



2022

Bridgepoint Group plc
Interim Report

Financial Highlights

Assets under management (AUM)

€ **37.1bn**

(YE 2021: €32.9bn, HY 2021: €28.5bn)

Underlying profit before tax

£ **51.9m**

(H2 2021: £48.2m, H1 2021: £42.3m)

Total operating income

£ **140.1m**

(H2 2021: £148.4m, H1 2021: £122.2m)

Reported pro forma earnings per share

5.5p

(H2 2021: 2.5p, H1 2021: 4.5p)

Underlying EBITDA

£ **61.8m**

(H2 2021: £60.9m, H1 2021: £53.0m)

Underlying pro forma earnings per share

5.9p

(H2 2021: 5.6p, H1 2021: 4.8p)

Reported profit before tax

£ **48.3m**

(H2 2021: £22.2m, H1 2021: £40.4m)

Contents

Executive Chairman's statement	2
KPIs: tracking our performance	6
CFO statement	8
Alternative Performance Measures	16
Required disclosures	18
Independent review report to Bridgepoint Group plc	19
Condensed consolidated financial statements	20
Notes to the condensed consolidated financial statements	25



Executive Chairman's statement

William Jackson

I am pleased to be sharing our results for H1 2022 which reflect the continued progress of our business despite a much more volatile market backdrop than expected at the start of the year.

Bridgepoint has delivered continued growth in revenues and profits in H1 2022 reflecting the strength of our middle market business model arising from Bridgepoint's focus on building funds with conviction, asset selection and disciplined vintage year deployment, combined with a substantially reduced exposure to consumer discretionary spend.

We have taken advantage of market conditions to maintain our fund investment activity in the first half of 2022 at a level in line with the first half of 2021. In line with expectations Bridgepoint Europe VI ("BE VI") is now fully deployed having built a high quality portfolio of growth assets. The transition to Bridgepoint Europe VII ("BE VII") has been formalised with a May 2022 transition likely. The exact date will be confirmed on receipt of competition clearance for Bridgepoint Europe VI's final investment at which point Bridgepoint Europe VII will start to contribute revenue as Fee Paying AUM.

We have also made continued good progress with our capital raising over the last six months with both equity and credit funds, BE VII and Bridgepoint Direct Lending III ("BDL III"), likely to formally complete their fund raises in H1 2023.

With this background and prior to any fees from BE VII, in the first half of the year the business generated underlying EBITDA of £61.8 million, an increase of 16.6 per cent from H1 2021 and underlying profit before tax of £51.9 million, an increase of 22.7 per cent from H1 2021.

In summary, these results reflect a period of strong performance driven by both our equity and debt strategies, with continued strong portfolio realisations and valuation uplifts recorded in H1 2022.

Bridgepoint's investment thesis

Bridgepoint is a clear leader in middle market growth investing. We have over 180 investment professionals working in 10 offices in Europe and around the globe. This is an unusually deep and highly experienced team of people for a middle market firm. Of most relevance today, we have a very experienced management team with deep experience of running private equity and credit portfolios through macroeconomic cycles.

Bridgepoint operates from a scalable investment platform that exploits the organisation's long standing sector knowledge as well as on the ground presence in the markets where we commit capital. This local presence provides real insight and expertise in those markets, drives high quality diversified origination and is essential for building productive relationships with the growth companies to which we provide support.

This platform is the foundation of our 30 year track record of delivering strong and consistent investment performance through multiple economic cycles and delivering compelling returns for our investors and consequently for shareholders too. Importantly we construct portfolios that deliver both growth and resilience – well suited and relevant to the economic and market conditions we are experiencing.



We are, however, not immune to macro shocks or to inflationary pressures within our portfolio companies and are extremely alert to the challenges of current macroeconomic conditions. However, our funds have a low exposure to businesses driven by discretionary spend (c.12 per cent of the portfolios as at 30 June 2022) and with an average EBITDA margin of 28% per cent or more in our last two flagship equity funds, our businesses are mainly price makers. We expect that wage inflation will be a consideration this year but expect portfolio company margins to absorb this pressure over time without materially impacting their long term growth potential.

Capital raising

Our capital raising plans for Bridgepoint Europe VII and Direct Lending remain unchanged despite the congested fundraising markets that we flagged at the start of our fund raising programmes late last year.

Our equity funds invest in profitable growth companies in attractive 21st century sectors, which combined with disciplined portfolio construction, typically deliver strong absolute and risk adjusted returns. In this context BE VII has been well placed to attract a significant amount of capital, holding a first close of €4 billion in Q2 2022. Since then, the fund has enjoyed further closes and it is now in the final third of its €7 billion target fund raising programme. The fund is on track to hold its final close in H1 2023.

Our performance track record has attracted a strong institutional following over many years. At the end of H1 2022 we managed €37.1 billion of assets under management (“AUM”) for some 400 fund investors around the world.

Fund investment performance

Bridgepoint’s investment performance is best illustrated by the success of current funds: its most mature flagship equity fund, Bridgepoint Europe V (“BE V”), which has a well balanced portfolio of investments assembled with good vintage year diversity, is on track to deliver returns of over 2.5x invested capital to its investors. It is a high quality return from a diversified portfolio, by geography, sector and timing of investment. The fund has now returned a large amount of original capital and gain to investors.

At the start of 2022, our equity funds capitalised upon attractive market conditions to deliver some very strong exits ahead of originally planned timing with the result that the distribution to paid in capital ratio (“DPI”) of BE V increased from 1.08x invested capital to 1.6x invested capital securing returns ahead of recent valuation and currency rotations.

These exits, together with strong underlying trading across most of our portfolio companies, have driven increases in underlying portfolio valuations across our equity portfolios despite benchmark valuation multiples reducing. This has delivered fund performance ahead of our original expectations in H1 2022.

At 30 June BE V valuations remained flat vs Q1 2022 reflecting the significant returns of capital from the fund after posting very strong exits in the first quarter. BE VI and BDC III posted material valuation uplifts at 30 June 2022 and as a result Net IRRs are now 35 per cent and 45 per cent respectively. Over the last 18 months the average Bridgepoint Europe fund exit premium to unrealised valuation has been +65 per cent, up from the five year average of +40 per cent.

“The strength of this performance in the first half underpins our confidence in meeting expectations for the full year.”

Private Equity

In the first six months of the year, Bridgepoint's private equity funds committed €1.5 billion to new investments, completed six add-on acquisitions and returned €1.4 billion to our fund investors.

Bridgepoint Europe had a strong start to the year with a series of favourable exits across multiple sectors. The half-year saw €1.2 billion of capital deployed in three new platform investments and four major bolt ons for the existing portfolio. In total, BE returned over €1.2 billion of capital over the last 6 months.

Bridgepoint Development Capital and Bridgepoint Growth also performed well, continuing to deploy capital in new platform investments and returning some £223.2 million of capital to investors in the first half of the year. Most recently, BDC agreed to sell HKA in a transaction delivering a 7x money multiple for BDC III and which will return 30 per cent of the fund's original capital to fund investors.

With the number of initial public offerings (“IPOs”) in public equity markets severely curtailed so far this year, it is important to remember that operating in the mid-market, we are not dependent on initial public offerings as an exit route. Since 2000, we exited through IPO just twice in 84 exits.

Private Credit

Bridgepoint's second core strategy, Bridgepoint Credit, also enjoyed a strong first half. €1.6 billion was deployed across Direct Lending and Credit Opportunities compared to realisations of €1.3 billion.

Overall, credit strategies benefitted from more volatile lending markets and increasing base rates with deployment in both Bridgepoint Direct Lending III (“BDL III”) and Bridgepoint Credit Opportunities IV (“BCO IV”) in line with target investment pace. BDL III has now invested c. €1.5 billion across 22 investments while BCO IV has invested c. €250 million across 16 investments.

Company financial performance

The continued success of our funds and the strong financial performance in H1 2022 is testament to the full depth of business experience, resilience and professionalism of our team against a backdrop of unexpected challenges in geopolitics, supply chain issues and monetary policy responses to higher than expected inflation.

In H1 2022, AUM increased by 13 per cent compared to H2 2021 and by 30 per cent compared to H1 2021 to reach €37.1 billion. Across our equity and credit funds, €3.1 billion was deployed in new and follow-on investments and €3.0 billion of capital was realised during the period.

As noted above, at the start of 2022 our equity funds capitalised upon attractive market conditions to deliver some very strong exits ahead of originally planned timing. These exits, together with strong underlying trading across most of our portfolio companies, have driven increases in underlying portfolio valuations across our equity portfolios leading to fund performance ahead of our original expectations.

With this background, our revenues and EBITDA increased by 15 per cent and 17 per cent respectively compared to H1 2021. This performance was driven by income from recently raised funds and strong investment performance in H1 2022, positioning us well to achieve current full year expectations.

The right kind of returns

We always aim to be a responsible investor. As a growth investor our portfolio companies create new jobs and we are focused on helping to build sustainable business models which contribute to the communities in which they operate and drive long term value.

Taking a proactive approach to societal and environmental issues is not just a social responsibility; it is also a matter of good guardianship. Businesses that do good grow both faster and sustainably. Our ambition is to create lasting, sustainable and positive impacts so that our investors, shareholders and employees are proud of how we generate returns.

Bridgepoint became carbon neutral in 2021 and all our offices now operate on 100% renewable electricity. We are a founding member of the Private Equity Sustainable Markets Initiative and BE VII is aligned with SFDR article 8. Furthermore, BE VII's financing facility will be sustainability linked. In the first half of the year, we strengthened our team by appointing a new Head of Sustainability, reporting directly to our Chief Investment Officer.

Corporate governance update

Bridgepoint has a strong Board, currently comprising four independent directors appointed at the time of the IPO. I am pleased to report that the Board is operating very effectively. As noted in our full year results in March 2022, it is our intention to appoint two to three further non-executive directors to the Board by the summer of 2023 broadening the Board's skill base and adding further to our leadership team's diversity.

Outlook

Following a strong first half performance, in which a significant proportion of our planned annual exit activity was completed, the Company is well positioned to deliver 2022 financial performance in line with current expectations.



Bridgepoint benefits from having a very experienced management and investment team, the leadership of which has direct experience of operating in different economic cycles. As a result, we remain very alert to the significant change in macroeconomic outlook that has taken place in the last quarter and have focused both on addressing inflation pressures within Bridgepoint as a company and in our portfolio. We have also tilted our new investment strategy to take advantage of changing market conditions.

As more challenging economic conditions persist it is worth noting that the majority of our equity portfolio companies typically enjoy high margins with strong cash generation and use modest leverage. Returns are driven by focused domestic and international value creation strategies with exposure to multiple geographies. Moreover some 98 per cent of Bridgepoint exits over the last 15 years have been by way of sale to strategic buyers with very little reliance on IPOs for exits. During this period the vast majority of our exits have also been delivered at higher valuation multiples than entry multiples, reflecting a valuation re-rating related to company growth and repositioning rather than sector valuation changes.

Looking forward, we expect market volatility and inflation pressures to continue and have positioned our investment activity accordingly. We will not be immune to macroeconomic events, but we are excited by the strategic growth prospects for the Group as we continue to progress our business development plans and remain confident in Bridgepoint's ability to deliver attractive returns for our fund investors and our shareholders alike.

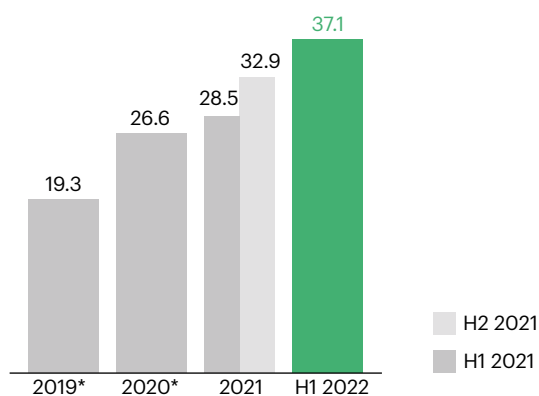
William Jackson
Executive Chairman

KPIs: tracking our performance

Total AUM

(€bn)

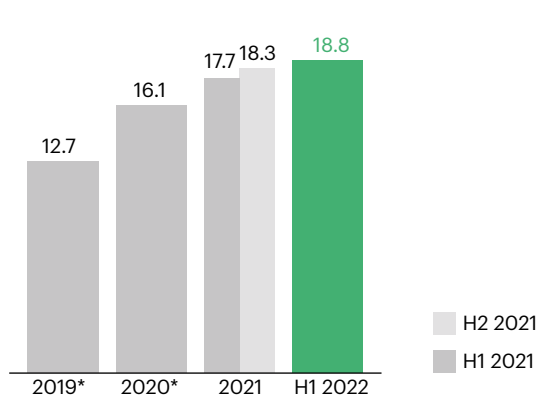
€37.1bn



Fee paying AUM

(€bn)

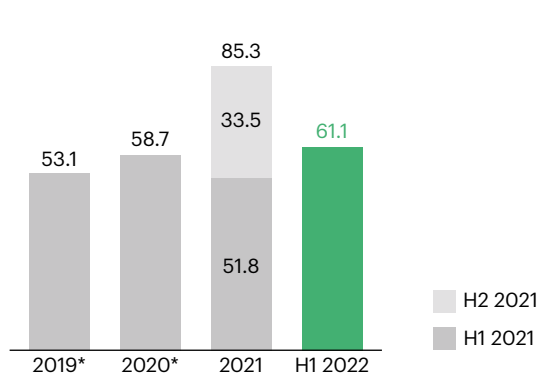
€18.8bn



EBITDA

(£m)

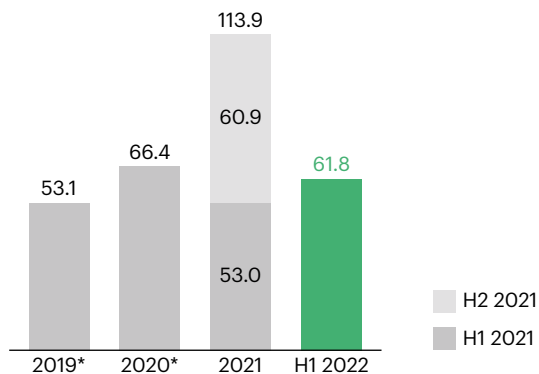
£61.1m



Underlying EBITDA

(£m)

£61.8m

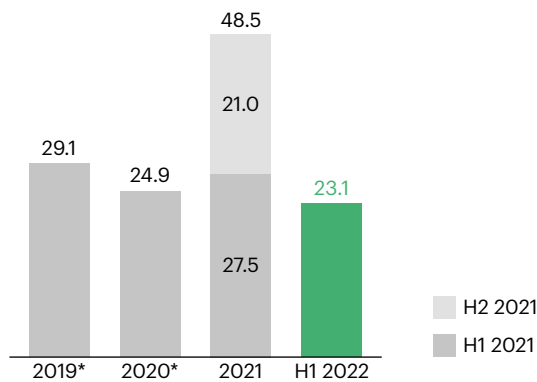


* Half year financial information not available under IFRS.

Underlying FRE

(£m)

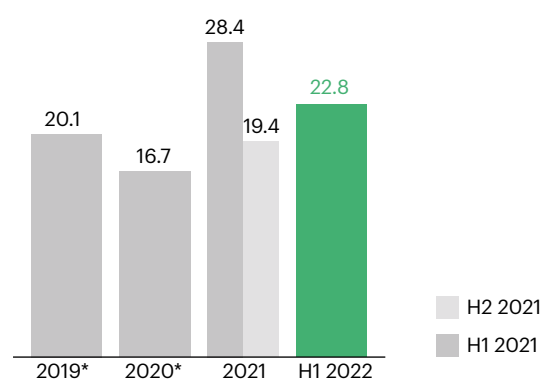
£23.1m



Underlying FRE margin

(%)

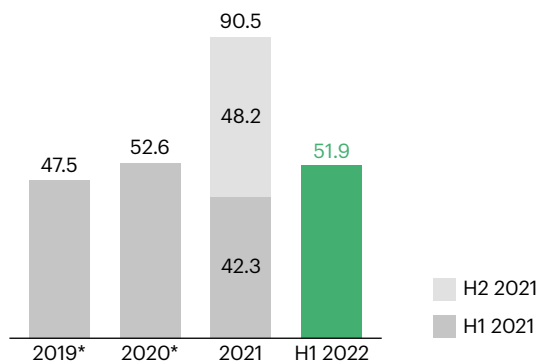
22.8%



Underlying profit before tax

(£m)

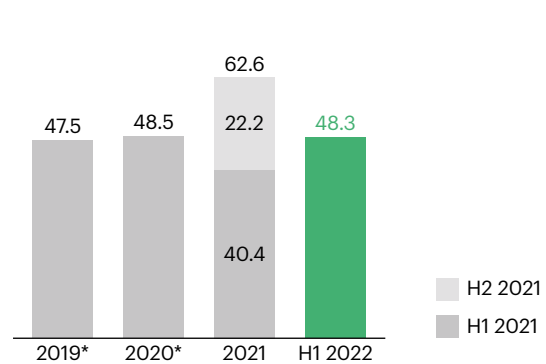
£51.9m



Profit before tax

(£m)

£48.3m



CFO statement



A handwritten signature in black ink, appearing to read 'Adam Jones', written in a cursive style.

Adam Jones

Group Chief Financial Officer &
Chief Operating Officer

The Group's financial results to 30 June 2022 reflect the continuation of a strong performance delivered in FY21.

Underlying EBITDA of £61.8 million is 16.6 per cent higher than the six month period ended 30 June 2021 and underlying profit before tax of £51.9 million compares favourably to the £42.3 million for the same period.

Revenues of £140.1 million compares to £122.2 million for the first half of 2021, with management fee income of £100.9 million 4.8 per cent higher than the £96.3 million in the comparative period. BE VII fees will mark a step change in both income and profitability, with the transition from BE VI to BE VII expected to be formalised as at May 2022, subject to competition clearance on BE VI's final investment.

Investment income of £38.7 million benefitted from strong exits in the first six months of the year and represents more than half of expected investment income for the full year.

Costs (excluding exceptional expenses and investment linked bonuses) of £78.3 million have fallen since the second half of 2021 reflecting some non-recurring expenditure in that period, along with ongoing careful management of costs in the first half of 2022. Some inflationary pressures are anticipated in the second half of the year along with further hiring and costs associated with the move to our new London office.

The Group's balance sheet remains well capitalised. At 30 June 2022 the Group had a net cash position of £239.3 million, including term deposits with an original maturity of more than 3 months, but excluding cash within consolidated CLOs.

Guidance

- Transition to BE VII, subject to competition clearance, likely took place in mid May 2022
- Additional income from BE VII in second half of 2022 to benefit profits and margins
- Management fee rates expected to continue to remain stable across our businesses
- Investment income guidance unchanged at ca. 20 to 25 per cent of total operating income for the medium term
- Target of 2 to 3 per cent co-investments in future funds
- Expect modest growth in headcount and personnel costs (relative to fee rate growth) over medium term
- Full year guidance for 2022 costs remains unchanged at high single digit percentage growth
- FRE margin expected to reach 45 to 50 per cent in longer term
- Effective tax rate guidance remains unchanged at ca. 7.5 per cent
- Well placed to deliver current expectations for FY 2022

Financial summary

Throughout the course of this section reference is made to adjusted measures which the Company considers to be alternative performance measures ("APMs") or key performance indicators ("KPIs"). These are not defined or recognised under International Financial Reporting Standards ("IFRS") but are used by the Directors and management to analyse the business and financial performance, track the Group's progress and help develop long-term strategic plans. Pages 16 and 17 set out definitions of each of the APMs used within the CFO Statement and how they can be reconciled back to the condensed consolidated financial statements.

The analysis below includes two periods for comparison. First, the six months ended 30 June 2021, which is required to be included within the condensed financial information. In addition, the six months ended 31 December 2021 has been included as it provides a helpful comparison to the performance in the six months to 30 June 2022 because of underlying drivers such as invested capital and headcount.

	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Total AUM (€bn)	37.1	32.9	28.5	12.8%	30.2%
Fee paying AUM (€bn)	18.8	18.3	17.7	2.7%	6.2%
Management fee margin on fee paying AUM	1.22%	1.23%	1.23%	(0.01)ppt	(0.01)ppt
Management fees (£m)	100.9	101.4	96.3	(0.5)%	4.8%
Investment income (£m)	38.7	45.7	25.5	(15.3)%	51.8%
Total expenses (excluding exceptional items)	(78.3)	(87.5)	(69.2)	(10.5)%	13.2%
Underlying EBITDA (£m)	61.8	60.9	53.0	1.5%	16.6%
Underlying EBITDA margin	44.1%	41.0%	43.4%	3.1ppt	0.7ppt
Underlying FRE (£m)	23.1	21.0	27.5	10.0%	(16.0)%
Underlying FRE margin	22.8%	19.4%	28.4%	3.4ppt	(5.6)ppt
Underlying profit before tax (£m)	51.9	48.2	42.3	7.7%	22.7%
Reported profit before tax (£m)	48.3	22.2	40.4	117.6%	19.6%
Reported profit after tax (£m)	44.9	20.4	37.4	120.1%	20.1%
Reported pro forma basic and diluted EPS (pence)	5.5	2.5	4.5	120.1%	20.1%
Adjusted pro forma basic and diluted EPS (pence)	5.9	5.6	4.8	4.5%	23.4%

Fundraising

Private equity AUM at 30 June 2022 amounted to €26.7 billion. Fundraising for BE VII launched in the second half of 2021 and remains well placed to attract a significant amount of capital, holding a first close of €4.0 billion in Q2 2022. Since then, the fund has enjoyed further closings and is now in the final third of its fund raising programme with the process likely to formally complete in H1 2023 in line with previous expectations. Credit AUM as at 30 June 2022 was €10.4 billion. Bridgepoint Direct Lending III ("BDL III") and Bridgepoint Credit Opportunities IV ("BCO IV") held second closings in April and are progressing in line with plan.

Total AUM development

€ billion	Private equity	Credit	Total
30 June 2021	20.7	7.8	28.5
31 December 2021	22.9	10.0	32.9
30 June 2022	26.7	10.4	37.1

Total AUM at 30 June 2022 was €37.1 billion compared to €32.9 billion at the end of 2021. The 12.8 per cent increase is due to revaluation of fund investments and ongoing fundraising for our credit and private equity strategies, partially offset by strong levels of capital returned to fund investors.

Fee paying AUM development

€ billion	Private equity	Credit	Total
30 June 2021	13.7	4.0	17.7
31 December 2021	13.7	4.6	18.3
30 June 2022	13.3	5.5	18.8

Fee paying AUM at 30 June 2022 was €18.8 billion compared to €18.3 billion at the end of 2021, with the 2.7 per cent increase primarily due to the increase in invested capital in our credit strategies.

CFO statement continued

Abbreviated income statement

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Management fees	100.9	101.4	96.3	(0.5)%	4.8%
Investment income	38.7	45.7	25.5	(15.3)%	51.8%
Total operating income	140.1	148.4	122.2	(5.6)%	14.6%
Total expenses	(79.0)	(114.9)	(70.4)	(31.2)%	12.2%
Total expenses (excluding exceptional expenses)	(78.3)	(87.5)	(69.2)	(10.5)%	13.2%
EBITDA	61.1	33.5	51.8	82.4%	18.0%
Underlying EBITDA	61.8	60.9	53.0	1.5%	16.6%
Underlying FRE	23.1	21.0	27.5	10.0%	(16.0)%
Depreciation and amortisation expense	(9.1)	(8.7)	(6.3)	4.6%	44.4%
Underlying operating profit	54.2	53.7	48.3	0.9%	12.2%
Reported operating profit	52.0	24.8	45.5	109.7%	14.3%
Net finance expense	(3.7)	(2.6)	(5.1)	42.3%	(27.5)%
Net finance expense (excluding exceptional net finance expense)	(2.3)	(5.5)	(6.0)	(58.2)%	(61.7)%
Underlying profit before tax	51.9	48.2	42.3	7.7%	22.7%
Reported profit before tax	48.3	22.2	40.4	117.6%	19.6%
Tax	(3.4)	(1.8)	(3.0)	88.9%	13.3%
Reported profit after tax	44.9	20.4	37.4	120.1%	20.1%

Management fee income plus other operating income less costs is expressed as Fee Related Earnings ("FRE"). Underlying FRE excludes exceptional expenses and bonuses linked to investment returns. Profits from co-investment and carried interest together with FRE form the EBITDA of the business.

Exceptional items are items of income or expense that are material by size and/or nature, are not considered to be incurred in the normal course of business and are not expected to reoccur. Exceptional items are disclosed separately to give a clearer presentation of the Group's results.

Underlying operating profit excludes exceptional expenses within EBITDA and the amortisation of intangible assets arising from the acquisition of EQT Credit. Underlying profit before tax excludes the exceptional expenses and amortisation of intangibles and also certain finance income and expenses which have also been classified as exceptional. These relate to the acquisition of EQT Credit and, in the six month periods ended 30 June 2021 and 31 December 2021, the investment by Dyal Capital Partners. Further explanation of these items is included within note 4 of the condensed consolidated financial statements (see page 28).

Total operating income

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Management fees	100.9	101.4	96.3	(0.5)%	4.8%
Carried interest	14.0	12.9	1.4	8.5%	900.0%
Income from the fair value remeasurement of investments	24.7	32.8	24.1	(24.7)%	2.5%
Other operating income	0.5	1.3	0.4	(61.5)%	25.0%
Total operating income	140.1	148.4	122.2	(5.6)%	14.6%

Total operating income for the six months to 30 June 2022 was £140.1 million, slightly lower than the result for the six months ended 31 December 2021, primarily reflecting lower but still strong levels of investment income.

In the period ended 30 June 2022 total management fees of £100.9 million decreased by £0.5 million, or 0.5 per cent, from £101.4 million for the six months ended 31 December 2021 and increased by £4.6 million, or 4.8 per cent, relative to the six months ended 30 June 2021. This increase was primarily due to the increase of invested capital in the Credit strategy. The small reduction in private equity fees since the six month period ended 31 December 2021 relates to a reduction in the remaining invested capital of older funds, which are in their divestment phase.

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Private equity	76.7	78.6	78.7	(2.4)%	(2.5)%
Credit	22.7	20.4	17.5	11.3%	29.7%
Central	1.5	2.4	0.1	(37.5)%	n/a
Total management fees	100.9	101.4	96.3	(0.5)%	4.8%

Income from the Group's share of carried interest of £14.0 million in the first six months of 2022 was primarily driven by an increase in the value of the BDC III portfolio and specifically the exit of HKA.

Income recognised as a result of increases in the value of co-investments of £24.7 million in the six months ended 30 June 2022 was driven by the increase in valuation of assets across the private equity fund range, but particularly within the BE VI and BDC III portfolios.

Operating and other expenses

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Personnel expenses before exceptional expenses	(60.9)	(65.9)	(55.5)	(7.6)%	9.7%
Other expenses before exceptional expenses	(18.0)	(21.7)	(14.7)	(17.1)%	22.4%
Foreign exchange gains	0.6	0.1	1.0	500.0%	(40.0)%
Total expenses before exceptional expenses	(78.3)	(87.5)	(69.2)	(10.5)%	13.2%
Exceptional expenses	(0.7)	(27.4)	(1.2)	(97.4)%	(41.7)%
Total expenses	(79.0)	(114.9)	(70.4)	(31.2)%	12.2%

Personnel expenses (excluding exceptional expenses) reduced by 7.6 per cent, from £65.9 million in the six months to 31 December 2021 to £60.9 million in the six months to 30 June 2022.

The six months to 31 December 2021 included £5.8 million of bonuses linked to the BE V carried interest income, which was recognised by the Group during the second half of 2021. Excluding the impact of investment linked bonuses, personnel expenses (excluding exceptional expenses) increased by £0.8 million, or 1.3 per cent from the six month period to 31 December 2021. Personnel costs (excluding exceptional expenses) for the six month period 30 June 2022 increased by £5.4 million, or 9.7 per cent, compared to the six month period to 30 June 2021, from £55.5 million to £60.9 million. The increases, excluding exceptional expenses and investment linked bonuses incurred in the latter half of 2021, reflect the impact of additional hiring as part of investment in the Group's operating platform and pay rises, offset by the impact of one-off costs incurred in the second half of 2021, including accumulated holiday provisions.

Other expenses (excluding exceptional expenses) reduced by 17.1 per cent, from £21.7 million in the six months ended 31 December 2021 to £18.0 million in the six months ended 30 June 2022 reflecting costs incurred in 2021 relating to the Group's exit from its current London premises and legal and regulatory projects to support the Group's growth. Compared to the six month period ended 30 June 2021, other expenses (excluding exceptional expenses) increased by £3.3 million or 22.4 per cent, reflecting increased premises and professional costs.

Personnel expenses (excluding exceptional expenses) as a percentage of total operating income was 43.5 per cent for the six months ended 30 June 2022, slightly lower than the 44.4 per cent and 45.4 per cent for the six months ended 31 December 2021 and 30 June 2021.

EBITDA

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Underlying EBITDA	61.8	60.9	53.0	1.5%	16.6%
Exceptional expenses	(0.7)	(27.4)	(1.2)	(97.4)%	(41.7)%
EBITDA	61.1	33.5	51.8	82.4%	18.0%
Underlying EBITDA margin	44.1%	41.0%	43.4%	3.1 ppt	0.7 ppt

Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"), adjusted for exceptional expenses, increased in the six months ended 30 June 2022 compared with the six month periods ended 31 December 2021 and 30 June 2022 primarily as a result of higher investment related income.

Exceptional expenses of £0.7 million in the six months ended 30 June 2022 relate to costs associated with the acquisition of EQT Credit. Costs relating to the Company's IPO represented the majority of the £27.4 million exceptional expenses in the six months ended 31 December 2021.

EBITDA, including exceptional expenses, increased by 82.4 per cent compared to the six months ended 31 December 2021, which included costs of the Company's IPO.

CFO statement continued

Depreciation and amortisation expense

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Depreciation and amortisation expense (excluding amortisation of intangibles)	(7.6)	(7.2)	(4.7)	5.6%	61.7%
Amortisation of intangibles	(1.5)	(1.5)	(1.6)	0.0%	(6.3)%
Total depreciation and amortisation expense	(9.1)	(8.7)	(6.3)	4.6%	44.4%

Depreciation and amortisation expense increased by 5.6 per cent to £7.6 million compared to the six months ended 31 December 2021. Expenses increased by 61.7 per cent compared to the six month period to 30 June 2021 which related to the start of the lease of the Group's new London headquarters, 5 Marble Arch, in July 2021 and resulted in an increased depreciation charge from that date onwards.

The amortisation of intangibles relates to the amortisation of assets acquired with the EQT Credit business (fund customer relationships) which are being expensed over seven years. The amortisation of intangibles is excluded from the underlying profitability measures in order to enable a clearer analysis of underlying profitability.

Total operating profit

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Underlying operating profit	54.2	53.7	48.3	0.9%	12.2%
Exceptional expenses	(0.7)	(27.4)	(1.2)	(97.4)%	(41.7)%
Amortisation of intangibles	(1.5)	(1.5)	(1.6)	0.0%	(6.3)%
Reported operating profit	52.0	24.8	45.5	109.7%	14.3%
Underlying operating profit margin	38.7%	36.2%	39.5%	2.5ppt	(0.8)ppt

Underlying operating profit for the six months ended 30 June 2022 was £54.2 million, 0.9 per cent higher than the six month period to 31 December 2021, reflecting slightly increased investment income, and 12.2 per cent higher than the six month period to 30 June 2021 where investment profits were the lowest of the three periods.

Reported operating profit increased by 109.7 per cent from £24.8 million for the six months to 31 December 2021 to £52.0 million due to exceptional costs relating to the Company's IPO being incurred in the six months ended 31 December 2021.

The resulting underlying operating profit margin was 38.7 per cent, compared to 36.2 per cent for the six months ended 31 December 2021.

Finance income and expense

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Net finance expense, excluding exceptional items	(2.3)	(5.5)	(6.0)	(58.2)%	(61.7)%
Exceptional net finance (expense)/income	(1.4)	2.9	0.9	(148.3)%	(255.6)%
Net finance expense, including exceptional items	(3.7)	(2.6)	(5.1)	42.3%	(27.5)%

Net finance expenses, excluding exceptional items, reduced by £3.2 million to £2.3 million, compared to the six months ended 31 December 2021. This movement was due to lower amounts payable to related party investors in Opal Investments LP, who have a 15 per cent interest in the profits of the vehicle.

The change from £6.0 million for the six months ended 30 June 2021 to £2.3 million for the six months ended 30 June 2022 was due to reduced interest expense from borrowings under the Group's revolving credit facility, which was repaid in July 2021 following the IPO, commencement of finance charges relating to the 5 Marble Arch lease liability from July 2021 and lower amounts payable to the third party investors in Opal Investments LP.

In the six months ended 30 June 2022 the exceptional net finance expense reflects the impact of the remeasurement, unwind of discount and re-translation of the deferred contingent consideration payable to EQT AB in relation to the acquisition of the EQT Credit business. In the six months ended 31 December 2021 and six months ended 30 June 2021 the exceptional net finance income includes the deferred contingent consideration payable to EQT AB, as referenced above, as well as the unwind of the discount applied to amounts due following the investment by Dyal Capital Partners prior to receipt of the final deferred investment proceeds in December 2021.

Profit before tax

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Underlying profit before tax	51.9	48.2	42.3	7.7%	22.7%
Exceptional expenses	(0.7)	(27.4)	(1.2)	(97.4)%	(41.7)%
Exceptional net finance (expense)/income	(1.4)	2.9	0.9	(148.3)%	(255.6)%
Amortisation of intangible assets	(1.5)	(1.5)	(1.6)	0.0%	(6.3)%
Reported profit before tax	48.3	22.2	40.4	117.6%	19.6%
Underlying profit before tax margin	37.0%	32.5%	34.6%	4.5ppt	2.4ppt

Underlying profit before tax of £51.9 million represents a 37.0 per cent margin, which compares to 32.5 per cent for the six months ended 31 December 2021. Underlying profit before tax is £9.6 million higher than the six month period to 30 June 2021, reflecting higher investment income and higher management fees.

Reported profit before tax increased by 117.6 per cent compared to the six month period ended 31 December 2021, which reflects the impact of IPO costs in that period, and was 19.6 per cent higher than in the six month period to 30 June 2021, a period without material exceptional expenses.

Profit after tax

£ million	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Reported profit before tax	48.3	22.2	40.4	117.6%	19.6%
Tax	(3.4)	(1.8)	(3.0)	88.9%	13.3%
Reported profit after tax	44.9	20.4	37.4	120.1%	20.1%

Tax of £3.4 million represents an effective tax rate of 7.0 per cent compared to 7.7 per cent for the year ended 31 December 2021. The Group has a structurally lower effective tax rate than the UK statutory rate. This is largely driven by significant tax loss carry-forwards in the UK where certain forms of income benefit from tax exemptions.

Profit after tax rose from £20.4 million for the six months ended 31 December 2021 to £44.9 million for the six months ended 30 June 2022, reflecting higher underlying profit before tax.

Earnings per share and dividend per share

£ pence	Six months ended 30 June 2022	Six months ended 31 December 2021	Six months ended 30 June 2021	Change H1 22 vs H2 21 (%)	Change H1 22 vs H1 21 (%)
Reported pro forma Earnings per share ¹	5.5	2.5	4.5	120.1%	20.1%
Adjusted pro forma Earnings per share ¹	5.9	5.6	4.8	4.5%	23.4%
Dividend per share ¹	4.0	3.6	n/a	10.0%	n/a

1. Earnings per share and dividend per share as at 30 June 2021 are presented on a pro forma basis using the number of shares in issue after the IPO, consistent with the shares in issue at 31 December 2021 and 30 June 2022.

Adjusted pro forma earnings per share grew by 0.3 pence per share compared to the six months ending 31 December 2021 and by 1.1 pence per share compared to the six months ending 30 June 2021, reflecting the increase in profit after tax generated by the Group.

The Directors have announced an interim dividend of £33.0 million, or 4.0 pence per share, in respect of the first half of 2022.

In 2021 the Directors proposed a final dividend of £30.0 million, or 3.6 pence per share, that was paid in the first six months of 2022. A further £30.0 million dividend was paid prior to the Company's IPO and is not included in the table above.

CFO statement continued

Balance sheet

Summarised consolidated balance sheet £ million	As at 30 June 2022	As at 31 December 2021	Change (%)
Assets			
Non-current assets	592.6	567.9	4.3%
Current assets	975.2	712.2	36.9%
Total assets	1,567.8	1,280.1	22.5%
Liabilities			
Non-current liabilities	741.7	432.3	71.6%
Current liabilities	95.3	131.5	(27.5)%
Total liabilities	837.0	563.8	48.5%
Net assets	730.8	716.3	2.0%
Share capital and premium	289.9	289.9	0.0%
Other reserves	11.3	13.8	(18.1)%
Retained earnings	429.6	412.6	4.1%
Total equity	730.8	716.3	2.0%

Net assets principally comprise the fair value of investments and carried interest receivable from private equity and credit funds, goodwill arising from the acquisition of the EQT Credit business, cash and cash equivalents and term deposits.

The Group's total assets and liabilities increased by 22.5 per cent and 48.5 per cent respectively due to the consolidation of additional CLOs into the Group as described in note 1 to the condensed consolidated financial statements on page 25.

Non-current assets increased by 4.3 per cent from £567.9 million at 31 December 2021 to £592.6 million at 30 June 2022, predominantly due to increases in the value of existing and new investment into Bridgepoint funds. Current assets increased by 36.9 per cent from £712.2 million at 31 December 2021 to £975.2 million at 30 June 2022 primarily due to increases in CLO current assets offset by bonuses and dividends paid in cash during the period.

Current liabilities decreased by 27.5 per cent from £131.5 million at 31 December 2021 to £95.3 million at 30 June 2022, mostly due to the payment of annual bonuses in March 2022. Non-current liabilities of £741.7 million increased by 71.6 per cent almost wholly due to the consolidation of additional CLOs.

Total equity of £716.3 million at 31 December 2021 increased to £730.8 million at 30 June 2022 reflecting year-to-date profits, offset by the 2021 final dividend of £30.0 million paid in May 2022.

At 30 June 2022, the Group had no debt, but still has in place the £125.0 million revolving credit facility, which remains available to draw until October 2023. The Group's liquidity requirements arise primarily in relation to the funding of operations and the Group's plans in connection with its expansion and diversification strategy. The Group funds its business using cash from its operations (retained profits), capital from shareholders and, from time to time, third-party debt.

The consolidated balance sheet includes the assets and liabilities of certain CLOs which are required under IFRS to be presented gross on the balance sheet. This could distort how a reader of the financial statements interprets the balance sheet of the Group. The Group's maximum exposure to loss associated with its interest in the CLOs is limited to its investment in the relevant CLOs which at 30 June 2022 was £47.4 million (31 December 2021: £12.3 million).

Summarised consolidated balance sheet (excluding third party CLO assets and liabilities, non-statutory) £ million	As at 30 June 2022	As at 31 December 2021	Change (%)
Total Assets (excluding third party CLO assets)	986.0	1,001.4	(1.5)%
Total Liabilities (excluding third party CLO liabilities)	(255.2)	(285.1)	(10.5)%
Net Assets	730.8	716.3	2.0%

Cash flows

Summarised consolidated cash flow statement £ million	As at 30 June 2022	As at 30 June 2021	Change (%)
Net cash (outflow)/inflow from operating activities	(33.7)	1.9	n/a
Net cash outflow from investing activities	(65.5)	(141.9)	(53.8)%
Net cash (outflow)/inflow from financing activities	(38.2)	63.4	(160.3)%
Net decrease in cash and cash equivalents	(137.4)	(76.6)	79.4%
Cash and cash equivalents at beginning of the period	327.3	157.1	108.3%
Effect of exchange rate changes on cash and cash equivalents	1.0	(7.5)	(113.3)%
Cash and cash equivalents at the end of the period	190.9	73.0	161.5%
of which: cash and cash equivalents at the end of the period (for use within the Group)	139.3	43.0	224.0%
of which: CLO cash (restricted)	51.6	30.0	72.0%
Total cash at the end of the period	190.9	73.0	161.5%

Cash flows from operating activities for the six months ended 30 June 2022 was an outflow of £33.7 million. The outflow includes the payment of annual bonuses in March 2022 and other working capital movements, which are expected to unwind over the remainder of the year.

Cash flows from investing activities contain investments in the Bridgepoint funds. The timing of investments and divestments in Bridgepoint funds, which impact carried interest and investment income, depend on the investment activity of the Bridgepoint funds.

For the six months ended 30 June 2022, net cash outflows from investing activities also contain £100.0 million of investments into term deposits with an original maturity of more than three months that are not considered to be cash and cash equivalents under IFRS, and cash in consolidated CLOs of £56.8 million.

Cash outflows from financing activities for the six months ended 30 June 2022 of £38.2 million primarily resulted from the payment of the final dividend for 2021 of £30.0 million in May 2022.

At 30 June 2022, the Group had total net cash of £239.3 million, including cash and cash equivalents for use within the Group (£139.3 million) and cash held in term deposits with an original maturity of more than three months (£100.0 million), but excluding £51.6 million recorded on the balance sheet as CLO cash, held by the consolidated CLO vehicles, which is legally ringfenced and not available for use by the Group.

The consolidated cash flow statement includes the gross cash inflows and outflows for the period and cash held at 30 June 2022 for those CLOs which are required to be consolidated. This could distort how a reader of the financial statements interprets the cash flows of the Group, therefore a summarised cash flow statement without the consolidated CLO vehicles is presented below.

Summarised consolidated cash flow statement (excluding cash flows relating to consolidated CLOs, non-statutory) £ million	As at 30 June 2022	As at 30 June 2021	Change (%)
Net cash (outflow)/inflow from operating activities (excluding consolidated CLOs)	(33.7)	1.9	n/a
Net cash (outflow)/inflow from investing activities (excluding consolidated CLOs)	(117.3)	2.8	n/a
Net cash outflow from financing activities (excluding consolidated CLOs)	(33.8)	(0.6)	n/a
Net (decrease)/increase in cash and cash equivalents (excluding consolidated CLOs)	(184.8)	4.1	n/a
Cash and cash equivalents at beginning of the period (excluding consolidated CLOs)	323.1	42.3	663.8%
Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs)	1.0	(3.4)	(129.4)%
Cash and cash equivalents at the end of the period (excluding consolidated CLOs)	139.3	43.0	224.0%

Alternative Performance Measures (APMs)

The use of APMs

This interim report includes several measures which are not defined or recognised under IFRS, including financial and operating measures relating to the Group which the Group considers to be APMs. These are reconciled to the IFRS results for the six month period in the table below.

EBITDA	Earnings before interest, taxes, depreciation and amortisation. It is calculated by reference to total operating income and deducting from it, or adding to it, as applicable, personnel expenses and other expenses as well as foreign exchange gains/(losses).		
Underlying EBITDA	Calculated by excluding exceptional items from EBITDA. Exceptional items are items of income or expense that are material by size and/or nature, are not considered to be incurred in the normal course of business and are not expected to reoccur. A breakdown is included within note 4 of the condensed consolidated financial statements.		
	£ million	Six months ended 30 June 2022	Six months ended 30 June 2021
	EBITDA	61.1	51.8
	Add back: exceptional items	0.7	1.2
	Underlying EBITDA	61.8	53.0
Underlying EBITDA margin	Underlying EBITDA as a percentage of total operating income.		
Underlying FRE	Underlying EBITDA less carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits.		
	£ million	Six months ended 30 June 2022	Six months ended 30 June 2021
	Underlying EBITDA	61.8	53.0
	Less: carried interest and income from fair value of investments	(38.7)	(25.5)
	Add back: investment linked bonuses	-	-
	Underlying FRE	23.1	27.5
Underlying FRE margin	Underlying FRE as a percentage of total operating income, excluding carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits.		
Underlying operating profit	Calculated by excluding exceptional items and the amortisation of intangible assets from within operating profit.		
	£ million	Six months ended 30 June 2022	Six months ended 30 June 2021
	Operating profit	52.0	45.5
	Add back: exceptional items within EBITDA	0.7	1.2
	Add back: amortisation of intangible assets	1.5	1.6
	Total underlying operating profit	54.2	48.3
Underlying operating profit margin	Underlying operating profit as a percentage of total operating income.		
Underlying profit before tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before tax.		
Underlying profit before tax margin	Underlying profit before tax as a percentage of total operating income.		

Underlying profit after tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax.		
	£ million	Six months ended 30 June 2022	Six months ended 30 June 2021
	Profit before tax	48.3	40.4
	Add back: exceptional items within EBITDA	0.7	1.2
	Add back: amortisation of intangible assets	1.5	1.6
	Add back/(less): exceptional net finance cost/(income)	1.4	(0.9)
	Total underlying profit before tax	51.9	42.3
Underlying profit after tax margin	Underlying profit after tax as a percentage of total operating income.		
Underlying pro forma basic and diluted earnings per share	Calculated by dividing underlying profit after tax gross of non-controlling interests by the number of shares in issue after the IPO.		
	£ million	Six months ended 30 June 2022	Six months ended 30 June 2021
	Profit after tax	44.9	37.4
	Add back: exceptional items within EBITDA	0.7	1.2
	Add back: amortisation of intangible assets	1.5	1.6
	Add back: exceptional net finance cost	1.4	(0.9)
	Total underlying profit after tax	48.5	39.3
	Pro forma number of shares (m)	823.3	823.3
	Underlying pro forma basic and diluted EPS (pence)	5.9	4.8
Fee paying AUM	Assets under management, excluding CLOs, upon which management fees are charged by the Group. For all funds with private equity strategies and the Bridgepoint Credit Opportunities funds I to III, Fee Paying AUM is either based on total commitments (during the commitment period) or on net invested capital (normally during the post-commitment period). For the Bridgepoint Direct Lending funds and Bridgepoint Syndicated Debt funds as well as expected future Bridgepoint Credit Opportunities funds, Fee Paying AUM is based on net invested capital throughout the life of the fund.		
Total AUM	The total value of unrealised assets as of the relevant date (as determined pursuant to the latest quarterly or semi-annual valuation for each Bridgepoint fund conducted by the Group) plus undrawn commitments managed by the Group. The valuations for Total AUM come from the Group's valuations of the investments of the Bridgepoint funds. The Group values all investments of the Bridgepoint funds at least twice a year, but in most cases four times a year. Each investment undergoes the same detailed valuation process, in accordance with the Group's valuation policies and in line with fund requirements. Completed valuations are presented and discussed at the relevant Bridgepoint valuation committee and are audited at year end by the relevant fund auditor.		

Required disclosures

Principal risks

The Group believes that risk management is a fundamental part of robust corporate governance and our ongoing success.

Details of the Group's response to risk management is set out within pages 68 to 75 of the 2021 Annual Report and Accounts, which is available in the shareholder section of the Bridgepoint Group plc website: www.bridgepointgroupplc.com

The principal risks within the 2021 Annual Report and Accounts include: fundraising challenges, increased competition, reputational damage, fund under-performance, decreased pace or size of investments made by Bridgepoint funds, personnel and key people, information technology and cyber security, inadequate control systems, third-party service providers, and increased law and regulation. The directors do not consider there to have been any material changes to the principal risks and uncertainties since the 2021 Annual Report and Accounts were published.

Directors

The directors of Bridgepoint Group plc at 26 July 2022 are:

- William Jackson
- Archie Norman
- Adam Jones
- Angeles Garcia-Poveda
- Carolyn McCall
- Tim Score

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "*Interim Financial Reporting*" and that the interim report includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- 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 financial year; and
- Material related party transactions in the first six months of the current financial year and any material changes to the related party transactions described in the last Annual Report and Accounts.

On behalf of the Board



Adam Jones
Director

26 July 2022

Independent review report to Bridgepoint Group plc

Conclusion

We have been engaged by Bridgepoint Group plc (the "Company") to review the financial information for the six months ended 30 June 2022 which comprises the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related notes 1 to 12.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half year financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (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.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half year financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the interim financial report, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the interim report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half year financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report

Use of the review report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter dated 6 July 2022. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Mazars LLP
Chartered Accountants

London
26 July 2022

Notes:

1. The maintenance and integrity of the Bridgepoint Group plc web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Condensed Consolidated Statement of Profit or Loss

Six months ended	Note	30 June 2022 £m	30 June 2021 £m
Management fees		100.9	96.3
Carried interest		14.0	1.4
Fair value remeasurement of investments		24.7	24.1
Other operating income		0.5	0.4
Total operating income		140.1	122.2
Personnel expenses	3	(61.5)	(56.4)
Other expenses		(18.1)	(15.0)
Foreign exchange gains		0.6	1.0
EBITDA*		61.1	51.8
Depreciation and amortisation expense	5	(9.1)	(6.3)
Total operating profit		52.0	45.5
Finance income	6	0.5	1.5
Finance expenses	6	(4.2)	(6.6)
Profit before tax*		48.3	40.4
Tax	7	(3.4)	(3.0)
Profit after tax		44.9	37.4
Attributable to:			
Equity holders of the parent		44.9	29.1
Non-controlling interests		-	8.3
		44.9	37.4
		£	£
Basic and diluted earnings per share	8	0.05	9.06

* Exceptional expenses of £0.7m (2021: £1.2m) are included in EBITDA. Profit before tax includes exceptional expenses of £2.1m (2021: £1.7m) and no exceptional income (2021: £1.4m). Details of exceptional items are included in note 4.

Condensed Consolidated Statement of Comprehensive Income

Six months ended	Note	30 June 2022 £m	30 June 2021 £m
Profit after tax		44.9	37.4
Items that may be reclassified to income statement in subsequent periods:			
Exchange differences on translation of foreign operations		6.2	(1.9)
Change in the fair value of hedging instruments		(11.3)	8.4
Reclassifications to income statement		2.2	(0.4)
Total tax on components of other comprehensive income		2.1	(1.4)
Other comprehensive income		(0.8)	4.7
Total comprehensive income for the period, net of tax		44.1	42.1
Total comprehensive income attributable to:			
Equity holders of the parent		44.1	32.7
Non-controlling interests		-	9.4
		44.1	42.1

Condensed Consolidated Statement of Financial Position

	Note	30 June 2022 £m	31 December 2021 £m
Assets			
Non-current assets			
Property, plant and equipment		83.2	75.8
Goodwill and intangible assets		121.1	122.6
Carried interest receivable	9	52.9	38.9
Fair value of fund investments	10 (a)	319.6	313.7
Trade and other receivables	10 (a)	15.8	16.9
Total non-current assets		592.6	567.9
Current assets			
Fair value of CLO assets*	10 (a)	577.5	286.8
Trade and other receivables	10 (a)	103.6	88.2
Derivative financial instruments	10 (a)	3.2	9.9
Cash and cash equivalents	10 (d)	139.3	323.1
Term deposits with original maturities of more than three months	10 (d)	100.0	-
CLO cash*	10 (d)	51.6	4.2
Total current assets		975.2	712.2
Total assets		1,567.8	1,280.1
Liabilities			
Non-current liabilities			
Trade and other payables	10 (e)	45.1	43.5
Other financial liabilities	10 (e)	54.2	46.9
Fair value of CLO liabilities*	10 (e)	542.1	241.4
Lease liabilities	10 (e)	82.4	80.8
Deferred tax liabilities		17.9	19.7
Total non-current liabilities		741.7	432.3
Current liabilities			
Trade and other payables	10 (e)	48.2	90.2
Lease liabilities	10 (e)	2.4	4.0
Derivative financial instruments	10 (e)	5.0	-
Fair value of CLO liabilities*	10 (e)	2.4	1.5
CLO purchases awaiting settlement*	10 (e)	37.3	35.8
Total current liabilities		95.3	131.5
Total liabilities		837.0	563.8
Net assets		730.8	716.3
Equity			
Share capital		0.1	0.1
Share premium		289.8	289.8
Share-based payment reserve		3.6	3.2
Cash flow hedge reserve		(1.6)	7.5
Net exchange differences reserve		9.3	3.1
Retained earnings		429.6	412.6
Total equity		730.8	716.3

* Detail of the Group's interest in consolidated CLOs are included in note 10. The equity holders' exposure in the consolidated CLOs is £47.4m at 30 June 2022 (31 December 2021: £12.3m). The Group's investment in CLOs which are not consolidated is £15.6m (31 December 2021: £38.0m) and are included within fair value of fund investments.

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2022	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Cash flow hedge reserve £m	Net exchange differences reserve £m	Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2022		0.1	289.8	–	3.2	7.5	3.1	412.6	716.3	–	716.3
Profit for the period		–	–	–	–	–	–	44.9	44.9	–	44.9
Other comprehensive income		–	–	–	–	(9.1)	6.2	2.1	(0.8)	–	(0.8)
Total comprehensive income		–	–	–	–	(9.1)	6.2	47.0	44.1	–	44.1
Share-based payments		–	–	–	0.4	–	–	–	0.4	–	0.4
Dividends	11	–	–	–	–	–	–	(30.0)	(30.0)	–	(30.0)
At 30 June 2022		0.1	289.8	–	3.6	(1.6)	9.3	429.6	730.8	–	730.8

Six months ended 30 June 2021	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Cash flow hedge reserve £m	Net exchange differences reserve £m	Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2021		240.9	0.5	24.6	–	(2.2)	5.3	39.7	308.8	81.7	390.5
Profit for the period		–	–	–	–	–	–	29.1	29.1	8.3	37.4
Other comprehensive income		–	–	–	–	6.9	(1.9)	(1.4)	3.6	1.1	4.7
Total comprehensive income		–	–	–	–	6.9	(1.9)	27.7	32.7	9.4	42.1
Share capital reorganisation		(240.8)	0.9	(24.6)	–	–	–	265.2	0.7	–	0.7
Dividends	11	–	–	–	–	–	–	–	–	–	–
At 30 June 2021		0.1	1.4	–	–	4.7	3.4	332.6	342.2	91.1	433.3

Condensed Consolidated Statement of Cash Flows

Six months ended	Note	30 June 2022 £m	30 June 2021 £m
Cash flows from operating activities			
Cash generated from operations	12	(32.6)	2.3
Tax paid		(1.1)	(0.4)
Net cash (outflow)/inflow from operating activities		(33.7)	1.9
Cash flows from investing activities			
Investment in term deposits with original maturities greater than three months	10 (d)	(100.0)	-
Receipts from investments (non-CLO)		28.3	27.9
Purchase of investments (non-CLO)		(22.7)	(25.0)
Acquisitions of CLOs		(11.4)	(11.7)
Receipts from sale and repurchase of the Group's holding in CLOs		-	12.7
Payments for property, plant and equipment		(12.0)	(1.2)
Interest received		0.5	0.1
Receipts from investments (CLO)		76.0	56.4
Purchase of investments (CLO)		(81.0)	(198.7)
Cash movements from consolidation/(deconsolidation) of CLOs		56.8	(2.4)
Net cash outflow from investing activities		(65.5)	(141.9)
Cash flows from financing activities			
IPO costs		(2.2)	-
Dividends paid to shareholders of the Company	11	(30.0)	-
Drawings on banking facilities		-	50.4
Repayment of banking facilities		-	(43.3)
Interest paid (non-CLO)		(2.3)	(3.2)
Principal elements of lease payments		(2.8)	(4.5)
Drawings from related party investors in intermediate fund holding entities		3.5	-
Drawn funding (CLO)		-	65.3
Repayment of CLO borrowings (CLO)		(4.4)	-
Interest paid (CLO)		-	(1.3)
Net cash (outflow)/inflow from financing activities		(38.2)	63.4
Net decrease in cash and cash equivalents		(137.4)	(76.6)
Cash and cash equivalents at the beginning of the period		327.3	157.1
Effect of exchange rate changes on cash and cash equivalents		1.0	(7.5)
Cash and cash equivalents at the end of period		190.9	73.0
Cash and cash equivalents (for use within the Group)	10 (d)	139.3	43.0
CLO cash (restricted)	10 (d)	51.6	30.0
Total cash at the end of the period		190.9	73.0

Notes to the condensed consolidated interim financial statements

1 General information and basis of preparation

Basis of preparation

The condensed consolidated interim financial statements (“interim financial statements”) for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

The interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2021 including the statutory accounts for the year to 31 December 2021 (the “2021 financial statements”). The Group’s accounting policies, areas of significant judgement and the key sources of estimation uncertainty are consistent with those applied to the 2021 financial statements.

The financial information contained within this half year financial report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The 2021 financial statements have been reported on by Mazars 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. Financial information dated 30 June 2022 and comparative financial information dated 30 June 2021 has not been audited, while comparative financial information dated 31 December 2021 has been audited as part of the 2021 financial statements unless noted.

The consolidated financial statements of the Bridgepoint Group plc (the “Company”) and entities controlled by the Company (the “Group”) for the year ended 31 December 2021 were prepared in accordance with international accounting standards in conformity with UK adopted international accounting standards, International Financial Reporting Standards (“IFRS”) and the legal requirements of the Companies Act 2006 and have been prepared under the historical cost convention, except for financial instruments measured at fair value are available on the Group’s website: www.bridgepointgroupplc.com. The 2022 annual financial statements will be prepared in a consistent manner.

Consolidation

The interim financial statements include the comprehensive gains or losses, the financial position and the cash flows of the Company, its subsidiaries and the entities that the Group is deemed to control, drawn up to the end of the relevant period, which includes elimination of all intra-group transactions.

The Group’s approach to assessing control and accounting policies governing consolidation have not changed since 31 December 2021.

At 30 June 2022, the Group has consolidated Bridgepoint CLO 3 DAC (“CLO 3”), which was treated as an associate as at 31 December 2021. At 31 December 2021, the Group’s holding in CLO 3 represented 7% of all notes, including a 31% interest in the subordinated notes. On 8 June 2022, the Group acquired an additional 30% interest from another investor which increased the Group’s interest in the subordinated notes to 61%. The subordinated notes are the tranche that is most exposed to the risk of portfolio assets failing to pay as they are the first to absorb any losses. As a result, the directors have therefore determined that the Group is principal and should consolidate.

The following table provides an overview of the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed as of the acquisition date.

	£m
Consideration	
Cash paid on acquisition date	8.3
Total consideration transferred	8.3
Fair value of the Group’s equity interest in CLO 3 held before the acquisition	8.6
Total	16.9
Recognised amounts of identifiable assets acquired and liabilities assumed	
Financial assets	342.9
Financial liabilities	(315.2)
Total identifiable net assets attributable to subordinated notes	27.7
Attributable to third party investors of CLO 3	(10.8)
Total	16.9

The Group paid £8.3 million (€9.6 million) in cash on the acquisition date with no further consideration due. The fair value of the identifiable net assets acquired approximates the fair value of consideration on the acquisition date, and as a result, no goodwill is recognised on the acquisition.

Bridgepoint CLO 4 DAC (“CLO 4”) is also consolidated in the interim financial statements. CLO 4 warehousing began during the first six months of 2022. As the Group held a majority interest in the warehouse equity, the Group fully consolidates CLO 4.

The Group’s assessment of control for its other investments, including Bridgepoint CLO 1 DAC (“CLO 1”) and Bridgepoint CLO 2 DAC (“CLO 2”), is unchanged from 31 December 2021.

Further details of the consolidation assessment accounting policy are set out within notes 2 and 3 to the 2021 financial statements.

Notes to the condensed consolidated interim financial statements continued

Future accounting developments

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. No other standards or interpretations have been issued that are expected to have an impact on the Group's interim financial statements.

Going concern

As set out within the viability and going concern statements within the 2021 Annual Report and Accounts, a high proportion of the Group's revenue is made up of management fees, which are under long-term fund management contracts. When taken together with a largely predictable cost base, of which over three quarters is personnel related, the Group has good visibility of income, expenditure and future profitability when projecting for and beyond the next 12 months from the signing of the interim financial statements. In addition, the Group has a strong balance sheet following the Company's IPO, with £239.3m of cash (including term deposits with original maturities of more than 3 months and excluding cash within consolidated CLOs), no borrowings and an undrawn £125.0m banking facility.

The interim financial statements have therefore been prepared on a going concern basis as the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for next 12 months from the date of signing the interim financial statements having assessed the business risks, financial position and resources of the Group.

Related party transactions

All related party transactions that took place in the six months ended 30 June 2022 are consistent in nature with the disclosures in Note 26 to the 2021 financial statements.

2 Operating segments

The Group's operations are divided into two groups, the core business, consisting of the Private Equity and Credit fund management and associated Central support, and Other. Other includes the Group's procurement consulting business, PEPCO Services LLP, and costs relating to strategic projects.

The Group's core operations are divided into two business segments: Private Equity and Credit. The operations of both business segments consist of providing investment management services to the underlying funds and their investors. The investment management services comprise of identification and structuring of new investments, the monitoring of investments and the sale and exit from investments. The two business segments are supported by the Central support functions which include investor relations, head office, finance, human resources, IT and marketing. Together the Private Equity, Credit and Central segments form the Core business.

Segmental Income Statement analysis

The EBITDA for each segment, together with depreciation and amortisation and net finance expense forms profit before tax. Depreciation and amortisation, net finance expense and exceptional expenses are not allocated to operating segments and are included in the Group total. Foreign exchange gains/losses are allocated to Central.

Six months ended 30 June 2022	Private Equity £m	Credit £m	Central £m	Total Core £m	Total Other £m	Total Group £m
Management fees	76.6	22.8	1.5	100.9	–	100.9
Carried interest	14.0	–	–	14.0	–	14.0
Fair value remeasurement of investments	22.8	1.9	–	24.7	–	24.7
Other operating income	–	–	–	–	0.5	0.5
Total operating income	113.4	24.7	1.5	139.6	0.5	140.1
Personnel expenses	(30.6)	(11.5)	(18.3)	(60.4)	(0.5)	(60.9)
Other operating expenses	(5.5)	(3.8)	(8.6)	(17.9)	(0.1)	(18.0)
Foreign exchange	–	–	0.6	0.6	–	0.6
EBITDA (excluding exceptional expenses)	77.3	9.4	(24.8)	61.9	(0.1)	61.8
Exceptional expenses						(0.7)
EBITDA (including exceptional expenses)						61.1
Depreciation and amortisation						(9.1)
Net finance expense						(3.7)
Profit before tax						48.3

Six months ended 30 June 2021	Private Equity £m	Credit £m	Central £m	Total Core £m	Total Other £m	Total Group £m
Management fees	78.7	17.5	–	96.2	0.1	96.3
Carried interest	1.4	–	–	1.4	–	1.4
Fair value remeasurement of investments	23.6	0.5	–	24.1	–	24.1
Other operating income	–	–	–	–	0.4	0.4
Total operating income	103.7	18.0	–	121.7	0.5	122.2
Personnel expenses	(29.9)	(10.7)	(14.2)	(54.8)	(0.7)	(55.5)
Other operating expenses	(6.7)	(4.3)	(3.9)	(14.9)	0.2	(14.7)
Foreign exchange	–	–	1.0	1.0	–	1.0
EBITDA (excluding exceptional expenses)	67.1	3.0	(17.1)	53.0	0.0	53.0
Exceptional expenses						(1.2)
EBITDA (including exceptional expenses)						51.8
Depreciation and amortisation						(6.3)
Net finance expense						(5.1)
Profit before tax						40.4

Assets and liabilities analysis

The Group's statement of financial position is managed as a single unit rather than by segment. The only distinction for the business segments relates to the Group's investments in funds and the carried interest receivable, which can be split between Private Equity and Credit (split between that attributable to the Group and to third party investors).

	30 June 2022 £m	31 December 2021 £m
Investments		
Private Equity	249.3	217.9
Credit (assets attributable to the Group)	117.7	108.1
Credit (CLO assets attributable to third party investors)	530.1	274.5
Total investments	897.1	600.5
Carried interest receivable		
Private equity	50.3	36.4
Credit	2.6	2.5
Total carried interest receivable	52.9	38.9

3 Operating expenses

Operating expenses include:

Six months ended	30 June 2022 £m	30 June 2021 £m
Wages and bonuses	(47.7)	(44.2)
Social security costs	(7.9)	(7.2)
Pensions	(1.0)	(0.9)
Share-based payments	(0.4)	–
Other employee expenses	(4.5)	(4.1)
Personnel expenses	(61.5)	(56.4)

Total personnel expenses include £0.6m (2021: £0.9m) of exceptional expenses, and accordingly are excluded from the calculation of underlying profitability measures (see note 4 for further details).

Notes to the condensed consolidated interim financial statements continued

4 Exceptional items

Exceptional items are material items of income or expenditure that are not considered to be incurred in the normal course of business and without separate disclosure could distort an understanding of the financial statements. Accordingly, exceptional items are excluded from the calculation of underlying profitability measures.

Exceptional items recognised in the period principally relate to costs relating to the Group's acquisition of EQT Credit and costs incurred in relation to potential acquisitions. Exceptional finance income relates to an unwind of a discount on deferred proceeds receivable. Costs associated with the Company's IPO were recognised in the six months ended 31 December 2021 and are therefore not included in the comparative period.

Six months ended	30 June 2022 £m	30 June 2021 £m
Personnel expenses	0.6	0.9
Other expenses	0.1	0.3
Total exceptional expenses within EBITDA	0.7	1.2
Finance expenses	1.4	0.5
Total exceptional expenses	2.1	1.7
Six months ended	30 June 2022 £m	30 June 2021 £m
Finance income	–	(1.4)
Total exceptional income	–	(1.4)

a) Exceptional personnel expenses

In 2022 and 2021 exceptional personnel expenses arose from the acquisition of EQT Credit, including deferred transaction related bonuses and associated social security costs.

b) Exceptional finance income and expenses

Exceptional finance expense of £1.4m in 2022, and exceptional finance income of £0.9m in 2021, relates to remeasurement and revaluation of the deferred contingent consideration payable to EQT AB and associated unwind of the discount. 2021 also includes deferred proceeds receivable under investment agreement with Dyal Capital Partners IV (C) LP.

5 Depreciation and amortisation

The following table summarises the depreciation and amortisation charge during the period.

Six months ended	30 June 2022 £m	30 June 2021 £m
Depreciation on property, plant and equipment	7.6	4.7
Amortisation of intangible assets	1.5	1.6
Total depreciation and amortisation	9.1	6.3

The amortisation of intangible assets is excluded from the calculation of underlying profitability measures in order to distinguish from underlying performance.

6 Finance income and expenses

Six months ended	30 June 2022 £m	30 June 2021 £m
Other finance income	0.5	1.5
Total finance income	0.5	1.5
Interest expense on bank overdrafts and borrowings	(0.7)	(2.3)
Interest expense on lease liabilities	(1.7)	(0.9)
Other finance expenses	(1.7)	(0.7)
Finance expense on amounts payable to related party investors in Opal Investments LP	(0.1)	(2.7)
Total finance expenses	(4.2)	(6.6)

7 Tax expense

Analysis of tax expense reported in the income statement:

Six months ended	30 June 2022 £m	30 June 2021 £m
Current tax	1.0	1.3
Deferred tax	2.4	1.7
Total tax expense reported in the income statement	3.4	3.0

The tax expense for the half year to 30 June 2022 is calculated based on a forecast full year effective tax rate for the Group which is then applied to the actual profits before tax for the half year.

8 Earnings per share

Six months ended	30 June 2022 £m	30 June 2021 £m
Profit attributable to equity holders of the Company (£m)	44.9	29.1
Weighted average number of ordinary shares for purposes of basic and diluted EPS (m)	823.3	3.2
Basic and diluted earnings per share (£)	0.05	9.06

The weighted average number of shares for the six months ended 30 June 2022 and 30 June 2021 reflects the number of shares both pre and post simplification of the share structure and issue of new shares in the IPO. Had the shares in issue at 30 June 2022 been in issue throughout the six months ended 30 June 2021, the weighted average number of shares would have been 823.3m and the earnings per share would have been £0.04.

The adjusted earnings per share on underlying profit after tax of £51.9m based on the number of shares in issue at 30 June 2022 is £0.06 (2021: £0.05 on underlying profit after tax of £42.3m gross of non-controlling interests).

The number of ordinary shares used in the calculation of earnings per share excludes shares held by the Group itself.

Notes to the condensed consolidated interim financial statements continued

9 Carried interest receivable

The carried interest receivable relates to revenue which has been recognised by the Group relating to its share of fund profits through its holdings in Carried Interest Partnerships (“CIPs”).

Revenue is only recognised to the extent it is highly probable that the revenue recognised would not result in significant revenue reversal of any accumulated revenue recognised on the completion of a fund. The reversal risk is mitigated through the application of discounts. If adjustments to the carried interest receivable recognised in previous periods are required, they are adjusted through revenue.

	30 June 2022 £m	31 December 2021 £m
Opening balance	38.9	27.9
Purchases	–	–
Income recognised in the period/year	13.5	15.2
Foreign exchange movements	0.6	(1.1)
Receipts of carried interest	(0.1)	(3.1)
Closing balance	52.9	38.9

10 Financial assets and liabilities

(a) Classification of financial assets

The following tables analyse the Group’s assets in accordance with the categories of financial instruments in IFRS 9 “Financial Instruments” (“IFRS 9”). Assets which are not considered as financial assets, for example prepayments and lease receivables, under IFRS 9 are also shown in the table in a separate column in order to reconcile to the face of the Condensed Consolidated Statement of Financial Position.

	Fair value through profit or loss £m	Hedging derivatives £m	Financial assets at amortised cost £m	Assets which are not financial assets £m	Total £m
As at 30 June 2022					
Fair value of fund investments	319.6	–	–	–	319.6
Fair value of CLO assets	577.5	–	–	–	577.5
Trade and other receivables	–	–	89.6	29.8	119.4
Derivative financial instruments	–	3.2	–	–	3.2
Cash and cash equivalents	–	–	139.3	–	139.3
Term deposits with original maturities of more than three months	–	–	100.0	–	100.0
CLO cash	–	–	51.6	–	51.6
Total	897.1	3.2	380.5	29.8	1,310.6
As at 31 December 2021					
Fair value of fund investments	313.7	–	–	–	313.7
Fair value of CLO assets	286.8	–	–	–	286.8
Trade and other receivables	–	–	76.4	28.7	105.1
Derivative financial instruments	–	9.9	–	–	9.9
Cash and cash equivalents	–	–	323.1	–	323.1
Term deposits with original maturities of more than three months	–	–	–	–	–
CLO cash	–	–	4.2	–	4.2
Total	600.5	9.9	403.7	28.7	1,042.8

There are no material differences between the above amounts for trade and other receivables and their fair value.

(b) Fair value of fund investments

Investments representing the Group’s interests in private equity and credit funds are initially recognised at fair value and subsequently measured at fair value through the Income Statement within operating income.

The investments primarily consist of loans or commitments made in relation to the Bridgepoint VI, V and III private equity funds, the Bridgepoint Credit I, II, Direct Lending I, II and Credit Opportunities III funds.

The fund investments are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

(c) Fair value of CLO assets

The balance shown includes the gross value of the assets held by CLO 1, CLO 3 and CLO 4 (2021: CLO 1), which are consolidated by the Group, but of which the Group only holds the rights and liabilities in relation to a small portion. The CLO assets are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

	30 June 2022 £m	31 December 2021 £m
Fair value of CLO assets consolidated by the Group	577.5	286.8
Fair value of CLO assets attributable to third party investors	(530.1)	(274.5)
Group's exposure to consolidated CLO assets	47.4	12.3

(d) Cash and term deposits

	30 June 2022 £m	31 December 2021 £m
Cash at bank and in hand	64.3	323.1
Money market funds	25.0	–
Term deposits with original maturities of less than three months	50.0	–
Total cash and cash equivalents	139.3	323.1
Term deposits with original maturities of more than three months	100.0	–
CLO cash	51.6	4.2
Total cash and term deposits	290.9	327.3

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments including term deposits with original maturities of three months or less and money market funds, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's operating activities. Term deposits represent fixed term deposits placed with banks and financial institutions. There are no material differences between cash and cash equivalents, CLO cash and term deposits and their fair value.

(e) Classification of financial liabilities

The following tables analyse the Group's financial liabilities in accordance with the categories of financial instruments in IFRS 9. Liabilities such as deferred income, long-term employee benefits, social security and other taxes which do not constitute a financial liability under IFRS 9 are shown in the table in a separate column in order to reconcile to the face of the Condensed Consolidated Statement of Financial Position.

	Fair value through profit or loss £m	Hedging derivatives £m	Financial liabilities at amortised cost £m	Liabilities which are not financial liabilities £m	Total £m
As at 30 June 2022					
Trade and other payables	31.8	–	18.1	43.4	93.3
Other financial liabilities	25.4	–	28.8	–	54.2
Lease liabilities	–	–	84.8	–	84.8
Derivative financial instruments	–	5.0	–	–	5.0
Fair value of CLO liabilities	544.5	–	–	–	544.5
CLO purchases awaiting settlement	–	–	37.3	–	37.3
Total	601.7	5.0	169.0	43.4	918.1
As at 31 December 2021					
Trade and other payables	30.3	–	39.0	64.4	133.7
Other financial liabilities	18.8	–	28.1	–	46.9
Lease liabilities	–	–	84.8	–	84.8
Fair value of CLO liabilities	242.9	–	–	–	242.9
CLO purchases awaiting settlement	–	–	35.8	–	35.8
Total	292.0	–	187.7	64.4	544.1

The carrying amount of financial liabilities carried at amortised cost approximates their fair value, and therefore have not been included in the disclosure within this section.

Notes to the condensed consolidated interim financial statements continued

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access to at that date. The fair value of a liability reflects its non-performance risk.

The Group discloses fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets (level 1);
- Inputs – other than quoted prices included within level 1 – that are observable for assets or liabilities, either directly (as prices) or indirectly (derived from prices) (level 2);
- Inputs for assets or liabilities that are not based on observable market data (level 3).

Derivatives used for hedging, which are fair valued, are classified as level 1 fair values as the inputs are observable.

	Financial Assets		Financial Liabilities	
	30 June 2022 £m	31 December 2021 £m	30 June 2022 £m	31 December 2021 £m
Financial assets and liabilities at fair value through profit or loss				
Level 1	–	–	–	–
Level 2	577.5	286.8	2.4	213.2
Level 3	319.6	313.7	599.3	78.8
Total	897.1	600.5	601.7	292.0

Investments in funds, which hold portfolios of private equity and credit assets are valued in line with the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines using a variety of methodologies. These investments are classified as level 3 financial assets due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund and the lack of an observable price for each investment in a fund.

The assets of the CLO vehicles, which are fully consolidated by the Group, are classified as level 2 fair values as they are priced using independent loan pricing sources. These sources consolidate multiple broker quotes submitted by various independent market participants.

Further details of the valuation methodologies, process and governance for investments in funds and investments held by consolidated CLOs is set out within the notes to the 2021 financial statements.

A reconciliation of level 3 fair values for financial assets which represent the Group’s interest in private equity and credit funds, including the Group’s investment in CLOs which are not consolidated, is set out in the table below:

	30 June 2022 £m	31 December 2021 £m
Level 3 financial assets at fair value through profit or loss		
Opening balance	313.7	235.9
Additions	26.1	92.7
Change in fair value	26.8	65.7
Foreign exchange movements	6.9	(14.7)
Receipts	(53.9)	(65.9)
Transfers (to)/from Level 1 or 2	–	–
Closing balance	319.6	313.7

The underlying assets in each fund consist of portfolios of investments in controlling or minority stakes, typically in private companies, and their debt. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and no observable price for each investment, such investments are classified as level 3 financial assets under IFRS 13 “Fair Value Measurement”.

A sensitivity analysis of a change in the value of investments at fair value through profit or loss is set out in note 10(g).

The valuation methodology for valuing and subordinated debt liabilities of the consolidated CLOs is valued based upon internal discounted cash flow models with unobservable market data inputs, such as asset coupons, constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and are therefore considered level 3 financial liabilities. At 31 December 2021, the approach had been to use broker pricing for the debt liabilities, which under IFRS is considered to be more observable and therefore classified as level 2 financial liabilities. Due to the change in valuation methodology, £204.5m of financial liabilities have been transferred from level 2 to level 3 in the fair value hierarchy during the period (2021: nil).

Financial liabilities classified as level 3 under the fair value hierarchy consist of the deferred contingent consideration, liabilities of CLOs consolidated by the Group and other financial liabilities, which includes a payable to related party investors in Opal Investments LP. The valuation of these liabilities is based on unobservable market data and therefore classified as level 3.

	30 June 2022 £m	31 December 2021 £m
Level 3 financial liabilities at fair value through profit or loss		
Deferred contingent consideration	31.8	30.3
CLO liabilities	542.1	29.7
Other financial liabilities	25.4	18.8
Total	599.3	78.8

A reconciliation of level 3 fair values for CLO liabilities at fair value through profit or loss is set out in the table below.

	30 June 2022 £m	31 December 2021 £m
Movement in CLO liabilities at fair value through profit or loss which are level 3		
Opening balance	29.7	37.8
On acquisition	319.6	–
Repayment	–	(5.5)
Drawn	–	–
Foreign exchange movements	0.7	(2.2)
Change in fair value	(12.4)	(0.4)
Transfers (to)/from Level 1 or 2	204.5	–
Closing balance	542.1	29.7

The impact of a 1% change in the value of the CLO liabilities is included in the table below.

	Group	
	30 June 2022 £m	31 December 2020 £m
Increase or decrease of 1%	5.4	0.3

(g) Valuation inputs and sensitivity analysis

The number of unique investments that the Group indirectly invests into through its investments in private equity and credit funds is numerous, and it is not practical to provide a summary of the principal inputs into each investment. The table below summarises the valuation methodologies used to fair value investments in private equity and credit funds which are classified as level 3 financial assets. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and the lack of an observable price for each investment in a fund, fund investments at fair value are classified as level 3. Whilst some assets held by the funds may be classified as level 2 instruments, the Group does not consolidate the funds and treats the unit of account as the fund rather than the individual asset.

Notes to the condensed consolidated interim financial statements continued

Nature of investments	Fair value at 30 June 2022 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Private equity funds	249.3	66	Earnings	Where a portfolio company is profitable and a set of comparable listed companies and precedent transactions are available, earnings multiples are used. This is the most commonly used private equity valuation methodology.	<p>Earnings multiples are applied to the earnings of each portfolio company to determine the enterprise value. The most common measure of earnings is EBITDA. Earnings are adjusted for non-recurring items and run-rate adjustments to arrive at maintainable earnings. Earnings are usually obtained from portfolio company management accounts or forecast/budgeted earnings, as considered appropriate.</p> <p>When selecting earning multiples consideration is given to:</p> <ul style="list-style-type: none"> - the original transaction price/entry multiple; - recent transactions in the same or similar instruments; - relevant comparable listed company multiples; and - exit expectations and other company specific factors. <p>The resulting enterprise value is then adjusted to take into account the capital structure of the portfolio company, including any assets or liabilities such as cash or debt that should be included. The fund's share of the value is calculated by calculating its holding.</p> <p>At 30 June 2022, 97% of private equity fund investments were valued using the earnings multiples approach.</p>
			Listed price	Where a portfolio company has instruments traded on a recognised exchange the traded price is used to value the investment.	The traded price is applied to the number of shares held by the fund in the portfolio company. The value is then adjusted to take into account any assets or liabilities in holding entities outside of the listed company. As at 30 June 2022, there were two listed portfolio companies which were priced using the prevailing share price.

Nature of investments	Fair value at 30 June 2022 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Credit funds	647.8	250	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	<p>Market prices can be obtained from third-party market price aggregation services or broker quotes where there is an active market. The extent to which the market is active depends upon the 'depth' of the pricing, (being the number of distinct price quotations available from different sources).</p> <p>Before the use of market pricing, work is undertaken to identify anomalies or other inaccuracies in market pricing or whether there are other factors that should be considered, for example, recent transactions.</p> <p>As at 30 June 2022, 4% of the Credit fund assets (excluding CLOs) were priced using market prices. 99% of the CLO fund assets were priced using market prices.</p>
			Amortising to par method	Where a performing loan that has been originated is valued based upon its amortised cost.	<p>Provided that there are no circumstances which indicate material underperformance or an inability of the borrower to pay interest or repay the principal, the valuation of loans that have been originated is determined by apportioning any arrangement fees, similar fees or discount on a linear basis over the anticipated holding period (which is typically three years).</p> <p>As at 30 June 2022, 80% of the Credit fund assets were priced using the amortising to par method.</p>
			Earnings	Where a loan may be impaired an earnings basis is typically used to determine the enterprise value of the borrower, following which a waterfall approach is used to determine the value of the loan.	<p>Where there are circumstances which indicate there is risk of non-performance of the borrower, the enterprise value of the borrower will typically be determined in accordance with an earnings methodology (as described above), following which a waterfall approach is used to determine the value of the loan.</p> <p>As at 30 June 2022, 4% of the Credit fund assets were priced using earnings basis</p>
			Other	Other valuation techniques may be utilised where the above methodologies are not deemed appropriate.	<p>Considering the broad array of debt instruments that may be held by the funds, it may be deemed appropriate for other valuation techniques to be utilised in certain cases.</p> <p>As at 30 June 2022, 12% of the Credit fund assets were priced using other valuation techniques.</p>

Notes to the condensed consolidated interim financial statements continued

A reasonably possible change in the values of investments at fair value through profit or loss is shown in the table below. This is modelled as 10% of private equity fund investments and 1% of credit fund investments. As above, investments in private equity inherently have greater potential for larger changes in their valuation as the upside is not capped. The downside is limited to the amount invested in the funds. For credit investments, the upside is capped to the maximum of the principal and interest receipts and the downside is limited to the amount invested in the funds, but due to the investment strategy of the fund, losses are expected to be very small.

The sensitivity analysis considers only the net impact on the Group from changes in the consolidated CLO portfolio, as the Group's exposure to price risk is limited to its interest within the CLO and not the gross assets and liabilities.

	30 June 2022 £m (+/-)	31 December 2021 £m (+/-)
Fair value sensitivity		
10% private equity fund investments	24.9	21.8
1% credit fund investments	1.2	1.1

11 Dividends

The Company paid a final dividend of £30.0m in May 2022, in respect of the second half of 2021, which equates to 3.6 pence per share.

The directors have announced an interim dividend of £33.0m, which equates to 4.0 pence per share, to be paid in September 2022 to shareholders on the register as at 19 August 2022.

	Six months ended 30 June 2022		Six months ended 30 June 2021	
	£m	Pence per share	£m	Pence per share
Ordinary dividends paid:				
Prior period final dividend paid	30.0	3.6	-	-

12 Cash flow generated from operations

Six months ended	30 June 2022 £m	30 June 2021 £m
Profit before tax	48.3	40.4
Adjustments for		
Exceptional expenses	0.7	1.2
Share-based payments	0.4	-
Profit on disposal of right-of-use asset	-	0.6
Depreciation and amortisation expense	9.1	6.3
Net finance expense	3.7	5.1
Carried interest	(14.0)	(1.4)
Fair value remeasurement of investments	(24.7)	(24.1)
Net exchange gains	(0.6)	(1.0)
(Increase)/decrease in trade and other receivables	(17.1)	1.6
Decrease in trade and other payables	(38.4)	(26.4)
Cash generated from operations	(32.6)	2.3

This page has been left blank intentionally

Bridgepoint Group plc

95 Wigmore Street

London

W1U 1FB

www.bridgepoint.eu