisions of Para 31 of IFRS 10 that requires an investment company to measure its investment in subsidiaries at fair value through profit or loss. Instead, the Company will consolidate its subsidiaries that it controls.

Please refer to page 91 of the 2021 Annual Report for a detailed discussion.

### vi. Basis of consolidation of subsidiaries

IFRS 10 requires a parent to consolidate its subsidiaries that it controls. Consolidation of the subsidiaries shall begin from the date the parent obtains control of the subsidiaries and ceases when the parent loses control of the subsidiaries. A parent controls the subsidiaries when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The Company consolidates its subsidiaries to the extent it is exposed or has rights to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The unaudited condensed interim consolidated financial statements of the Group include the accounts of the Company and its subsidiaries listed below. Refer to page 93 of the Annual Report for a detailed discussion of the basis of consolidation of Subsidiaries. There have been no changes in the basis of consolidation of subsidiaries since 31 December 2021.

Name of Subsidiary	Registered office	Purpose	Interest as at 30-Jun-22	Interest as at 31-Dec-21
<b>Held directly</b>				
Delta Epsilon Cayman Ltd <sup>1</sup>	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Delta Epsilon Cayman II Ltd <sup>2</sup>	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	N/A
Delta Epsilon Delaware Inc <sup>1</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
<b>Held indirectly</b>				
Delta Epsilon GP Sub (Ph II) Series LLC <sup>3,4</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Delta Epsilon GP Sub (PH PE) Series LLC <sup>3,4</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Delta Epsilon GP Sub (VF VII) Series LLC <sup>3,4</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Delta Epsilon GP Sub (Co-Invest) Series LLC <sup>3,4</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Cook Holdings Series LLC <sup>5,6</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Knight Holdings Series LLC <sup>5,6</sup>	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	100%	100%
Lyndhurst Holdings LP <sup>5,6</sup>	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Plum Holdings LP <sup>5,6</sup>	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
Peasy Holdings LP <sup>5,6</sup>	One Nexus Way, Camana Bay, KY1-9005, Cayman Islands	Investment holding company	100%	100%
PH Offshore GP Aggregator <sup>7,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	33%	48%
PH Offshore IM Aggregator <sup>7,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	86%	89%
PH Onshore GP Aggregator <sup>7,9</sup>	C/O Wilmington Trust, National Association Rodney Square North 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	36%	50%
PH Onshore IM Aggregator <sup>7,9</sup>	C/O Wilmington Trust, National Association Rodney Square North 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	84%	87%
PH Offshore GP Issuer <sup>8,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	33%	48%
PH Offshore IM Issuer <sup>8,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	86%	89%
PH Onshore GP Issuer <sup>8,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	36%	50%
PH Onshore IM Issuer <sup>8,9</sup>	C/O Wilmington Trust National Association Rodney Square North, 1100 North Market Street Wilmington, DE 19890, United States of America	Special purpose vehicle	84%	87%

<sup>1</sup> Referred to as Delta Subsidiaries.

<sup>2</sup> Incorporated and acquired by the group on 28 April 2022.

<sup>3</sup> Held through Delta Epsilon Cayman Ltd.

<sup>4</sup> Referred to as Delta Blockers.

<sup>5</sup> Held through the Delta Blockers and Delta Epsilon Delaware Inc.

<sup>6</sup> Referred to as Delta holding companies.

<sup>7</sup> Referred to as Intermediary Entities and held through Delta Blockers, Delta holding companies and Delta Epsilon Delaware Inc.

<sup>8</sup> Referred to as Issuer SPVs and held through Intermediary Entities.

<sup>9</sup> The interest at 30 June 2022 and 31 December 2021 for the Issuer SPVs and Intermediary Entities represents the fair market value of the investments, other assets and liabilities held by the entity for which cash flows are attributable to the Group as a percent of the total fair market value of all of the investments, other assets and liabilities held by the entity at 30 June 2022 and 31 December 2021. The Issuer SPVs and Intermediary Entities have been consolidated on the basis that the Company and its subsidiaries are exposed to 100% of the expenses and 100% of the debt related to these entities. The decrease in the interest from 31 December 2021 to 30 June 2022 resulted from a decrease in the Investments at fair value through profit and loss for the period.



## vii. Going Concern

In accordance with the Companies Act 2006, the Board of Directors has a responsibility to evaluate whether the Group has adequate resources to continue its operational existence for the foreseeable future and at least for the 12 months following the issuance of the financial statements.

The Board has made an assessment of going concern, which takes into account the current performance and the Group's outlook (including future projections of profitability and cash flows as well as a downside scenario) through 31 December 2023, using information that is available as of the date of these financial statements.

The Group's business model involves earning income from investments in Partner-firms. The Group's investments in Partner-firms are long-term and the Group has no exit strategy for its investments. As a result, the Group expects long-term recurring revenues from its investments in Partner-firms. Income from investments in Partner-firms is derived from management fee income, performance fee income and investment income. Management fee income is typically based on private capital commitment funds managed by the Partner-firms that are locked up for a period of 8 or more years. The income from management fees is therefore stable and recurring. Income derived from performance fee income and investment income from Partner-firms is dependent on underlying fund and underlying investment performance of the Partner-firms. The Group has good visibility into the income from investments in Partner-firms. The Group has a low, and relatively predictable, cost structure. When taken together with the visibility into the income from investments in Partner-firms, the Group has reasonably stable earnings.

As at 30 June 2022, Group has \$205.5m of cash and cash equivalents along with \$450.1m of investments in money market instruments, reflecting a strong liquidity position to meet operating costs. In making the assessment of going concern, the Board has considered a downside scenario in the future outlook.

The Board acknowledges its responsibilities related to the financial statements. Basis on this analysis outlined above the Board is comfortable that the Group has sufficient cash to support its ongoing operations and meet its liquidity requirements in the downside scenario.

After making an assessment of going concern, the Board has concluded that the preparation of the condensed interim financial statements on a going concern basis for at least twelve months from the date of the approval of the financial statements is appropriate.

### 3. Investments at fair value through profit or loss

#### Non-current investments

The Group's non-current investments comprise of investments in Partner-firms, which manage a diversified portfolio of investments in private equity, absolute return, private credit and private real assets.

	30 June 2022 \$m	31 December 2021 \$m
Opening balance	6,023.1	–
Additions	34.9	5,789.1
Capital proceeds received	(6.7)	–
Unrealised movement in fair value of investments	(612.5)	234.0
Investments at fair value through profit or loss	5,438.8	6,023.1

As discussed in note 2(xvi) on Page 93 of the 2021 Annual Report, the Company has consolidated the accounts of the Issuer SPVs and the Intermediary Entities in preparing these unaudited condensed interim consolidated financial statements. While the Company does not wholly own the interests in the Intermediary Entities and the Issuer SPVs, it has all the economic exposure to the Issuer SPVs and the Intermediary Entities. Hence, it is required to consolidate them under the definition of control. This results in reflecting all of the assets and liabilities of these entities in the Unaudited Condensed Interim Consolidated Statement of Financial Position and all of the income, investment gain and finance cost in the Unaudited Condensed Interim Consolidated Statement of Comprehensive Income. However, Shareholders returns are impacted to the extent of the Company's ownership of these entities and its 100% exposure to Notes payable. The Company's net assets and total Shareholders' funds on the Unaudited Condensed Interim Consolidated Statement of Financial Position as well as its profit and total comprehensive income for the period and earnings per share on the Unaudited Condensed Interim Consolidated Statement of Comprehensive Income are the same as if consolidation was not required under IFRS 10.

The below table summarises the assets and liabilities attributable to the Petershill Funds that have been consolidated in preparing these financial statements due to the requirements detailed above.

	30 June 2022 \$m	31 December 2021 \$m
<b>Assets</b>		
Investments at fair value through profit or loss	458.0	498.8
Cash and cash equivalents	62.8	56.1
Trade and other receivables	40.7	37.2
<b>Total</b>	<b>561.5</b>	<b>592.1</b>
<b>Liabilities</b>		
Liability to Petershill Funds	561.5	597.2
Notes payable*	–	(9.1)
Interest payable	–	4.0
<b>Total</b>	<b>561.5</b>	<b>592.1</b>

\* Represents the unamortised debt issuance costs.

The below table summarises the components of Unaudited Condensed Interim Consolidated Statement of Comprehensive Income attributable to the Petershill Funds that have been consolidated in preparing these financial statements due to the requirements detailed above.

	30 June 2022 \$m
<b>Income</b>	
Income from investments in Partner-firms	8.7
<b>Movement in financial assets and liabilities held at fair value</b>	
Change in fair value of investments at fair value through profit or loss	(42.7)
<b>Finance cost</b>	
Movement in liability to Petershill Funds	34.0

### Current investments

The Group invests its overnight cash balance in money market funds (Money Market Funds) representing a collective investment scheme promoted by an affiliate of the Operator. The Group holds these investments for cash management purposes with the intent to manage excess cash and ensure these can be readily liquidated to meet the Group's investment commitments. As at 30 June 2022, the Group held investments in Money Market Funds of \$450.1m (31 December 2021 – \$453.1m) and earned interest of \$0.8m during the period.

### Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes "observable" requires significant judgement by the Group. The Board of Directors considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the assets and liabilities (by class) measured at fair value:

	30 June 2022			Total \$m
	Level 1 \$m	Level 2 \$m	Level 3 \$m	
<b>Assets</b>				
Investment in money market funds	–	450.1	–	450.1
Investments in Partner-firms	–	–	5,438.8	5,438.8

	31 December 2021			Total \$m
	Level 1 \$m	Level 2 \$m	Level 3 \$m	
<b>Assets</b>				
Investment in money market funds	–	453.1	–	453.1
Investments in Partner-firms	–	–	6,023.1	6,023.1

Due to the nature of the investments in Partner-firms, they are always expected to be classified as level 3. There have been no transfers between levels during the period. Any transfers between the levels would be accounted for on the last day of each financial period.

## Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at and 30 June 2022 and 31 December 2021, are as shown below:

Level 3 Investments	Market Value as of 30 June 2022 (Gross)	Significant Unobservable Inputs by Valuation Technique <sup>1</sup>	Range of Significant Unobservable Inputs as of 30 June 2022	Weighted Average	Reasonable Shift <sup>4</sup>	Valuation Sensitivity (Gross)		Market Value as of 30 June 2022 (Net) <sup>5</sup>	Valuation Sensitivity (Net) <sup>5</sup>	
Investments in Partner-firms: Private Markets						-/+	- +		- +	
	<b>Market Approach:</b>									
	\$ 1,388.8	Profit Multiple – FRE <sup>2</sup>	6.4x – 22.0x	13.8x	0.9x		\$ (153.5) \$ 43.6	\$ 1,388.8	\$ (153.5)	\$ 43.6
	8.6	Profit Multiple – PRE <sup>3</sup>	4.1x – 10.7x	7.3x	1.4x		(1.4) 1.4	6.7	(1.1)	1.1
	579.2	Asset Based Multiple	1.0x – 1.1x	1.0x	10.0%		(57.9) 57.9	388.0	(38.8)	38.8
		<b>Income Approach:</b>								
	1,360.0	Terminal Multiple – FRE <sup>2</sup>	4.7x – 18.0x	13.0x	0.5x		(36.3) 10.5	1,360.0	(36.3)	10.5
		Discount Rate – FRE	10.0% – 21.4%	13.2%	1.1%		(130.6) 37.5		(130.6)	37.5
	1,366.6	Terminal Multiple – PRE <sup>3</sup>	2.8x – 7.0x	5.5x	0.5x		(40.4) 9.2	1,217.6	(36.0)	8.6
		Discount Rate – PRE	17.0% – 39.5%	24.4%	2.0%		(183.9) 39.8		(163.5)	38.5
Investments in Partner-firms: Absolute Return						-/+	- +		- +	
	<b>Market Approach:</b>									
	202.7	Profit Multiple – FRE <sup>2</sup>	6.4x – 7.0x	6.7x	1.8x		\$ (27.5) \$ 27.5	202.7	\$ (27.5)	\$ 27.5
	215.6	Profit Multiple – PRE <sup>3</sup>	3.6x – 6.4x	5.6x	1.5x		(35.9) 35.9	156.7	(26.1)	26.1
	32.2	Asset Based Multiple	1.0x	1.0x	10.0%		(3.2) 3.2	7.6	(0.8)	0.8
		<b>Income Approach:</b>								
	165.4	Terminal Multiple – FRE <sup>2</sup>	6.6x – 7.0x	7.0x	1.0x		(8.6) 11.3	165.4	(8.6)	11.3
		Discount Rate – FRE	14.3% – 15.1%	14.3%	2.0%		(8.7) 11.5		(8.7)	11.5
	119.7	Terminal Multiple – PRE <sup>3</sup>	3.5x – 5.5x	4.7x	0.7x		(5.6) 7.4	87.3	(3.9)	5.1
		Discount Rate – PRE	18.2% – 28.9%	21.9%	3.1%		(5.3) 7.0		(4.1)	5.4

<sup>1</sup> The fair value of any one instrument may be determined using multiple valuation techniques. For example, market comparable and discounted cash flows may be used together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.

<sup>2</sup> The range consists of multiples on management fee related earnings ("FRE") and may represent historical or forward looking multiples.

<sup>3</sup> The range consists of multiples on performance related earnings ("PRE") and may represent historical or forward looking multiples.

<sup>4</sup> The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shift.

<sup>5</sup> The table shows the sensitivity analysis for assets wholly owned by the Ordinary Shareholders of the Company. This excludes those assets owned by the Petershill Funds which are consolidated in the financial statements of the Group due to application of IFRS 10 as discussed in note 2 xvi. The Board of Directors consider this disclosure to be alternative performance measures ("APMs").

Level 3 Investments	Market Value as of 31 December 2021 (Gross)	Significant Unobservable Inputs by Valuation Technique <sup>1</sup>	Range of Significant Unobservable Inputs as of 31 December 2021	Weighted Average	Reasonable Shift <sup>4</sup>	Valuation Sensitivity (Gross)		Market Value as of 31 December 2021 (Net) <sup>5</sup>	Valuation Sensitivity (Net) <sup>5</sup>	
Investments in Partner-firms: Private Markets	<b>Market Approach:</b>					-/+	-	+	-	+
	\$1,623.6	Profit Multiple – FRE <sup>2</sup>	6.4x – 20.5x	16.8x	1.0x	\$(137.4)	\$55.2	\$1,623.6	\$(137.4)	\$55.2
	420.6	Profit Multiple – PRE <sup>3</sup>	4.3x – 17.3x	16.7x	1.0x	(45.0)	9.2	367.2	(38.8)	7.9
	532.3	Asset Based Multiple	1.0x – 1.1x	1.0x	10.0%	(53.2)	53.2	351.5	(35.2)	35.2
	<b>Income Approach:</b>									
	1,078.7	Terminal Multiple – FRE <sup>2</sup>	8.3x – 17.5x	14.9x	0.5x	(29.8)	9.8	1,078.7	(29.8)	9.8
		Discount Rate – FRE	10.5% – 15.0%	12.1%	1.1%	(110.9)	33.2		(110.9)	33.2
	1,141.5	Terminal Multiple – PRE <sup>3</sup>	3.9x – 9.0x	7.1x	0.6x	(38.2)	6.3	1,004.5	(33.6)	5.8
		Discount Rate – PRE	14.0% – 36.0%	22.1%	2.0%	(178.5)	27.0		(156.5)	25.5
	<b>Recent transactions:</b>									
	430.1	Calibrated Price of Recent Investment	n/a	n/a	10.0%	(43.0)	43.0	430.1	(43.0)	43.0

Level 3 Investments	Market Value as of 31 December 2021 (Gross)	Significant Unobservable Inputs by Valuation Technique <sup>1</sup>	Range of Significant Unobservable Inputs as of 31 December 2021	Weighted Average	Reasonable Shift <sup>4</sup>	Valuation Sensitivity (Gross)		Market Value as of 31 December 2021 (Net) <sup>5</sup>	Valuation Sensitivity (Net) <sup>5</sup>	
Investments in Partner-firms: Absolute Return	<b>Market Approach:</b>					-/+	-	+	-	+
	\$252.3	Profit Multiple – FRE <sup>2</sup>	6.4x – 10.2x	8.0x	1.9x	\$(51.6)	\$51.6	\$252.3	\$(51.6)	\$51.6
	236.6	Profit Multiple – PRE <sup>3</sup>	3.8x – 10.2x	7.1x	1.7x	(57.9)	57.9	170.9	(41.8)	41.8
	32.4	Asset Based Multiple	1.0x	1.0x	10.0%	(3.2)	3.2	7.6	(0.8)	0.8
	<b>Income Approach:</b>									
	141.9	Terminal Multiple – FRE <sup>2</sup>	8.3x	8.3x	1.4x	(11.2)	15.6	141.9	(11.2)	15.6
		Discount Rate – FRE	12.0%	12.0%	2.0%	(11.4)	15.8		(11.4)	15.8
	133.1	Terminal Multiple – PRE <sup>3</sup>	4.2x – 6.4x	5.5x	0.9x	(8.6)	11.9	96.1	(6.2)	8.6
		Discount Rate – PRE	15.5% – 23.7%	18.7%	3.1%	(9.0)	12.6		(6.5)	9.1

<sup>1</sup> The fair value of any one instrument is determined using multiple valuation techniques. This includes IPO transaction multiple, weighted average of market comparable and discounted cash flows that are then weighted together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.

<sup>2</sup> The range consists of multiples on management fee related earnings ("FRE") and may represent historical or forward looking multiples.

<sup>3</sup> The range consists of multiples on performance related earnings ("PRE") and may represent historical or forward looking multiples.

<sup>4</sup> The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shifts.

<sup>5</sup> The table shows the sensitivity analysis for assets wholly owned by the Ordinary Shareholders of the Company. This excludes those assets owned by the Petershill Funds which are consolidated in the financial statements of the Group due to application of IFRS 10 as discussed in note 2 xvi. The Board of Directors consider this disclosure to be alternative performance measures ("APMs").

As the Group's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

The below is a reconciliation of Level 3 assets and liabilities held at fair value through profit or loss:

Level 3 Instrument	For the six months ended 30 June 2022 \$m	31 December 2021 \$m
<b>Assets</b>		
Opening balance	6,023.1	–
Additions	34.9	5,789.1
Capital proceeds received	(6.7)	–
Unrealised movement in fair value of investments*	(612.5)	234.0
	<b>5,438.8</b>	<b>6,023.1</b>

\* Of the above, an amount of \$612.5m (31 December 2021: \$234.0m) relates to unrealised gain on fair value of investments and is included under Change in fair value of investments at fair value through profit or loss on the Unaudited Condensed Interim Consolidated Statement of Comprehensive Income.

## 4. Operator charges

### Recurring Operating Charges

Under the Operator Agreement, the Operator is entitled to a recurring operating charge on a quarterly basis, such Recurring Operating Charges consisting of, in aggregate, 7.5% of the Group's relevant income from investments, as defined under IFRS, for the relevant quarter. The Operator is entitled to Recurring Operating Charges only on income earned by the Group from assets owned by it. For the period ended 30 June 2022, the income attributable to assets owned by the Group on which Recurring Operator charge was earned amounted to \$176m.

Amounts recorded as Operating Charges during the period were \$13.3m and an amount of \$22.5m (31 December 2021 – \$9.2m) was outstanding as at 30 June 2022. These amounts will be paid in accordance with the terms of the Operator Agreement.

### Profit Sharing Charge

The Operator is entitled to a profit sharing charge (the "Profit Sharing Charge") on a quarterly basis in arrears, which in aggregate shall be an amount equal to 20.0% of the total dividend income, from each new investment ("New Investment") made by the Operator after the Admission in the relevant fiscal quarter (net of any Recurring Operating Charges in respect of such New Investment), beginning in the ninth fiscal quarter from the date on which the New Investment closed and subject to such New Investment having achieved a return of 6.0% per annum calculated using the total invested capital funded to the pertinent date. These amounts will be paid in accordance with the terms of the Operator Agreement.

The aggregate of the Recurring Operating Charges and the Profit Sharing Charge is capped at 15% of the Group's income from investments in Partner-firms for the relevant quarter excluding any Divestment Fee payable for such quarter. Amounts recorded as Profit Sharing Charges during the periods ended 30 June 2022 and 31 December 2021 were \$Nil.

### Divestment Fee

The Operator is entitled to a divestment fee ("Divestment Fee") calculated at 20.0% of the total divestment profit in the relevant quarter in relation to the Group's investments. Divestment Profit refers to the cash flows realised from the sale or divestment of assets calculated as the sale price minus the contribution value of such asset, excluding any dividend income received over the holding period and on which the Group has already paid Recurring Operating Charges and, in the case of New Investments, Profit Sharing Charges.

Although the Group does not have an exit strategy for its investments, it may be subject to exits or realisations at underlying Partner-firms, as such an accrual is reflected in the accounts representing an amount that would be payable if the Group were to exit all of its investments. For the period ended 30 June 2022, an amount of \$Nil (31 December 2021: \$45.2m) has been accrued towards Divestment Fee payable to the Operator and none of the amounts have vested.

## 5. Tax

The Group's interim income tax expense or benefit is calculated using the best estimate of the weighted average annual effective tax rate for the full financial year applied to the year-to-date profit/(loss) before tax. Items not included in the weighted average annual effective tax rate are recognised in full in the interim period and relate to the impact of (1) the Company's year-to-date unrealised gains and losses and (2) movement in unrecognised deferred tax. The Group's effective tax rate differs from the standard rate of corporation tax due to the following: (1) tax rates in certain jurisdictions, (2) income and expenses not included for tax purposes, and temporary differences subject to initial recognition exception.

The Group's effective tax rate for the fiscal period ended June 30, 2022 was 12.0% (2021: 4.8%), resulting in a tax benefit for the fiscal period ended June 30, 2022 of \$61.3m (2021: expense of \$12.6m). The increase in the effective tax rate is attributable to (1) the discrete benefit on the Company's year-to-date unrealised loss and (2) the discrete benefit on the movement in the unrecognised deferred tax.

## 6. Earnings per share

	For the six months ended 30 June 2022
Loss attributable to equity holders of the Company – \$m	(358.8)
Weighted average number of Ordinary Shares in issue	1,155,970,457
Basic and diluted earnings per Share from continuing operations in the period (cents)	<b>(31.04)</b>

The weighted average number of shares for the period ended 30 June 2022 is calculated on a time weighted basis based on the timing of issue or repurchase of Ordinary Shares.

There are no dilutive shares in issue.

## 7. Trade and other receivables

	30 June 2022 \$m	31 December 2021 \$m
Amounts Receivable from Investments	110.9	102.0
Prepayments	1.8	–
	<b>112.7</b>	102.0

## 8. Trade and other payables

	30 June 2022 \$m	31 December 2021 \$m
Other payables	40.2	22.6
Share issue costs payable	–	5.7
Interest payable	20.8	8.1
Current liabilities	<b>61.0</b>	36.4

## 9. Notes payable

As discussed on page 102 of the 2021 Annual Report, the Issuer SPVs had issued the Notes with an aggregate principal amount of \$350m.

The Issuer SPVs may be subject to pay a Make-Whole Amount (as defined in the Indenture) contingent upon certain principal repayment, prepayment or redemption of the Notes in accordance with the provisions of the Indenture. The Group refinanced the Notes shortly after period end leading to an increase in expected future cash flows representing a Make-Whole payment to the lenders. Accordingly, the debt has been remeasured in accordance with IFRS 9 – Financial Instruments. The Group recognised an amount of \$12m towards Make Whole Amount in Finance expense.

As at 30 June 2022 and 31 December 2021, the outstanding total amount of the Notes issued by the Issuer SPVs was \$350m. The carrying value of the Notes is reported at amortised cost, and is net of amortised debt issuance costs of \$Nil (31 December 2021- \$9.1m) in an amount of \$350.0m (31 December 2021 – \$340.9m), with associated interest payable of \$20.8m (31 December 2021 – \$8.1m). For the period ended 30 June 2022, the effective interest rate on the Notes is 4.8% per annum. An amount of \$32.6m has been recorded as Finance expense on the Consolidated Statement of Comprehensive Income which includes \$9.5m in relation to interest on the Notes, \$12.0m in relation to Make-Whole Amount, \$9.1m representing accelerated amortisation of debt issuance costs and \$2.0m in relation to interest on the deferred payment obligations.

## 10. Liability to Petershill Funds

As discussed in note 2(xvi) and note 12 of the consolidated financial statements in the 2021 Annual Report, the Petershill Funds continue to have beneficial ownership in the Issuer SPVs and Intermediary entities.

The Group has recorded an amount of \$561.5m being the Liability to Petershill Funds representing its proportionate ownership in the Issuer SPVs (December 2021: \$597.2m). The interest held by the Petershill Funds has been classified as a financial liability and the corresponding income/expense has been included in Movement in liability to Petershill Funds under Finance costs in the Consolidated Statement of Comprehensive Income. For the period ended 30 June 2022, an amount of \$34m has been included in finance income representing a reduction of Petershill Funds interest in the Issuer.

## 11. Share capital and other reserve

For the six months ended 30 June 2022

Date	Issued and fully paid	Number of shares issued	Share capital \$m	Share premium \$m	Other reserve \$m	Capital redemption reserve \$m	Total \$m
1 January 2022		1,156,696,029	11.6	3,346.7	1,689.6	–	<b>5,047.9</b>
	Repurchase and cancellation of Ordinary Shares – \$0.01	(5,143,810)	(0.1)	–	–	0.1	–
	Redemption and cancellation of Redeemable Shares		–	–	–	0.1	<b>0.1</b>
30 June 2022		<b>1,151,552,219</b>	<b>11.5</b>	<b>3,346.7</b>	<b>1,689.6</b>	<b>0.2</b>	<b>5,048.0</b>

For the period ended 31 December 2021

Date	Issued and fully paid	Number of shares issued	Share capital \$m	Share premium \$m	Total \$m
Shares at inception		–	–	–	–
24 March 2021	Incorporation – Ordinary – \$0.01	1 <sup>1</sup>	–	–	–
28 September 2021	Capital raise – Ordinary – \$0.01	1,000,000,000 <sup>2</sup>	10.0	4,323.4	4,333.4
1 October 2021	Capital raise – Ordinary – \$0.01	156,696,028 <sup>3</sup>	1.6	745.1	746.7
28 September 2021	Less share issue costs	–	–	(32.2)	(32.2)
31 December 2021		<b>1,156,696,029</b>	<b>11.6</b>	<b>5,036.3</b>	<b>5,047.9</b>

<sup>1.</sup> To enable the Company to obtain a certificate to commence business and to exercise its borrowing powers under section 761 CA 2006, on 24 March 2021, 1 Ordinary Share of US\$0.01 was issued.

<sup>2.</sup> Represents the Ordinary Shares issued to Petershill Funds. See table below for details.

<sup>3.</sup> Represents Ordinary Shares issued to the public as part of the IPO process.

During the period, the Group repurchased 5,143,810 Ordinary Shares as part of its buy-back program for a total consideration of \$14.3m. The Group also purchased and cancelled 50,000 Redeemable Deferred Shares for a consideration of \$68k.

As at 30 June 2022, the Company's issued share capital comprised 1,151,552,219 Ordinary Shares (31 December 2021 – 1,156,696,029 Ordinary Shares) and Nil Redeemable Deferred Shares (31 December 2021 – 50,000 Redeemable Deferred Shares) of £1 each. Ordinary Shareholders are entitled to all dividends paid by the Company.



## 12. Retained earnings

	30 June 2022 \$m	31 December 2021 \$m
Opening balance	247.9	–
(Loss)/Profit and total comprehensive (expense)/income in the period	(358.8)	247.9
Dividends paid	(30.1)	–
Repurchase and cancellation of Ordinary Shares	(14.2)	–
Transfer of cancelled Redeemable Shares to Capital redemption reserve	(0.1)	–
	(155.3)	247.9

## 13. Net assets per share

	30 June 2022 \$m	31 December 2021 \$m
Net Assets	4,892.7	5,295.8
Number of ordinary shares issued	1,151,552,219	1,156,696,029
Net assets per share (cents)	424.88	457.84

## 14. Dividends

Dividends on Ordinary shares were paid during the period to 30 June 2022 of \$30.1m being 2.6 cents (USD) per share. On 20 September 2022, the Board approved an interim dividend of \$40m representing 3.5 cents (USD) per share with respect to the six month period ended 30 June 2022. The record date for the dividend is 30 September 2022 and the payment date is 28 October 2022.

## 15. Related party transactions

### Board of Directors

Directors' fees for the six months ended 30 June 2022 amounted to \$0.8m, of which \$Nil was outstanding as at 30 June 2022 (31 December 2021: \$0.1m). Amounts paid to the Board of Directors as reimbursement of travel and other incidental expenses during the six months ended 30 June 2022 amounted to \$Nil, of which \$Nil was outstanding as at 30 June 2022 (31 December 2021: \$Nil).

The Board of Directors held beneficial interest in 699,999 Ordinary Shares in the Company as at 30 June 2022 (574,999 Ordinary Shares as at 31 December 2021).

### Money market funds

As at 30 June 2022 the Group held an investment of \$450.1m (31 December 2021: \$453.1m) in money market funds that are managed by affiliates of the Operator.

### Transactions with Petershill Funds

As at 30 June 2022 and 31 December 2021, the Petershill Funds, managed by wholly owned subsidiaries of the Goldman Sachs Group acting as the investment manager, owned approximately 75.2% and 74.7% respectively of the Company.

### Liability to Petershill Funds

As discussed in note 2(xvi) and note 12 of the consolidated financial statements in the 2021 Annual Report, the Petershill Funds continue to have beneficial ownership in the Issuer SPVs and Intermediary entities. As of 30 June 2022, the Group has recorded a liability of \$561.5m (31 December 2021: \$597.2m) and interest income of \$34.0m representing the Petershill Funds' proportionate ownership in the Issuer SPVs.

### Tax Receivables Agreement

As discussed in note 2(v) of the consolidated financial statements in the 2021 Annual Report, the Group has entered into a Tax Receivables Agreement with Petershill Funds, an affiliate of the Operator and the Goldman Sachs Group, which will require the Group to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that the Group realises as a result of the tax benefits associated with this increase in tax basis. As of 30 June 2022, the carrying value of liability for the Tax Receivables Agreement was \$181.1m (31 December 2021 \$166.7m).

### Operator

The Operator is an affiliate and wholly-owned subsidiary of the Goldman Sachs Group and provides advice to the Group on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to approval by the Board of Directors. For the provision of services under the Operator Agreement, the Operator earns a Profit Sharing Charge, Recurring Operating Charges and Divestment Fee, as detailed in note 4.

The Operator may, in its discretion, pay certain of the Group's fees or expenses and the Group will reimburse the Operator for the payment of any such fee or expense. As at 30 June 2022 and 31 December 2021, the Group owed \$Nil to the Operator under this arrangement (31 December 2021: \$Nil).

## 16. Subsequent events

The Group has evaluated activity through 20 September 2022, the date that the unaudited interim consolidated financial statements were available to be issued.

On 24 August 2022, the Group issued \$500m US private placement senior unsecured notes with a group of institutional investors. The notes have been issued by Delta Epsilon Delaware, Inc. and are guaranteed by Petershill Partners plc.

On 20 September 2022, the Group called and repaid \$350m of secured Notes.

On 20 September 2022, the Board approved an interim dividend payment of 3.5 cents (USD) per share payable on 28 October 2022 to shareholders on the register as at close of business on 30 September 2022, with ex-dividend date of 29 September 2022.

Between 1 July 2022 and 20 September 2022, the Company purchased 987,075 shares at a cost of \$2.5m as part of the ongoing buyback programme.

The Group concluded that no other events took place that would require material adjustments to the amounts recognised in these unaudited interim consolidated financial statements.

# GLOSSARY

This document contains certain key operating metrics that are not defined or recognised under IFRS.

The Operator and the Directors use these key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and re-investment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner-firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate Fee-paying AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

## Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and in most cases includes co-investment vehicles, GP commitments and other non-fee paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and re-investment decisions.

## Aggregate Fee-paying AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate Fee-paying AuM and Aggregate Partner-firm AuM is that Aggregate Fee-paying AuM typically excludes co-investment on which Partner-firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee-related performance of the Partner-firms and to inform operating, budgeting and re-investment decisions.

## Aggregate Performance Fee Eligible Partner-firm AuM

The amount of Aggregate Partner-firm AuM that is eligible for carried interest.

## Issuer SPVs

Issuer SPVs comprise the following entities – PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer, PH Onshore IM Issuer.

## Intermediary Entities

Intermediary Entities comprise the following entities – PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator.

## Ownership weighted AuM

Ownership weighted AuM represents Petershill's ownership stake of each Partner-firms' Aggregate Partner-firm AuM.

## Partner Blended Net Management Fee Rate

Partner Blended Net Management Fee Rate is defined as Partner Net Management and Advisory Fees for the period divided by the average Aggregate Fee-paying AuM weighted for the Company's ownership interests in each Partner-firm. The average Aggregate Fee-paying AuM is calculated as the mean of the Aggregate Fee-paying AuM at the start and the end of the reporting period and excludes new acquisitions where the Company has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner Blended Net Management Fee Rate to be a key metric in assessing the Company's overall management fee-related performance.

## Implied Blended Partner-firm FRE Ownership

Implied Blended Partner-firm FRE Ownership is defined as the weighted average of the Company's ownership stake in the Partner-firms' management fee-related earnings and is calculated based on the contribution of average Aggregate Fee-paying AuM from Partner-firms in each period. It will therefore be expected to change to some degree from period to period based on the contribution to average Aggregate Fee-paying AuM of each Partner-firm, even if the actual ownership of each underlying Partner-firm does not change. Excludes new acquisitions where Petershill has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Implied Blended Partner-firm FRE Ownership to be a meaningful measure of the composition of the Company's investments.

## Partner Net Management and Advisory Fees

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and re-investment decisions.

## Partner Fee Related Earnings (FRE) and Partner FRE Margin

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses and fixed and bonus compensation (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms. Partner FRE Margin is defined as Partner FRE divided by Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner FRE and Partner FRE Margin to be meaningful measures of the management fee-related earnings of the Partner-firms and key performance indicators of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

## Partner Realised Performance Revenues

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

## Partner Realised Investment Income

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses or any distributed income from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

## Partner Distributable Earnings and Partner Distributable Earnings Margin

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other shareholders or partners of the Partner-firms.

## Partner Revenues

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and re-investment decisions.

## Partner Private Markets Accrued Carried Interest

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Company consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and re-investment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

## Petershill Funds

The Petershill Funds refers to the following entities: – Petershill II L.P. and Petershill II Offshore L.P., Petershill Private Equity L.P., Petershill Private Equity Offshore L.P., Vintage VII L.P. and related entities and certain co-investment vehicles.

## Weighted Average Capital Duration

Weighted Average Capital Duration is a key measure of the long term, locked-up capital of Aggregate Fee-paying Partner-firm AuM. It is defined as the average life of the underlying Partner-firm funds weighted based on Fee-Paying AuM.

## Investment Capital

Investment Capital is defined as the sum of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting and re-investment decisions.

## AuM and Associated Data

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate Fee-paying Partner-firm AuM
- Average Aggregate Fee-paying Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Blended Net Management Fee Rate
- Implied Blended Partner-firm FRE Ownership
- Investment Capital

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

# ALTERNATIVE PERFORMANCE MEASURES (“APMS”)

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts (“Issuers”), which previously issued \$350m of long term debt with a 5% coupon and a maturity date of 2039. The debt is secured by the rights to the cash flows of certain Partner-firm investments held by the Company and other investments held by the Petershill Funds.

Although the Company does not have rights to the cash flows of the collateral that is held by the Petershill Funds, under IFRS, the Company is required to consolidate them. This consolidation results in reflecting all of the assets and liabilities of these entities in the consolidated statement of financial position and all of the income, investment gain and finance cost in the consolidated statement of comprehensive income. However, shareholder returns are only affected by the interests that the Company owns.

The APM basis, which presents the financial information on a non IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect shareholder returns, aids shareholders in assessing their investment in the Company.

The IFRS and APM basis numbers discussed and presented below include significant ‘unrealised’ and non-cash items that include unrealised change in fair value of investments and it should be noted that while permitted, it is not the Company’s core strategy to exit or realise these investments. Therefore, management results are also presented excluding the unrealised change in fair value of investments at fair value through profit and loss and related unrealised divestment fee.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company’s progress and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME APM BASIS

For the six months ended 30 June 2022

Income Statement	Alternative performance measurement basis (APMS) \$m	Adjustments \$m	IFRS basis \$m
<b>Income</b>			
Income from Investments in Partner-firms derived from:			
Management fee income	110.4	–	110.4
Performance fee income	47.2	4.4	51.6
Investment income	12.2	4.3	16.5
Interest income from investments in Money market funds	0.8	–	0.8
<b>Total income</b>	<b>170.6</b>	<b>8.7</b>	<b>179.3</b>
<b>Movement in financial assets held at fair value</b>			
Change in fair value of investments at fair value through profit or loss	(569.8)	(42.7)	(612.5)
	<b>(569.8)</b>	<b>(42.7)</b>	<b>(612.5)</b>
<b>Expenses</b>			
Board of Directors' fees and expenses	(0.8)	–	(0.8)
Operator charge	(13.3)	–	(13.3)
Other operating expenses	(5.0)	–	(5.0)
Unrealised Divestment Fee credit	45.2	–	45.2
<b>Total expenses</b>	<b>26.1</b>	<b>–</b>	<b>26.1</b>
<b>Operating profit for the period</b>	<b>(373.12)</b>	<b>(34.0)</b>	<b>(407.1)</b>
<b>Finance income (expense)</b>			
Interest expense	(32.6)	–	(32.6)
Movement in liability to Petershill Funds	–	34.0	34.0
Change in liability for tax receivables agreement	(14.4)	–	(14.4)
<b>Total finance expense</b>	<b>(47.0)</b>	<b>34.0</b>	<b>(13.0)</b>
<b>Loss for the period before tax</b>	<b>(420.1)</b>	<b>–</b>	<b>(420.1)</b>
Tax credit	61.3	–	61.3
<b>Loss for the period after tax</b>	<b>(358.8)</b>	<b>–</b>	<b>(358.8)</b>
<b>Loss and total comprehensive expense for the period</b>	<b>(358.8)</b>	<b>–</b>	<b>(358.8)</b>
Loss and total comprehensive loss attributable to:			
Equity holders of the Company	(358.8)	–	(358.8)



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION APM BASIS

As at 30 June 2022

	Alternative performance measurement basis (APM)	Adjustments	IFRS basis	Alternative performance measurement basis (APM)	Adjustments	IFRS basis
		30-Jun-22		31-Dec-21		
Balance Sheet	\$m	\$m	\$m	\$m	\$m	\$m
<b>Non-current assets</b>						
Investments at fair value through profit or loss	4,980.8	458.0	5,438.8	5,524.3	498.8	6,023.1
Deferred tax asset	49.4	–	49.4	–	–	–
	<b>5,030.2</b>	<b>458.0</b>	<b>5,488.2</b>	<b>5,524.3</b>	<b>498.8</b>	<b>6,023.1</b>
<b>Current assets</b>						
Investments in money market funds at fair value through profit or loss	450.1	–	450.1	453.1	–	453.1
Cash and cash equivalents	142.7	62.8	205.5	68.7	56.1	124.8
Trade and other receivables	72.0	40.7	112.7	64.8	37.2	102.0
	<b>664.8</b>	<b>103.5</b>	<b>768.3</b>	<b>586.6</b>	<b>93.3</b>	<b>679.9</b>
	<b>5,695.0</b>	<b>561.5</b>	<b>6,256.5</b>	<b>6,110.9</b>	<b>592.1</b>	<b>6,703.0</b>
<b>Non-current liabilities</b>						
Liability to Petershill Funds	–	561.5	561.5	–	597.2	597.2
Notes payable	350.0	–	350.0	350.0	(9.1)	340.9
Deferred payment obligations	133.3	–	133.3	133.4	–	133.4
Liability for Tax Receivables Agreement	181.1	–	181.1	166.7	–	166.7
Fee payable on divestment of investments	–	–	–	45.2	–	45.2
Deferred tax liability	–	–	–	12.6	–	12.6
	<b>664.4</b>	<b>561.5</b>	<b>1,225.9</b>	<b>707.9</b>	<b>588.1</b>	<b>1,296.0</b>
<b>Current liabilities</b>						
Trade and other payables	40.2	–	40.2	28.3	–	28.3
Deferred payment obligations	76.9	–	76.9	74.8	–	74.8
Interest payable	20.8	–	20.8	4.1	4.0	8.1
	<b>137.9</b>	<b>–</b>	<b>137.9</b>	<b>107.2</b>	<b>4.0</b>	<b>111.2</b>
<b>Total liabilities</b>	<b>802.3</b>	<b>561.5</b>	<b>1,363.8</b>	<b>815.1</b>	<b>592.1</b>	<b>1,407.2</b>
<b>Equity</b>						
Share capital	11.5	–	11.5	11.6	–	11.6
Share premium	3,346.7	–	3,346.7	3,346.7	–	3,346.7
Other reserve	1,689.6	–	1,689.6	1,689.6	–	1,689.6
Capital redemption reserve	0.2	–	0.2	–	–	–
Retained earnings	(155.3)	–	(155.3)	247.9	–	247.9
<b>Total Shareholders' equity</b>	<b>4,892.7</b>	<b>–</b>	<b>4,892.7</b>	<b>5,295.8</b>	<b>–</b>	<b>5,295.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,695.0</b>	<b>561.5</b>	<b>6,256.5</b>	<b>6,110.9</b>	<b>592.1</b>	<b>6,703.0</b>
Number of Shares in issue at period end	1,151,552,219		1,151,552,219	1,156,696,029		1,156,696,029
<b>Net assets per share (cents)</b>	<b>424.88</b>		<b>424.88</b>	<b>457.84</b>		<b>457.84</b>

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS APM BASIS

For the six months ended 30 June 2022

	Alternative performance measurement basis (APM) \$m	Adjustments \$m	IFRS basis \$m
<b>Cash flows from operating activities</b>			
Operating loss for the period	(373.1)	(34.0)	(407.1)
Adjustments to reconcile operating loss for the financial period to net cash used in operating activities:			
Purchase of investments in money market funds	(153.9)	–	(153.9)
Sale of investments in money market funds	156.9	–	156.9
Reinvestment of Income from investments in Partner-firms	(18.6)	(1.9)	(20.5)
Movement in financial assets and liabilities held at fair value through profit and loss	569.8	42.7	612.5
Movement in trade and other receivables	(16.3)	5.6	(10.7)
Movement in fee payable on divestment of investments	(45.2)	–	(45.2)
Movement in trade and other payables	15.7	–	15.7
<b>Net cash outflow from operating activities</b>	<b>135.3</b>	<b>12.4</b>	<b>147.7</b>
<b>Cash flows from investing activities</b>			
Purchase of investments at fair value through profit or loss	(14.4)	–	(14.4)
Proceeds from investments	6.7	–	6.7
<b>Net cash outflow from investing activities</b>	<b>(7.7)</b>	<b>–</b>	<b>(7.7)</b>
<b>Cash flows from financing activities</b>			
Payment of Share issue costs	(5.7)	–	(5.7)
Repayment and cancellation of share capital	(13.0)	–	(13.0)
Dividends paid	(30.1)	–	(30.1)
Repayment of loan interest	(4.8)	(4.0)	(8.8)
Repayment of liability to Petershill funds	–	(1.7)	(1.7)
<b>Net cash inflow from financing activities</b>	<b>(53.6)</b>	<b>(5.7)</b>	<b>(59.3)</b>
Net increase in cash and cash equivalents during the period	74.0	6.7	80.7
Cash and cash equivalents at the beginning of the period	68.7	56.1	124.8
<b>Cash and cash equivalents at the end of the period</b>	<b>142.7</b>	<b>62.8</b>	<b>205.5</b>

Net cash position at end of period	Cash and cash equivalents APM basis plus investments in money markets less deferred payment obligations and long term debt	As at 30 June	As at 31
		2022	December
		\$m	2021
			\$m
	Cash and cash equivalents APM basis	142.7	68.7
	Investments at fair value through profit or loss (money markets)	450.1	453.1
	Notes payable (gross)	(350.0)	(350.0)
	Deferred payment obligations	(210.2)	(208.2)
	<b>Net cash position at end of year</b>	<b>32.6</b>	<b>(36.4)</b>

Book value	Total Shareholders' equity	As at 30 June	As at 31
		2022	December
		\$m	2021
			\$m
	<b>Total Shareholders' equity</b>	<b>4,892.7</b>	<b>5,295.8</b>

Book value per share	Total Shareholders' equity divided by Ordinary Shares Outstanding at the end of the period	As at 30 June	As at 31
		2022	December
		\$m	2021
			\$m
	Total Shareholders' equity (\$m)	4,892.7	5,295.8
	Number of Shares in issue at period end	1,151,552,219	1,156,696,029
	<b>Book value per share (cents)</b>	<b>424.88</b>	<b>457.84</b>

Adjusted Earnings before interest and tax (EBIT)	Sum of total income APM basis and expenses excluding non-recurring charges before net finance result and before income taxes and unrealised divestment fee	For the period
		from January 1 2022 to June 30 2022
		\$m
	Total income APM basis	170.6
	Board of Directors' fees and expenses	(0.8)
	Operator charge	(13.3)
	Other operating expenses	(5.0)
	Non-recurring operating expenses	1.2
	<b>Adjusted Earnings before interest and tax (EBIT)</b>	<b>152.7</b>

Adjusted EBIT margin	Adjusted EBIT divided by APM basis total income	For the period
		from January 1 2022 to June 30 2022
		\$m
	Total income APM basis	170.6
	Adjusted EBIT	152.7
	<b>Adjusted EBIT margin</b>	<b>89.51%</b>

Adjusted Earnings before tax (EBT)	Sum of total income APM basis and expense excluding deferred divestment fee, deferred income tax on unrealised gains and losses and non-recurring charges

	For the period from January 1 2022 to June 30 2022 \$m
Total income APM basis	170.6
Directors' fees and expenses	(0.8)
Operator charge	(13.3)
Other operating expenses	(5.0)
Interest expense	(32.6)
Non-recurring operating expenses	1.2
Non-recurring charges related to financing	21.1
<b>Adjusted Earnings before tax (EBT)</b>	<b>141.2</b>

**Tax and tax related expenses** The current tax resulting from total income APM basis plus the expected payment under the tax receivables agreement

	For the period from January 1 2022 to June 30 2022 \$m
Current tax	(0.7)
Expected payment under the tax receivables agreement	(5.6)
<b>Tax and tax related expenses</b>	<b>(6.3)</b>

**Adjusted tax and tax related expense rate** The tax and related expenses divided by the adjusted profit less tax and tax related expense

	For the period from January 1 2022 to June 30 2022 \$m
Tax and related expenses	(6.3)
Adjusted Earnings before tax (EBT)	141.2
<b>Adjusted tax and tax related expense rate</b>	<b>4.46%</b>

**Adjusted profit after tax** Sum of total income APM basis and expense excluding unrealised divestment fee, deferred income tax on unrealised gains and losses and non-recurring charges and including tax and related expenses under TRA

	For the period from January 1 2022 to June 30 2022 \$m
Total income APM basis	170.6
Board of Directors' fees and expenses	(0.8)
Operator charge	(13.3)
Other operating expenses	(5.0)
Interest expense	(32.6)
Non-recurring operating expenses	1.2
Tax and tax related expenses	(6.3)
Non-recurring charges related to financing	21.1
<b>Adjusted profit after tax and tax related expenses</b>	<b>134.9</b>

<b>Adjusted Earnings per share (EPS)</b>	Adjusted profit after tax divided by Ordinary Shares in issue at 30 June 2022	
	As at 30 June 2022	
	\$m	
	Adjusted profit after tax	134.9
	Ordinary Shares in issue at 30 June 2022	1,151,552,219
	<b>Adjusted Earnings per share (EPS) (cents)</b>	<b>11.71</b>

<b>Proforma Earnings per Share (EPS)</b>	Loss attributable to equity holders of the Company divided by Ordinary Shares in issue at 30 June 2022	
	As at 30 June 2022	
	\$m	
	Loss attributable to equity holders of the Company	(358.8)
	Ordinary Shares in issue at 30 June 2022	1,151,552,219
	<b>Proforma Earnings per Share (EPS) (cents)</b>	<b>(31.16)</b>

## Share Information

Share price	Market price at 30 June 2022
Total shares	Ordinary shares outstanding at the end of the period
Market capitalization	Market cap at 30 June 2022
LSE Ticker	PHLL

This results announcement has been prepared solely to provide additional information to shareholders and meets the relevant requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The results announcement should not be relied on by any other party or for any other purpose.

These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption therefrom. The issuer has not and does not intend to register any securities under the US Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. Any securities of Petershill Partners plc referred to herein have not been and will not be registered under the US Investment Company Act of 1940, as amended, and may not be offered or sold in the United States or to "U.S. persons" (as defined in Regulation S under the US Securities Act of 1933, as amended) other than to "qualified purchasers" as defined in the US Investment Company Act of 1940, as amended. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

## FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning the business, operating results, financial condition and other similar matters. These statements represent the Company's belief regarding future events that, by their nature, are uncertain and outside of the Company's control. There are likely to be events in the future, however, that we are not able to predict accurately or control. Any forward-looking statement made by us in this press release is based upon information known to the Company on the date of this press release and speaks only as of such date. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.